

FORM LB-1

Governing Body Name: Tualatin Valley Water District

Contact: Paul Matthews

Ph: (503) 848-3000

Email: Paul.Matthews@tvwd.org

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount	Adopted Budget	Proposed Budget
	Biennium 2019-21	This Biennium 2021-23	Next Biennium 2023-25
Beginning Fund Balance/Net Working Capital	144,358,124	93,893,898	259,873,626
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	140,386,415	158,826,968	216,517,532
Federal, State and All Other Grants, Gifts, Allocations and Donations	0	0	0
Revenue from Bonds and Other Debt	0	226,500,000	264,106,518
Interfund Transfers / Internal Service Reimbursements	220,194,880	696,985,290	972,590,613
All Other Resources Except Current Year Property Taxes	192,115,910	483,532,909	687,491,385
Current Year Property Taxes Estimated to be Received	0	0	0
Total Resources	697,055,329	1,659,739,065	2,400,579,674

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	38,068,692	42,330,036	50,095,791
Materials and Services	38,041,702	51,686,496	70,445,325
Capital Outlay	295,468,607	839,112,006	1,177,626,187
Debt Service	0	0	7,290,612
Interfund Transfers	209,700,304	686,262,670	961,867,993
Contingencies	0	20,353,650	20,397,900
Special Payments	11,186,142	1,625,000	2,035,000
Unappropriated Ending Balance and Reserved for Future Expenditure	104,589,882	18,369,207	110,820,866
Total Requirements	697,055,329	1,659,739,065	2,400,579,674

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM *

Name of Organizational Unit or Program FTE for that unit or program			
Administrative Services Department	6,997,354	8,382,511	10,989,062
FTE	12	12	12
Customer Service Department	9,342,473	11,612,132	13,668,691
FTE	33	33	33
Engineering & Operations Department	21,826,095	27,038,499	35,732,990
FTE	59	61	66
Finance Department	6,891,966	8,545,344	11,124,641
FTE	14	14	15
Water Supply Program	3,707,716	4,084,042	4,233,414
FTE	15	12	10
Information Technology Services Department	4,954,261	6,491,370	12,630,348
FTE	10	10	10
Water Purchases (General Fund)	20,945,016	24,522,925	30,650,700
FTE	0	0	0
Capital Improvements Fund	132,089,246	379,582,670	523,589,659
FTE	0	0	0
Capital Reserve Fund	196,635,243	377,164,545	560,899,449
FTE	0	0	0
Bond Construction Fund	0	0	0
FTE	0	0	0
Debt Proceeds Fund	0	226,500,000	363,460,319
FTE	0	0	0
Revenue Bond Debt Service Fund	0	0	7,290,612
FTE	0	0	0
Customer Emergency Assistance	67,965	531,035	319,875
FTE	0	0	0
Willamette River Water Coalition Fund	133,395	129,995	309,755
FTE	0	0	0
Willamette Intake Facilities Fund	6,962,303	7,697,656	1,125,495
FTE	0	0	0
Willamette Water Supply System Fund	157,715,830	454,868,055	654,193,129
FTE	0	0	0
Non-Departmental / Non-Program	128,786,465	122,588,287	170,361,534
FTE	0	0	0
Total Requirements	697,055,329	1,659,739,065	2,400,579,674
Total FTE	143	142	146

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

Total proposed 2023-25 general fund operating expenditures increased 29.2% for the two-year period. The personnel services budget increased by 18.3%, while the budget for materials and services increased by 38.8%. The budget has an increase of 4 FTE positions, in preparation to operate the Willamette Water Supply System (WWSS) in 2026.

Total capital outlay expenditures increased 40.3%, driven by the timing and scope of the District's participation in the Willamette Water Supply Program (WWSP) and serving as managing agency for both the WWSS and Willamette Intake Facilities (WIF) joint ventures. Proposed in-District capital improvements plan (CIP) expenditures continue to be planned for reservoir, pump station, and pipeline construction and upgrades. The District recently closed its Series 2023 Revenue Bonds and will have interest-only debt service payments in the 2023-25 biennium in the amount of \$7.3 million. Principal payments will begin in 2028 after the District has completed construction of the WWSS. The District will also draw the remaining amount (\$144 million) of funds available on its Water Infrastructure Finance and Innovation Act (WIFIA) loan through the US Environmental Protection Agency. The Proposed 2023-25 Budget also plans for an additional financing of \$120 million either through a second WIFIA loan or revenue bonds.

Transfers to other funds, although not an expenditure category, represents the second largest appropriation item in the Proposed 2023-25 Budget at \$961.9 million. The District uses a capital reserve fund to hold substantially all current and future District reserves. This fund supports the in-District CIP and the District's share of the WWSS. Transfers to the capital reserve fund are initiated from the general fund and the debt proceeds fund, and during the biennium transfers out from these funds will support the District's capital project expenditures. General fund operating contingency is budgeted at \$20 million and contingencies of \$27,900, \$101,000, and \$269,000 are proposed for the Willamette River Water Coalition, the WIF, and the WWSS funds respectively. Contingency can only be accessed through approval by resolution by the District Board of Commissioners. Special payments increased by 25.2% in the Proposed 2023-25 Budget. Special payments represent right-of-way fees the District collects on behalf the cities of Beaverton, Hillsboro, and Tigard for customers who reside within those city boundaries.

Total Proposed 2023-25 budgeted resources, including transfers, debt proceeds, reserves and fund balance increased 44.6%. Primary resources to support operating, WWSS, WIF and in-District CIP expenditures include water rates and service fees, contributed capital from WWSS and WIF partners, contract reimbursements for services provided to other entities, system development charges, capital reserves, bond proceeds, and meter and services installation fees paid by customers/developers. Budgeted water service charges and fees increased 36.3% based on projected rates and fees for services, projected water demand, and customer growth. System development charges are projected to decrease 7.0% based on development trends. WWSS and WIF partners pay their portion of water supply project expenditures. The Proposed 2023-25 Budget includes \$654.7 million in contributed capital by WWSS/WIF partners.

PROPERTY TAX LEVIES

	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (rate limit _____ per \$1,000)	0	0	0
Local Option Levy	0	0	0
Levy For General Obligation Bonds	0	0	0

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$0	\$0
Other Bonds	\$316,447,472	\$383,552,528
Other Borrowings	\$0	\$0
Total	\$316,447,472	\$383,552,528

* If more space is needed to complete any section of this form, insert lines (rows) on this sheet or add sheets. You may delete unused lines.