



January 31, 2018

Members of the Board of the Willamette River Water Coalition  
Willamette River Water Coalition  
1850 SW 170th Ave  
Beaverton, OR 97003

RE: Proposed Work Plan and Budget for the Willamette River Water Coalition for the Fiscal Year  
Ending June 30, 2019

Dear Members of the Board:

The letter presents the proposed budget and work plan for the Willamette River Water Coalition (WRWC) for the fiscal year ending June 30, 2019 (FY2019) and an alternative proposed work plan and budget that funds TVWD's proposal to update and upgrade the WRWC's website.

## **ANNUAL WORK PLAN AND BUDGET FOR FY2019**

The WRWC's intergovernmental agreement (IGA) requires the WRWC to "annually prepare a work plan and an estimate for the next fiscal year."<sup>1</sup> The annual work plan is proposed by the managing agency and functions as the annual budget for the WRWC.

At the time of preparing this proposed work plan and budget, the WRWC Board has yet to provide direction on whether to fund updates to the WRWC website. Therefore, the Tualatin Valley Water District (TVWD) has prepared two work plans and budgets for the WRWC Board's consideration. The only difference between the two proposed work plans and budgets is the inclusion of appropriations for updating WRWC's public facing website. Each work plan and budget is presented below.

### **Baseline Work Plan and Budget without Website Updates**

Presented below is the proposed annual budget and work plan for the WRWC without updates to the public website.

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<sup>1</sup> Section 1.6 of the First Restated WRWC Intergovernmental Agreement.

FY2019 Proposed Budget and Work Plan for General Administrative Costs Willamette River Water Coalition			
Description	FY2017 Actual	2018 Adopted Budget	FY2019 Proposed
General Administrative Costs			
Operating Expense	\$36,000	\$26,000	\$26,000
Professional Services	113,435	5,000	55,000
Business Expense	6,591	2,500	2,500
Other Sundry	0	2,000	2,000
Water Quality	0	2,000	2,000
External Audit	3,150	3,500	3,500
Public Information	500	3,000	0
<b>Total</b>	<b>\$159,676</b>	<b>\$44,000</b>	<b>\$91,000</b>

With two exceptions, the budget for the WRWC’s FY 2019 work plan is the same as that proposed for FY2018. The exceptions are:

- A request to fund the WRWC’s participation in the Willamette Basin Review Feasibility Study, and
- Assumes no changes or updates to the WRWC’s existing website presence and support (support and maintenance of the existing website is included in operating expenses).

Key elements of the WRWC baseline work plan and budget include:

1. Operating expenses. These are the expenses of the managing agency. Prior to January 1, 2017, the WRWC was managed by an external executive director which cost \$4,000 per month. TVWD will continue to act in this capacity for \$2,000 per month. Based on TVWD’s further review of the WRWC’s website, it has been determined that support and maintenance of the existing website can be accommodated within this proposed budget so long as there are no changes to the existing website. The budget for FY2019 includes an additional \$2,000 for the restatement of the WRWC intergovernmental agreement (IGA). The work on the restatement was originally scheduled for FY2018 but will be rescheduled for FY2019 at the same estimated cost.
2. Professional services. The proposed appropriation for professional services is \$55,000 for FY2019. The appropriation of professional services includes:

- a. \$5,000 for professional services related to water rights or other matters.
  - b. \$50,000 for the WRWC's participation in the Willamette Basin Review Feasibility Study. This work, which has also been referred to as the "Willamette Reallocation Study", will include water resources technical support for evaluation of options for capacity allocation between municipal, agricultural and environmental interests and develop a framework for implementation of resulting allocations. This work is also proposed to include lobbying to clarify and reinforce the interests of municipal water providers in the basin. This project will be jointly funded by all municipal water rights holders on the Willamette, with total costs allocated proportionately based on water right capacity. The proposed budget is the WRWC's share of the total project costs. Prior to participating in this project, staff will bring to the WRWC Board a specific proposal, IGA, or memorandum of understanding (MOU) outlining the project's scope, schedule, and cost share for the WRWC.
3. Business expenses. Business expenses include the cost of business meals, printing, filings with the Oregon Secretary of State, and other activities. The proposed appropriations for business expenses in the FY2019 work plan are the same as those adopted for FY2018.
  4. Other sundry. Miscellaneous items are included in the other sundry category. There are no specific items anticipated for the other sundry category, but \$2,000 is a prudent amount considering the WRWC's expected activities.
  5. Water quality. The WRWC has an interest in its water rights on the Willamette River. The budget for water quality is available to fund efforts to help protect the quality of the Willamette River.
  6. External audit. Under Oregon law, the WRWC is required to have a financial review conducted by an independent auditor. The projected cost of the review is consistent with recent trends in costs for these services.
  7. Public information. The WRWC Board directed TVWD to develop a proposal to provide a public website for the dissemination of its meeting notices, meeting minutes, and other information important to the public. In prior years, the website was maintained by an independent contractor who prefers to discontinue providing those services to the WRWC. Two options are presented for the Board's consideration. One option provides no appropriation for updating and upgrading the existing website and one that provides appropriations for the TVWD website proposal. By presenting two options, the Board can incorporate its decision on TVWD's proposal in the budget process.
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The dues for each member associated with the baseline work plan and budget is based on the formula in the IGA and the costs incurred from the proposed work plans. The basis for the allocation of costs for the coming fiscal year are:

FY2019 Membership Responsibilities Willamette River Water Coalition					
Member	Based on Number of Meters		Based on Equal Share		Weighted Percentage
	Number of Water Meters at 12/31/17	Percent of Total	Members	Percent of Total	
Sherwood	5,865	6.2%	1	25.0%	15.6%
Tigard	19,476	20.5%	1	25.0%	22.8%
Tualatin	6,912	7.3%	1	25.0%	16.1%
TVWD	62,612	66.0%	1	25.0%	45.5%
<b>Total</b>	<b>94,865</b>	<b>100.0%</b>	<b>4</b>	<b>100.0%</b>	<b>100.0%</b>

Under the proposed baseline work plan and budget, the estimated dues for each member for FY2019 are:

Member	FY2018	FY2019	Biennium Total
Sherwood	\$1,250	\$14,188	\$15,438
Tigard	1,811	20,716	22,527
Tualatin	1,295	14,690	15,985
TVWD	3,645	41,406	45,050
<b>Total</b>	<b>\$8,000</b>	<b>\$91,000</b>	<b>\$99,000</b>

**Alternative Work Plan and Budget with Updates to WRWC Website**

Presented below is an alternative proposed work plan and budget that incorporates TVWD’s proposal for providing updates to the WRWC public website.

FY2019 Alternative Proposed Budget and Work Plan for General Administrative Costs Willamette River Water Coalition			
Description	FY2017 Actual	2018 Adopted Budget	FY2019 Proposed
<b>General Administrative Costs</b>			
Operating Expense	\$36,000	\$26,000	\$26,000
Professional Services	113,435	5,000	55,000
Business Expense	6,591	2,500	2,500
Other Sundry	0	2,000	2,000
Water Quality	0	2,000	2,000
External Audit	3,150	3,500	3,500
Public Information	500	3,000	4,400
<b>Total</b>	<b>\$159,676</b>	<b>\$44,000</b>	<b>\$95,400</b>

If the Board accepts TVWD’s proposal to update the WRWC website, the estimated dues for each member for FY2019 are:

Member	FY2018	FY2019	Biennium Total
Sherwood	\$1,250	\$14,874	\$16,124
Tigard	1,811	21,718	23,529
Tualatin	1,295	15,400	16,695
TVWD	3,645	43,408	47,052
<b>Total</b>	<b>\$8,000</b>	<b>\$95,400</b>	<b>\$103,400</b>

**CONCLUSIONS**

Two proposed work plans and budgets are presented for the Board’s consideration for FY2019. The baseline includes ongoing maintenance of WRWC’s exiting website but does not include appropriations for updating the website. The alternative proposed work plan and budget funds TVWD’s proposal to update the WRWC website.

The proposed work plans and budgets are consistent with what we understand are the current needs of the Members. Please contact Mark Knudson or me if you have any questions. Thank you for your kind attention.

Sincerely,

A handwritten signature in black ink that reads "Paul L. Matthews". The signature is written in a cursive style with a large initial "P" and "M".

Paul L. Matthews  
Chief Financial Officer

