

# NORTH CLACKAMAS COUNTY WATER COMMISSION

January 25, 2024

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## Agenda Item 6.3

Subject: Adopt Resolution 2024-1 Waiving True-Up for FY 2022-23

Presenter(s): Wade Hathhorn, General Manager

Board Action: The Board is requested to adopt Resolution 2024-1 waiving the true-up for FY 2022-23.

Attachments: Resolution 2024-1 Waiving the True-Up from FY 2022-23

Background: The NCCWC operates under an authorized annual budget that is based on forecasted revenue (resources) and expenditures (requirements). Following a formal audit of the “closed books” from the previous fiscal year, the Agreement that governs the NCCWC calls for a “true-up” to be established between the “actuals” and “budgeted” costs.

Section 2.2(ii) states: “The budgeted costs shall be used to establish a projected price of water based on projected demand (i.e. use) from the NCCWC by all Members. Following the close of each fiscal period, a “true-up” will be established to reconcile the projected and actual cost of water. Any resulting reimbursement (or surcharge) owed to the Members shall be paid (or collected) within sixty (60) days of written notice to the Members, unless approved otherwise by the Board.”

Analysis: Following FY 2022-23, the actual water sales (or resources) were sufficient to cover the total planned operating expenditures, leaving excess revenue totaling \$454,569. Under the Agreement, the member agencies would be eligible for reimbursement of their respective amounts based on relative water use.

Materials & Services	\$1,947,234			
Plant Reserve – Net Transfer	800,000			
Non-Rate related Revenue	(53,207)			
<b>Net Costs</b>	<b>\$2,694,027</b>			
	<b>OLWS</b>	<b>SWA</b>	<b>Gladstone</b>	<b>Total</b>
Actual Water Purchased (ccf)	1,402,140	1,846,748	717,986	3,966,874
% of Water Purchased	35.3%	46.6%	18.1%	100%
Net Costs	\$ 952,237	\$1,254,184	\$ 487,606	\$2,694,027
Water Sales	\$1,114,247	\$1,470,462	\$563,887	\$3,148,596
True-Up Due (Refund)	\$ (162,010)	\$ (216,278)	\$ (76,281)	\$ (454,569)

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Staff is recommending the Board formally adopt Resolution 2024-1, thereby waiving the true-up for FY 2022-23. The excess funds would remain within the General Fund as part of the fund's balance and then potentially be transferred to the Plant Reserve Fund in the FY 2024-25 budget.

Options: Amend or reject Resolution 2024-1 and issue a full or partial reimbursement of the fiscal year remaining (true-up) funds.

Draft Motion(s): Move to adopt Resolution 2024-1 waiving the true-up for FY 2022-23, as presented.

**NORTH CLACKAMAS COUNTY WATER COMMISSION**

**Resolution No. 2024-1**

**A RESOLUTION WAIVING THE TRUE-UP FROM FY 2022-23**

WHEREAS, the FY 2022-23 Adopted Budget authorized requirements totaling \$7,190,727; and

WHEREAS, those planned requirements included General Fund operating expenses of \$3,614,450 for personnel, materials and services, and a transfer of \$1,200,000 to the Plant Reserve Fund; and

WHEREAS, the actual resources in the General Fund (from water sales) for the same fiscal period were sufficient to cover the planned requirements, leaving excess revenue from water sales totaling \$454,569; and

WHEREAS, Section 2.2(ii) of the Intergovernmental Agreement (IGA) governing the NCCWC calls for a true-up to be made each year between the actual and budgeted costs, unless approved otherwise by the Board of Directors; and

WHEREAS, the true-up from FY 2022-23 would cause a reimbursement of \$454,569 to the member agencies based on their respective actual water usage; and

WHEREAS, the waiver of such reimbursement shall have no detrimental impact on the future finances of the NCCWC.

NOW, THEREFORE BE IT RESOLVED, BY THE NORTH CLACKAMAS COUNTY WATER COMMISSION BOARD OF DIRECTORS THAT:

Any reimbursement of excess revenue to the member agencies (i.e. true-up) called for under Section 2.2(ii) of the Intergovernmental Agreement (IGA) governing the NCCWC shall be formally waived for FY 2022-23 allowing the excess revenue from this fiscal period to remain within the General Fund.

Approved by the Board of Director's on this 25th day of January 2024.

By \_\_\_\_\_  
Paul Gornick, Chair

By \_\_\_\_\_  
Wade Hathhorn, General Manager

Attest this 25<sup>th</sup> day of January 2024