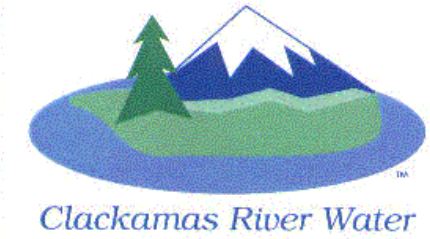
CLACKAMAS REGIONAL WATER

SUPPLY COMMISSION

CLACKAMAS, OREGON



ADOPTED BIENNIAL BUDGET

FISCAL PERIOD 2016-2018

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION

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CLACKAMAS REGIONAL WATER SUPPLY COMMISSION

BUDGET COMMITTEE MEMBERS

BIENNIAL BUDGET 2016-2018

Board Members

Ernie Platt, Chair

Hugh Kalani, Vice Chair

Deanna Boast, Secretary

Naomi Angier, Treasurer

Ron Blake

Ken Humberston

Appointed Members

Representative from
Clackamas River Water

Bill Blanas

Pat Russell

Cyndi Lewis-Wolfram

Representative from
Sunrise Water Authority

Randy Ealy

Markley Drake

Eric Hofeld

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION
BN 2016-2018 Budget Schedule

Budget review and adoption schedule: Budget Committee includes Board of Commissioners

***February 2, 2016 (Regular Board Meeting)**

- Board appoints Budget Officer (Resolution No. 2016-01)
- Schedule date for Budget Committee meeting(s) (by motion) – Regular Meeting in April
- Schedule date for Budget Hearing - Special Meeting required in June

March 30, 2016 (Publish notice not more than 30 days before meeting and post on SWAs' & CRW's website for not less than 10 days or publish two notices)

- Publish Notice of Budget Committee Meeting
- Publish notice on SWA's and CRW's web sites

April 4, 2016

- Distribution of Proposed Budget to Budget Committee members, copies available for public

***April 11, 2016 (Regular Board Meeting)**

- Board appoints Budget Committee citizen members
- Budget Committee meeting – Receive the budget message and approve budget

April 27, 2016 – SWA Regular Board Meeting

- Board approves CRWSC approved budget for BN 2016-2018

May 12, 2016 – CRW Regular Board Meeting

- Board approves CRWSC approved budget for BN 2016-2018

June 3, 2016 (publish notice 5 to 30 days before hearing)

- Publish Notice of Budget Hearing and Budget Summary
- Include notice on SWA's and CRW's web sites

***June 13, 2016 (Special Board Meeting)**

- Budget Hearing for BN 2016-2018
- Adopt Budget for BN 2016-2018 (Resolution No. 2016-02)
- Make appropriations for BN 2016-2018 budget (Resolution No. 2016-03)

July 15, 2016

- Submit Adopted Budget document to State and other agencies

- *meeting of the Board of Commissioners or Budget Committee

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION

Budget Message

April 11, 2016

Dear Members of the Budget Committee:

We are pleased to present the Clackamas Regional Water Supply Commission (Commission) the proposed budget for the biennium 2016-2018. This is the second biennial budget for the Commission. This budget totals $2,385,300 for the next two years.

During the Commission's inaugural operating period, BN 2014-2016, the primary goal was to identify opportunities for sharing labor and material and services between the member agencies that would result in the greatest impact, as well as fostering interagency cooperation at the operational level. This budget continues with this primary goal.

This budget includes the wholesale water Clackamas River Water (CRW) provides to Sunrise Water Authority (SWA). SWA is budgeted to purchase 2.5 MGD with a small increase in wholesale rates. The Commission has an agreement for SWA to purchase up to 10 MGD with 2.5 MGD as a minimum. Wholesale water sales and purchases is $1,646,000 or 69.0 percent of the budget. This is an increase of 4.1 percent over the prior budget.

This budget continues with the sharing of labor for specialized services under a basic reimbursement structure covering the direct and indirect cost of "borrowed or loaned labor" between the agencies. Total labor resource sharing is $540,400 or 22.7 percent of the budget. This is an increase of 44.7% over the prior budget. This increase is made to allow for continued expansion of shared resources over the next two years. This budgeted includes labor resources for:

- Water quality through water sampling for testing and system flushing
- Procurement and contract management support
- Board support
- Government relations liaison
- Engineering services and hydraulic modeling support
- SCADA technician support

- Pump station maintenance support
- Financial services support
- Emergency preparedness planning
- Human resources support

This budget also includes materials and services shared on approved cost (or reimbursement) schedule, established at actual cost split by agreed percent responsibility between the agencies. Total materials and services is $198,900 or 8.3 percent of the budget. This is a decrease of 48.9 percent from the prior budget. Materials and services includes software licensing and maintenance agreements, required audit services, training for staff, IT services for hosting and monitoring of servers, dues and memberships for agencies or staff in local organizations, and laboratory services. The revised numbers here more accurately reflect the actual on-going requirements.

Moreover, the Commission does not yet own any assets and this budget does not include capital purchases. Any assets purchased would be owned by the individual member agencies.

As we move through the next two years, this budget provides placeholders to continue with current support levels and to explore additional areas for resource sharing benefitting both agencies.

We want to thank the members of the Budget Committee, comprised of both Board of Commissioners and citizen members for your time and dedication to participate in the budget process.

Sincerely,

Lee E. Moore, Sr.
General Manager, CRW

Wade Hathhorn
General Manager, SWA

Biennial Operating Plan
2016-2018 Biennium

Coordinated Operating Plan

It is important to note the following is intended as a means to highlight key shared resources among the two agencies and illustrate areas of critical coordination within a combined organizational structure. Labor resources in these areas would be shared under an agreed cost structure (i.e. direct and indirect costs). The planned activities for each unit are outlined below.

Customer Service
The customer service units within each organization would remain intact, preserving the on-going relationship established among the respective agency's customer base. Current level includes no resource sharing and none is planned during this budget period

Field Operations
The field operations staff of each agency would remain under separate guidance and control of each agency, while continuing to operate and maintain the distribution and service system for their respective jurisdictions. There are, however, several specialized functions between the two groups that can be shared including: pump station maintenance, cross-connection (backflow) testing and reporting, and emergency preparedness planning. This function would also look to share heavy equipment and other specialized equipment under approved rental agreements. The current level includes resource sharing for pump station maintenance emergency preparedness planning.

Administration
The administrative services within both agencies would look to "leverage" key labor resources associated with Executive Assistance; Human Resources; and Government Affairs. In addition, the two agencies would review best practices related to Records Management and attempt to develop a unified approach for records storage and retrieval. CRW currently maintains a software license for "Docuware" – a computerized records management program. The two agencies will examine a combined license for this platform or investigate alternative approaches under unified protocol. The current level includes resource sharing for Government Affairs, Executive Assistance, and Human Resources. Records management is still in the research stage.

Finance and Accounting
The two agencies will continue to maintain separate general ledger accounting records, along with all supporting fund accounting and related record keeping. However, the two agencies have looked to develop similar ledger assignments and examine shared payroll and A/P handling services. Moreover, to the extent available, plans have looked to optimize staff utilization among this function in the conduct of each agency. Notwithstanding, the financial obligations (i.e. payments, debts, fund balances, etc.) will remain separate property and responsibility of each agency. The current level includes resource sharing at the Chief Financial Officer level and among staff work assignments.

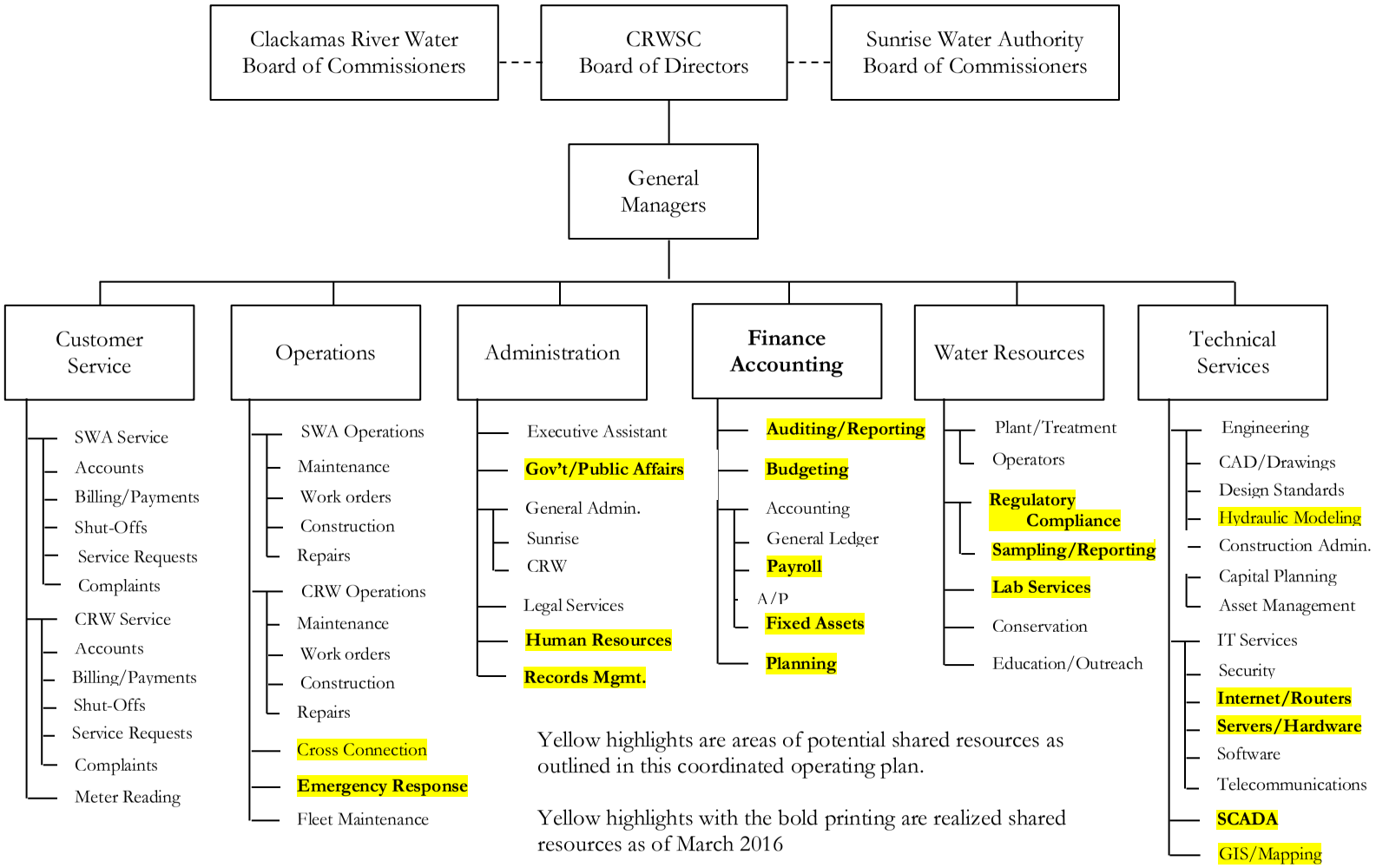
Water Resources
The staff and resources in this function are largely associated with CRW's treatment plant operations and its laboratory. This function, however, also operates and maintains a water quality testing lab. The on-going activities here have developed shared (periodic) sampling and reporting of various water quality parameters, particularly within each agencies distribution system. Staff and laboratory resources in this function have been optimized to maximize utilization and coordinate dual (simultaneous) sampling and reporting efforts. The current level includes support to continue the resource sharing as outlined.

Technical Services
The staff and resources in this function cover Engineering, IT and related activities. The Engineering staff have been working on coordinated hydraulic modeling, capital planning and design standards, including drawing standards under a unified CAD platform. Moreover, efforts have already been conducted to develop coordinated GIS/Mapping services and future steps would look to develop combined mapping resources under a unified GIS platform, from which similar coordination would be targeted for future asset management including asset inventorying, depreciation (renewal and replacement) scheduling and tracking. The current level includes support to continue the resource sharing as outlined.

In addition, IT services have been coordinated to optimize facilities and resources between the two agencies. The agencies have taken steps to share hardware and software environments, including servers, routers, security, and internet services. In addition, efforts have been taken to develop coordinated remote controls under a unified SCADA platform (particularly for the distribution systems). The current level includes resource sharing as outlined with the addition of server hosting and monitoring by CRW.

Work has also been on-going to develop coordinated Emergency preparedness plans for the two agencies and to establish a unified "Continuity of Operations Plan" for post-emergency operations. The current level includes continued resource sharing within this budget.

Draft Coordinated Services Strategy



Yellow highlights are areas of potential shared resources as outlined in this coordinated operating plan.

Yellow highlights with the bold printing are realized shared resources as of March 2016

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION
GENERAL FUND
2016 - 2018 BIENNIAL BUDGET
BEGINNING JULY 1, 2016

BN 2014-2016 Budget		Budget Proposed	BN 2016-2018 Approved Budget	Adopted Budget
	RESOURCES			
$ -	Beginning Fund Balance	$ -	$ -	$ -
1,580,950	Wholesale Water Sales	1,646,000	1,646,000	1,646,000
373,500	Interagency Shared Resources	540,400	540,400	540,400
389,500	Contributions	198,900	198,900	198,900
$ 2,343,950	**TOTAL RESOURCES**	**$ 2,385,300**	**$ 2,385,300**	**$ 2,385,300**
	REQUIREMENTS			
	MATERIALS AND SERVICES:			
$ 1,580,950	Water Purchases	$ 1,646,000	1,646,000	1,646,000
373,500	Interagency Shared Labor	540,400	540,400	540,400
37,000	Professional Fees	30,100	30,100	30,100
176,800	Software Licensing	36,400	36,400	36,400
98,700	Operating Supplies	32,500	32,500	32,500
-	Equipment	28,200	28,200	28,200
12,000	Miscellaneous	21,700	21,700	21,700
2,278,950	**TOTAL MATERIAL & SERVICES**	2,335,300	2,335,300	2,335,300
	CAPITAL OUTLAY			
15,000	Software	-	-	-
15,000	**TOTAL CAPITAL OUTLAY**	-	-	-
	CONTINGENCY			
50,000	Operating Contingency	50,000	50,000	50,000
50,000	**TOTAL CONTINGENCY**	50,000	50,000	50,000
$ 2,343,950	**TOTAL REQUIREMENTS**	**$ 2,385,300**	**$ 2,385,300**	**$ 2,385,300**

CRWSC was formed December 21, 2013

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION
GENERAL FUND - RESOURCES

ADOPTED 2014-2016		FISCAL YEAR 2016-2017	FISCAL YEAR 2017-2018	ADOPTED TOTAL
	Wholesale Water Sales			
$ 1,542,950	SWA	$ 795,000	$ 811,000	$ 1,606,000
38,000	NCCWC	20,000	20,000	40,000
117,800	Interagency Shared Resources	265,600	274,800	540,400
	Contributions			
149,250	Sunrise Water Authority	50,900	48,550	99,450
149,250	Clackamas River Water	50,900	48,550	99,450
$ 1,997,250	**TOTAL RESOURCES**	**$ 1,182,400**	**$ 1,202,900**	**$ 2,385,300**

Wholesale water sales includes a 2 percent inflation for pricing of wholesale water without an increase in consumption.

Interagency shared labor is based on work assignments as of Spring 2016. Clackamas River Water shares more labor resources with Sunrise Water Authority than the reverse. Currently under contract are the following posisitons: Finance Director, HR Manager, Emergency Preparedness Manager. Additional labor resources include: water sampling for testing, system flushing, procurement and contract management, board support, government relations liasion, engineering services, GIS/drafting, hydraulic modeling, SCADA technician and pump station maintenance.

Contribution by both agencies for shared expenses of the Commission. Examples include but not limited by: auditor fees, travel expenditures, general liability insurance, Commission dues or memberships, and sharing of software licensing for SCADA and network services.

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION
GENERAL FUND - REQUIREMENTS

ADOPTED 2014-2016		FISCAL YEAR 2016-2017	FISCAL YEAR 2017-2018	ADOPTED TOTAL
	MATERIALS AND SERVICES			
$ 1,580,950	**Water Purchases**	$ 815,000	$ 831,000	$ 1,646,000
	Interagency Shared Labor			
28,200	Water Quality	19,300	20,000	39,300
108,100	Administration	73,200	75,800	149,000
127,300	Technical Services	70,800	73,300	144,100
44,400	Field Operations	16,700	17,300	34,000
65,500	Business Operations	85,600	88,400	174,000
	Professional Fees			
10,000	Accounting & Audit	5,300	5,300	10,600
5,000	Legal	1,300	1,300	2,600
20,000	Insurance	6,700	6,700	13,400
2,000	Bank Fees	500	500	1,000
-	Temp help/support	2,500	-	2,500
	Software Licensing			
91,000	Finance and Billing (Springbrook)	-	-	-
50,000	GIS (ESRI)	-	-	-
11,000	SCADA (Wonderware)	6,200	6,200	12,400
15,000	H Modeling (Infowater)	-	-	-
-	Emergency Mgt (Bold)	3,300	3,300	6,600
9,800	Records Management	1,800	1,800	3,600
-	IT Services and website	6,900	6,900	13,800
	Equipment			
-	Emergency drill - Rental & Tools	2,800	-	2,800
-	Computer hardware/software	2,000	2,000	4,000
	Server hosting / montioring	10,700	10,700	21,400
	Miscellaneous			
6,000	Public Notices	1,500	1,500	3,000
6,000	Commission expenses	1,200	1,200	2,400
-	Dues and Memberships	3,800	3,900	7,700
-	Training	4,300	4,300	8,600
	Operating Supplies			
50,000	Gravel	-	-	-
20,000	Chemicals	-	-	-
10,000	Equipment rental	5,000	5,000	10,000
18,700	Laboratory Services	11,000	11,500	22,500
2,278,950	**TOTAL MATERIALS & SERVICES**	**1,157,400**	**1,177,900**	**2,335,300**
	CAPITAL OUTLAY			
15,000	Software	-	-	-
15,000	**TOTAL CAPITAL**	**-**	**-**	**-**
	CONTINGENCY			
50,000	Operating Contingency	25,000	25,000	50,000
50,000	**TOTAL CONTINGENCY**	**25,000**	**25,000**	**50,000**
$2,343,950	**TOTAL REQUIREMENTS**	**$1,182,400**	**$1,202,900**	**$2,385,300**

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION
GENERAL FUND - REQUIREMENTS

Water Purchases - $1,646,000

Water purchases are for Sunrise Water Authority or North Clackamas Regional Water Commission to purchase wholesale water from Clackamas River Water for their retail customers. Water purchases are budgeted at similar level as the prior budget.

Interagency Shared Labor - $540,400

Intereagency Shared Labor is staff support of agency or CRWSC activity. SWA is budgeted to provide support for: board activites, governmental regulation activity, inspection, and IT support services. CRW is budgeted to provide support for: financial services, human resources, emegerency preparedness, pump station maintenance, SCADA, water quality sampling and testing, system flushing, hydraulic modeling, GIS/CAD, engineering and design, inspection and IT support sevices. The level of service is expected to be similar to the second year of the prior budget.

Professional Fees - $30,100

Professional Fees are budgeted at a similar level at the prior budget with the exception of temporary support to complete special projects

Software Licensing - $36,400

This budget includes software licensing and maintenance agreements shared by both agencies for SCADA, Emergency Prepareness Management, firewall and other IT support, and records management. This budget is reduced from the prior budget as advantages for sharing the licensing or maintenance agreement were not found for some agreements.

Equipment - $28,200

This budget includes a small amount for equipment purchases or rental. A planned shared emergency preparedness drill will rent small equipment not available from our stock. Computer harware/software is included as some purchaes are made at one agency but then used at the other agency. Server hosting and monitoring for CRW to provide service to SWA for shared servers.

Miscellaneous - $21,700

Miscellaneous includes dues and membership, public notices, shared training expense, and comissioner expenses. Dues and memberships include Water Research Foundation, Chamber of Commerce, SDAO and professional organization memberships for shared staff. Publice notices for budget meetings, hearings, and commission meetings. Shared training expenses when shared staff attend seminars or conferences or when an opportunity for both agencies to attend required courses.

Operating Supplies - $32,500

Operating Supplies for this budget is reduced from the prior budget as advantages for sharing of some purchases were not found for some items. Laboratory services will continue at a level similar to the prior budget and is for Clackamas River Water to provide this service to Sunrise Water Authority. Equipment rental is for sharing of equipment between agencies.

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION
GENERAL FUND - REQUIREMENTS

CAPITAL OUTLAY - $0

Captial Outlay is not included in this budget. No large shared puchases are planned during this budget period.

CONTINGENCY - $50,000

Contingency is for unplanned and unanticapated expenses. The use of these funds is restricted and requires Board action to move funds to another category prior to use of the funds.

› PUBLIC NOTICES

MEETING NOTICE

A public meeting of the Budget Committee of Clackamas Regional Water Supply Commission, Clackamas County, State of Oregon, to discuss the biennial budget for the fiscal years July 1, 2016 to June 30, 2018, will be held at 16770 SE 82nd Drive, Clackamas, Oregon, 97015. The meeting will take place on the **Monday April 11, 2016, at 4:00 p.m.** The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee. A copy of the budget document may be inspected or obtained on April 4, 2016, or anytime thereafter, at Sunrise Water Authority's office located at 10602 SE 129th Avenue, Happy Valley, OR 97086 or at Clackamas River Water's office located at 16770 SE 82nd Drive, Clackamas, Oregon 97015, between the hours of 8:00 a.m. and 4:00 p.m. The budget document will be available on Sunrise Water Authority's website (www.sunrisewater.com) and on Clackamas River Water's website (www.crwater.com) . The notice of the Budget Committee's meeting is also posted on both websites.

The budget committee meeting is open to the public and will be held at CRW Administrative Offices at 16770 SE 82nd Drive, Clackamas in the Boardroom.

FORM LB-1 **NOTICE OF BUDGET HEARING**

A public meeting of Clackamas Regional Water Supply Commission Board of Commissioners will be held on June 13, 2016 at 4:00 p.m. at 10602 SE 129th Avenue, Happy Valley, Oregon. The purpose of this meeting is to discuss the budget for the fiscal period beginning July 1, 2016 as approved by the Clackamas Regional Water Supply Commission Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at Sunrise Water Authority's office at 10602 SE 129th Avenue, Happy Valley, Oregon, between the hours of 7:30 a.m. and 4:00 p.m. or at Clackamas River Water's office at 16770 SE 82nd Drive, Clackamas, OR between the hours of 7:30 a.m. and 4:00 p.m. or online at www.crwater.com . This budget is for the biennial budget period July 1, 2016 - June 30, 2018. This budget was prepared on a basis of account this is the same as the preceeding period. This is the second budget for this organization.

Contact: Wade Hathhorn Telephone: 503-761-0220 Email: whathhorn@sunrisewater.com

FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2013-2014	Adopted Budget Two Years 2014-2016	Approved Budget Next Two Years 2016-2018
Beginning Fund Balance		0	0
All Other Resources Except Current Year Property Taxes		2,343,950	2,385,300
Total Resources	**0**	**2,343,950**	**2,385,300**

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Materials and Services		2,278,950	2,335,300
Capital Outlay		15,000	0
Contingencies		50,000	50,000
Unappropriated Ending Balance		0	0
Total Requirements	**0**	**2,343,950**	**2,385,300**

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

Clackamas Regional Water Supply Commission was formed January 2014 under an ORS 190 Cooperative Intergovernmental Agreement between Sunrise Water Authority and Clackamas River Water. Both entities own and operate a municipal water supply system to distribute potable water to customers. One purpose of the agreement is to efficiently manage and operate each agency while making the best use of available assets and resources to the mutual benefit of both agencies and their customers. This biennial budget focuses on the functional coordination across the major operating units between Sunrise Water Authority and Clackamas River Water. The goal is to provide options for linking key staff and material resources between the two agencies, targeting costs savings both in terms of maximization of "labor utilization" and combined resource sharing.

Clackamas River Water

SUNRISE WATER AUTHORITY

RESOLUTION 2016-02

RESOLUTION ADOPTING THE BIENNIAL BUDGET FOR THE 2016-2018 FISCAL PERIODS

BE IT RESOLVED that the Board of Directors for Clackamas Regional Water Supply Commission hereby adopts the Budget approved by the Budget Committee for the 2016-2018 fiscal periods in the sum of $2,385,300 now on file at the Sunrise Water Authority office and the Clackamas River Water office.

Resolution moved by Humberston. Seconded by Blake.

Adopted by the Board of Directors of the Clackamas Regional Water Supply Commission the 13th day of June, 2016 by the following vote:

Ayes 6 Nays Ø

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION

Ernie Platt, Chair

Deanna Boast, Secretary

Clackamas River Water

SUNRISE WATER AUTHORITY

RESOLUTION 2016-03

RESOLUTION MAKING APPROPRIATIONS FOR THE 2016-2018 FISCAL PERIODS

BE IT RESOLVED that the amounts for the Biennial Fiscal Period beginning July 1, 2016 and ending June 30, 2018, and for the purposes shown below, are hereby appropriated as follows:

GENERAL FUND

MATERIALS AND SERVICES	$ 2,335,300
CONTINGENCY	50,000
TOTAL	$ 2,385,300

Resolution moved by Humberston. Seconded by Boast.

Adopted by the Board of Directors of the Clackamas Regional Water Supply Commission the 13th day of June, 2016, by the following vote:

Ayes 10 Nays 0

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION

Ernie Platt, Chair

Deanna Boast, Secretary

CLACKAMAS REGIONAL WATER SUPPLY COMMISSION

Budget Committee Minutes

A regular meeting of the Clackamas Regional Water Supply Commission was held on Monday, April 11, 2016 at 4:00 PM at Clackamas River Water 16770 SE 82nd DR

Board Present: Hugh Kalani, Ron Blake, Naomi Angier, Ken Humberston; Steve Gaschler

Board Absent: Deanna Wise, Ernie Platt

Budget Committee Present: Eric Hofeld, Bill Blanas

Budget Committee Absent: Pat Russell, excused, Cyndi Lewis-Wolfram, Randy Ealy, Markley Drake

Staff Present: Wade Hathhorn, SWA general manager; Lee Moore, CRW general manager; Todd Heidgerken, CRW; Carol Bryck, CRW; Cindy Richards, SWA; Bob George, CRW; Don Bunyard, CRW; Karen Sype, CRW; Karin Holzgang, CRW; Kham Keobounnam, CRW

MEETING

The budget committee meeting was opened by Chair Humberston at 4:14 PM.

Chair Humberston entertained a motion to elect a chair for the budget meeting. A motion to nominate Steve Gaschler was made by Ron Blake and seconded by Eric Hofeld. Motion carried unanimously.

Chair Steve Gaschler took the gavel from Ken Humberston.

Budget message for BN 2016-2018
Carol Bryck provided the budget message. Areas of resource sharing between SWA and CRW were reviewed. Areas where resources sharing is currently and where plans for resources sharing is being discussed. Wade Hathhorn added information regarding planning during the next year. Carol Bryck provided the example of CIP for 152nd Reservoir to be built by CRW where SWA could benefit from the storage.

Ron Blake asked about the cost savings per year provided by the Commission. Carol Bryck stated as of the February meeting it was about $150,000. There is not an update at this meeting but we will provide an update at the June meeting.

Steve Gaschler asked to have a refresh on the reason for creating the Commission.

Lee Moore stated it has been a 7 year undertaking. It began as an opportunity to look at costs savings for both entities. As of the last joint board meeting, we are not looking

to merge but to continue working together to improve service levels and look for costs savings.

A review of the water sales agreement was provided. Sunrise's current water use is 2.5 MGD. Through the190 Agreement, CRW could provide as much as 10 MGD.

Steve Gaschler asked if the resource sharing could continue without the agreement. Lee Moore discussed that water rights need to demonstrate the needs for the owners to retain the rights. Wade Hathhorn stated that the operations side for resources would be through MOU's to continue. But the Commission could have opportunities for scales of economies with agreements for both entities through the Commission. An example is the SCADA licensing/controllers. One purchase serves both agencies. This could be expanded to other areas. Ron Blake added that the ORS190 agreement was set up to grow as needed. Whether for purchases or something else. Ken Humberston stated the agreement can add members as well.

Ken Humberston asked if the budget includes service levels at the same level as when the CRW/SWA Boards met in February. Carol Bryck stated most areas yes but two exceptions are human resources and financial serves are at reduced levels. Ken Humberston asked if there is an impact to the CRW Budget. Carol Bryck stated yes for the second year of CRW's biennial budget.

Steve Gaschler asked for public comment. Hearing none asked for a motion.

MOTION: Ken Humberston moved to approve the CRWSC budget as presented and asked to have both full boards meet to discuss service levels provided through the commission to each agency. Ron Blake seconded the motion.

MOTION CARRIED UNANIMOUSLY.

Wade Hathhorn clarified that this vote sends the proposed now approved budget to CRW and SWA Boards for approval prior to the CRWSC Budget Hearing. The budget hearing will be held June 13, 2016, at which time the budget will be adopted.

Eric Hofeld asked for the number of customers served by each agency. Carol Bryck stated about 16,000 and growing for SWA and about 13,000 for CRW. Wade clarified that is the number of accounts at each agency.

Steve Gaschler closed the budget meeting at 4:36.

Adjourn