



January 31, 2019

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 Fiscal Year
Ending June 30, 2020

Dear Members of the Board:

The letter presents the proposed work plan and budget for the Willamette River Water Coalition (WRWC) for the fiscal year ending June 30, 2020 (FY2020).

ANNUAL WORK PLAN AND BUDGET FOR FY2020

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

FY2020 Proposed Budget and Work Plan for General Administrative Costs Willamette River Water Coalition			
Description	FY2018 Actual	2019 Adopted Budget	FY2020 Proposed
General Administrative Costs			
Operating Expense	\$24,000	\$26,000	\$26,000
Professional Services	0	55,000	50,000
Business Expense	1,018	2,500	2,500
Other Sundry	1,135	2,000	0
Water Quality	0	2,000	0
External Audit	3,150	3,500	4,000
Public Information	298	4,400	2,000
Total	\$29,601	\$95,400	\$84,500

Key elements of the WRWC work plan and budget include:

¹ Section 1.6 of the First Restated WRWC Intergovernmental Agreement.

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. The budget for FY2020 includes an additional \$2,000 for TVWD staff costs to complete restatement of the WRWC intergovernmental agreement (IGA).
2. **Professional Services.** The proposed appropriation for professional services is \$50,000 for FY2020. This appropriation will fund WRWC's continued 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,
 - Development of a framework for implementation of resulting allocations, and
 - Advocacy to clarify and reinforce the interests of municipal water providers in the basin.

This work was previously authorized by the WRWC Board in FY2019. Due to delays by the US Army Corps of Engineers (USACE) and delays by the National Marine Fisheries Service (NMFS) caused by the partial government shutdown in FY2019, work that had been planned for FY2019 was only partially completed. Therefore, the proposed budget of \$50,000 includes \$25,000 for work that was not completed – but previously budgeted for – in FY2019 and an additional \$25,000 for new work to be completed in FY2020. 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.

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 FY2020 work plan are the same as those adopted for FY2019.
 4. **Other Sundry.** Miscellaneous items are included in the other sundry category. There are no specific items anticipated for the other sundry category; therefore, no funding has been proposed for this category in FY2020. This is a reduction of \$2,000 from FY2019.
 5. **Water Quality.** The Willamette Intake Facilities (WIF) Commission has assumed responsibilities for source water quality management and water quality monitoring on the Willamette River. Therefore, no funding has been proposed for this category in FY2020. This is a reduction of \$2,000 from FY2019.
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6. External Audit. Under Oregon law, the WRWC is required to have a financial review conducted by an independent auditor. The proposed budget of \$4,000 for this review is consistent with recent trends in costs for these services.

7. Public Information. In 2018, the WRWC Board directed TVWD to provide a public website for the dissemination of its meeting notices, meeting minutes, and other information important to the public. It was agreed this would be done in coordination with TVWD’s anticipated upgrade to the District’s website. Completion of the TVWD website upgrade has been delayed due to other high-priority projects. Some but not all the work associated with establishing an updated WRWC website will be completed in FY2019. Therefore, the proposed budget of \$2,000 includes about \$1,000 in TVWD staff time for work that was not completed – but previously budgeted for – in FY2019 and an additional \$1,000 for new work to be completed in FY2020. This is a reduction of \$1,000 from the FY2019 budget. Costs associated with WRWC website hosting and URL registration will continue to be included as part of TVWD’s routine Operating Expense budget of \$2,000 per month.

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 and estimated dues for each member for the coming fiscal year are:

FY2020 Projected Dues Willamette River Water Coalition						
Member	Based on Number of Meters		Based on Equal Share		Weighted Percentage	FY2020 Estimated Dues
	Water Meters	Percent	Members	Percentage		
Sherwood	5,957	6.2%	1	25.0%	15.6%	\$13,200
Tigard	19,515	20.5%	1	25.0%	22.7%	19,203
Tualatin	6,702	7.0%	1	25.0%	16.0%	13,530
TVWD	63,249	66.3%	1	25.0%	45.6%	38,567
Total	95,423	100.0%	4	100.0%	100.0%	\$84,500

CONCLUSIONS

The proposed work plan and budgets is presented for the Board's consideration for FY2020.

The proposed work plan 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, flowing style.

Paul L. Matthews
Chief Financial Officer

