

Appendix 1: Budgeting Processes and Requirements

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1.1 The Budget Officer

As a taxing entity subject to Oregon Local Budget Law, the District must appoint a budget officer to prepare (or supervise the preparation of) the budget document, as described in Oregon Revised Statutes (“ORS”) chapter 294.331:

... The budget officer...shall prepare or supervise the preparation of the budget document. The budget officer shall act under the direction of the executive officer of the municipal corporation, or where no executive officer exists, under the direction of the governing body.

In fiscal year 2016-2017 (July 1, 2016 through June 30, 2017), the District’s Board of Directors added the role of Budget Officer to the District Manager’s job description. The board maintains the ability to appoint a budget officer that is not the District Manager should it choose to do so.

Overview

- ✓ Budget Officer appointed
- ✓ This Budget Message communicates the proposed budget
- ✓ Budget Committee established
- ✓ Budget Committee approves (or modifies and approves) proposed budget
- ✓ Board of Directors adopts (or modifies and adopts) approved budget

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1.2 The Budget Message

A cornerstone of the public budgeting process is communicating the annual budget to the Budget Committee and to the public. The budget message identifies significant changes from the previous budget and identifies significant new initiatives and changes in District programs and operations. The budget message also communicates how the District will continue to implement the District's long-range plan in the coming fiscal year.

According to Oregon Revised States chapter 294.403:

A budget message shall be prepared by or under the direction of the executive officer of the municipal corporation or, where no executive officer exists, by or under the direction of the presiding officer of the governing body. The budget message shall be delivered at a meeting of the budget committee as provided in ORS 294.426 (1). The budget message shall:

- (1) Explain the budget document;*
- (2) Contain a brief description of the proposed financial policies of the municipal corporation for the ensuing year or ensuing budget period;*
- (3) Describe in connection with the financial policies of the municipal corporation, the important features of the budget document;*
- (4) Set forth the reason for salient changes from the previous year or budget period in appropriation and revenue items;*
- (5) Explain the major changes in financial policy; and*
- (6) Set forth any change contemplated in the municipal corporation's basis of accounting and explain the reasons for the change and the effect of the change on the operations of the municipal corporation.*

1.3 The Budget Committee

Oregon Revised Statute chapter 294 requires public taxing entities to prepare a budget consistent with Oregon Local Budget Law.

1.3.1 District is a special district with a voter-approved property tax levy

The Clackamas Soil and Water Conservation District is a special district of the State of Oregon and a local unit of government, formed under the authority of ORS chapter 568, with the powers and duties described in that law. The current district was formed by combining the North Clackamas and South Clackamas district boards on March 22, 1974; the two original districts go back to 1958.

In 2006, Clackamas County voters passed Measure 3-221, granting a permanent property tax rate limit to the District, making the District a public taxing entity subject to Oregon Local Budget Law. The language of Measure 3-221 as approved by voters is shown below:

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This permanent rate limit will enable Clackamas Soil and Water Conservation District to provide education and technical assistance to urban and rural residents, farmers, businesses, municipalities, and others to meet rising legal and public expectations for healthy and sustainable management of our land, air and water. The District does not make or enforce regulations.

The permanent rate limit will support current District programs including conservation technical assistance, help for landowners navigating regulations, and cost-share funding for conservation projects to improve the quality of our streams, working lands and natural habitat for fish, wildlife, and people. The District is also responding to citizen demands to implement a countywide weed program focused on education and sustainable control methods.

This measure establishes a permanent rate limit of \$0.05 per \$1,000 assessed valuation. It will cost a property owner a maximum of \$10.00 per year on property valued at \$200,000 and yield an estimated \$1,400,000 to the District. The District may levy a lower rate. This permanent rate is an upper limit that by law can never be raised.

1.3.2 District must establish a Budget Committee

The District must establish a Budget Committee and must hold at least one public meeting to review and approve the upcoming year's budget. The Budget Committee consists of the District's governing body and an equal number of local registered voters appointed by the governing body.

1.3.3 Budget Committee members

In 2023, the Budget Committee consists of 14 members: seven electors, who serve three year terms, and the seven-member Board of Directors. This group provides wide representation on natural resources issues and opportunities throughout the District.

Name	Board or Elector	Status
Joe Matteo	Elector	Term ends 2025
John Borden	Elector	Term ends 2024
Terry Muilenburg	Elector	Term ends 2025
Steve Fedje	Elector	Term ends 2023
Dave Bugni	Elector	Term ends 2024
Rennie Squier	Elector	Term ends 2024
PK Melethil	Elector	Term ends 2024
Jeff Becker	Board	Serves while a Board member
Roger Fantz	Board	Serves while a Board member
Don Guttridge	Board	Serves while a Board member
Jim Johnson	Board	Serves while a Board member
Jan Lee	Board	Serves while a Board member
Jesse Nelson	Board	Serves while a Board member
Joan Zuber	Board	Serves while a Board member

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1.3.4 Term of service for Budget Committee members

Citizen members are appointed by the District's Board of Directors to serve three-year terms. Terms of citizen members are staggered to help provide continuity from year to year and to allow new ideas and perspectives to be included in the Committee's deliberations.

1.3.5 Duties of the Budget Committee

The role of the Budget Committee is to review the proposed budget submitted by the Budget Officer, and either approve it as proposed or modify it. The Committee elects a presiding officer to help the Committee reach an affirmative vote in approving the budget.

Specifically, the Budget Committee:

1. Receives the budget document.
2. Hears the budget message.
3. Considers public comment.
4. Discusses and revises the budget as needed.
5. Approves the budget.
6. Approves the property taxes to be levied.

All meetings of the Budget Committee are subject to Oregon's Public Meetings Law (ORS 192.610 through ORS 192.690). A quorum of the Committee is required to conduct business and a majority of the Committee members is required to take action. This year a quorum and simple majority are the same: eight Committee members.

The Committee may request and receive additional information from District officials.

The District anticipates holding two meetings of the Budget Committee, one in March 2023 and the other in April 2023. The proposed budget and budget message will be presented by the Budget Officer at the first Budget Committee meeting. At the second meeting, any changes requested by the Committee will be presented, and public testimony on the proposed budget will be accepted. The Budget Committee is scheduled to vote on the proposed budget at the second meeting.

1.3.6 Duties of the Board of Directors

Following approval of the budget by the Budget Committee, the District's Board of Directors will hold a budget hearing on the budget as approved by the Committee. Any person may comment on the approved budget at the hearing.

After the hearing, the Board of Directors can change the budget estimates and the tax levy approved by the Budget Committee. However, if the Board increases the tax by any amount, or if the Board increases expenditures in any fund by 10% or more, the District must republish the amended budget summary and hold another budget hearing.

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The deadline for the Board of Directors to enact a resolution that adopts the budget, makes appropriations, imposes tax levies, and categorizes each tax is June 30, 2023.

1.4 Budgeting

Oregon Revised Statute chapter 294 requires public taxing entities to prepare a budget consistent with Oregon Local Budget Law. The budget is a one-year financial plan that balances resources and needs to help accomplish the District's mission and goals. Appropriations identified in the adopted budget are spending limits.

1.4.1 What are funds?

The budget is prepared by fund. Each fund in the budget must balance, i.e., resources and requirements must match. The District has three kinds of funds: general fund, special revenue fund, and reserve fund.

The Oregon Department of Revenue describes a general fund as shown below:

The purpose of a general fund is to record financial transactions relating to all activities for which specific types of funds are not required. It is the general operating fund for the local government. Most local governments have a general fund. Many small districts have only a general fund.

The Oregon Department of Revenue describes a special revenue fund as shown below:

Special revenue funds should be set up for dedicated local option tax levies, specific purpose grants and other revenues when required by statute, charter provision, or the terms of a grant. The number of such funds depends upon the activities of the local government and how it is funded...The general requirement is that dedicated revenues must be used for the specific purpose authorized, and separate funds should be established for them (ORS 311.350).

The Oregon Department of Revenue describes a reserve fund as shown below:

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A local government may set up a reserve fund to accumulate money for financing the cost of any service, project, property or equipment that the district can legally perform or acquire (ORS 294.346, renumbered from 294.525). Under Local Budget Law, a reserve fund is a way to save money from year to year. Expenditures can be appropriated and made directly from a reserve fund.

The resolution or ordinance creating a reserve fund should state the purpose for which the money in the fund can be spent. At least every 10 years after the establishment of a reserve fund, the governing body must review the fund to decide if it should be continued or abolished. Any unexpended or unobligated balance left in the fund when it is abolished can be transferred to the general fund or any other fund designated by the governing body.

Money in a reserve fund can only be used for the purpose for which the fund was established. Expenditures for that purpose may be budgeted and appropriated directly from the reserve fund. Transfers may not be made from a reserve fund unless the fund that receives the transfer uses the money for a purpose consistent with the purpose of the reserve fund. Interfund loans can be made from a reserve fund under ORS 294.468 (renumbered from 294.460).

1.4.2 Organization of the District's funds

The District has established four funds:

1. General Fund
2. Conservation Grants Fund
3. Conservation Loans Fund
4. Working Lands Legacy Fund

GENERAL FUND

Six organizational units or departments exist within the General Fund:

1. District Operations
2. Conservation Planning
3. WeedWise
4. Education and Outreach
5. Land Management
6. Not Allocated Expenditures

The Not Allocated Expenditures portion of the General Fund captures costs that are not allocated to a specific department, including transfers from the General Fund to other funds.

General Fund money is the least restricted resource in the budget.

Generally speaking, the highest level of activity occurs in the General Fund, followed by the two conservation funds (the Conservation Grants Fund and the Conservation Loans Fund).

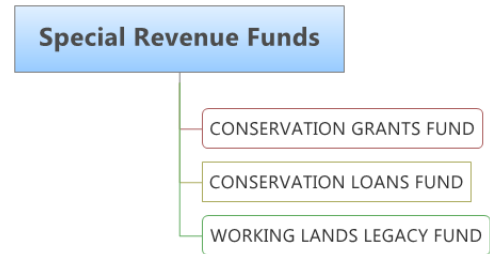
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SPECIAL REVENUE FUNDS

Prior to FY 2016-2017, the District's Conservation Fund was focused on grants and loans to cooperators. At the direction of the Board of Directors, loans were moved to their own fund in FY 2016-2017 to provide more transparency in the way the District shows loan-related revenue and expenditures.

Thus, the District now has three special revenue funds:

1. Conservation Grants Fund
2. Conservation Loans Fund
3. Working Lands Legacy Fund



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2.1 Policies

2.1.1 Basis for budgeting is modified accrual

Before July 1, 2014, the District operated on a modified cash basis. Cash basis means revenue is recorded when received and expenses are recorded when money is spent.

On July 1, 2014, the District changed from the modified cash basis of accounting to the modified accrual basis of accounting under generally accepted accounting principles (GAAP) as applied to government units. Under the accrual method of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied and grants are recognized as revenue when all eligibility requirements have been met.

On July 1, 2015, the District changed from budgeting on a cash basis to a modified accrual basis. This aligned the District's budgeting method with the method used for accounting. Using the modified accrual method allows greater transparency with regard to the District's loan programs and debt.

Overview

- ✓ *Accounting and budgeting changed to modified accrual basis*
- ✓ *Accounting and fiscal controls are robust*
- ✓ *Services and programs expanded*
- ✓ *Staffing levels maintained*
- ✓ *Our partnerships remain healthy and productive*

2.1.2 Funds held in approved institutions

All District funds are held in qualified public depositories approved by the Oregon State Treasury:

- Oregon State Treasury's Local Government Investment Pool (LGIP)
- Wells Fargo

In general, long-term savings are held in LGIP accounts, while short-term operating capital is held in commercial bank accounts.

At the time this budget message was written, the District owned two properties, one at 22055 S. Beavercreek Road, Beavercreek, Oregon, and a second working forest near Eagle Creek, Oregon. Lastly, the District holds a permanent conservation easement at Camp Adams on 186 acres of working forest near Molalla, Oregon.

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2.1.3 Expenditures monitored

Expenditures follow a three-step process:

1. In the adopted budget, the Board of Directors authorizes the kinds of expenditures expected to be incurred.
2. For expenditures during the fiscal year, the Board of Directors authorizes specific expenditures or delegates that authority to the District Manager.
3. All expenditures and supporting documents are reviewed and approved by the District Manager prior to expending funds.
4. The Board of Directors also monitors spending throughout the year.

Expenditures are also reviewed by accounting staff when recording transactions in the District's accounting software, and when filing documentation in support of each transaction.

The District Manager, Fiscal Administrator, and Board Treasurer regularly monitor accounts and compare expenditures to limits authorized in the budget. Each month, the Board of Directors reviews and approves expenditures to make certain that expenditures are necessary and appropriate. Periodically during the fiscal year the Board of Directors reviews budget-to-actual reports.

2.1.4 District audited, internal controls robust

The District is audited by a Certified Public Accountant / Certified Municipal Auditor once each year. Audits of the District have been issued without qualifying statements. The District uses a sound system of internal controls to protect the resources entrusted to the care of the District. In our control system no one person can perform all financial functions.

2.1.5 Transparency

Like many local governments, the District regularly publishes the agenda for public meetings. The District posts approved meeting minutes online. The District also posts the list of expenditures authorized by the Board of Directors so that citizens can see where public funds are being spent. Audits are also published annually.

To help citizens stay informed about the activities of their soil and water conservation district, the District's utilizes newspapers and a website (<https://conservationdistrict.org>) to provide information to the public. In addition, information is regularly communicated through social media services including Facebook and Twitter.

2.2 Program and service changes

Over the past several years, the District has expanded services and programs to the level of investment allowed by the revenue received by the District. Thus, the number of people receiving service is now about the same as in prior years, and the same is true for investments

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in on-the-ground conservation actions. The budget proposed for FY 2023-2024 maintains a strong focus on assisting constituents.

Financial assistance options for landowners remain in place to help them implement conservation practices that align with the District's conservation priorities.

In FY 2017-2018, the District initiated a septic system repair loan program for homeowners in the Clackamas River watershed. The District is not aware of any other soil and water conservation district in Oregon providing this kind of assistance.

2.2.1 Technical assistance

Technical assistance consists of advice and planning help provided by District employees. Assistance includes farm visits by conservation planners, site visits by WeedWise program staff, and the development of conservation plans for better natural resource management.

The District's focus on team-oriented service delivery has helped the District provide timely, consistent, high-quality conservation services to landowners.

At the beginning of FY 2013-2014, the District deployed a new database application – the Conservation Activity Tracking System (CATS) – to improve the process of conservation planning and allow more complete tracking of the needs and status of each customer. CATS has been continuously improved since then. In FY 2015-2016, the District began to integrate the WeedWise program database into CATS to help make service to customers more timely and seamless. Major strides were achieved in integrating these two systems in FY 2016-2017, with additional updates implemented every year since then.

2.2.2 Financial assistance

The District is sometimes able to provide financial help to landowners who wish to implement conservation practices. Financial help can be in the form of a grant or a loan, or a combination of both.

LOANS

The District continues to build a loan fund to help landowners implement conservation practices. The Conservation Loans Fund is intended to become a self-sustaining revolving account. The District's goal is for the fund to become a stable long-term resource.

Please note that few soil and water conservation districts provide loan to cooperating landowners. The use of this tool to help cooperators implement conservation practices sets Clackamas Soil and Water Conservation District apart from other SWCDs.

A loan can be a helpful tool for landowners, particularly in two situations:

1. **When conservation costs cannot be deducted** – A loan is generally not considered to be taxable income, whereas a grant may result in additional tax liability. For landowners not operating a commercial enterprise on their land, they may not have

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enough deductions to offset the tax liability created by receiving a grant. Thus, loans may be particularly attractive to residential homeowners and non-commercial agricultural operators.

2. **When sufficient landowner cash is not available to fully fund the project** – When a landowner prefers not to front the full cost of the project and then wait for partial reimbursement from the District, a loan can help move the project to implementation. When the District combines a grant and a loan, the District can cover 100% of the up-front project cost with the landowner's sharing provided as a loan. Combining a grant with a loan has been well received by a number of customers.

GRANTS

Small grants of up to \$2,500 have been made available for some water quality practices and for treating priority invasive weeds. These small grants require less formal conservation planning work, reduce District overhead, and speed the implementation of practices.

In addition, some projects may qualify for a larger grant from the District. External funding is often sought for larger projects, usually in the form of grants such as those provided through the Oregon Watershed Enhancement Board.

It is important to note that every customer receiving financial assistance has a basic conservation plan recorded in the Conservation Activity Tracking System (CATS). This allows the District to understand the context of the practices implemented, and supports a more seamless approach to providing future service.

2.2.3 Reaching customers

The District continues to work proactively to reach specific communities facing high-priority conservation issues.

In FY 2015-2016 the District increased program staffing for outreach and education. As a result, the District has been represented at more events and meetings than in prior years. The District also invested more time and energy to drive increased engagement through social media channels, including targeting key messages to specific zip codes. Focusing key messages has continued primarily through social media.

These efforts are resulting in a more visible profile of the District, more public engagement, and greater understanding of what we do to help our communities and creatures thrive.

2.3 Performance

The District experienced a productive and eventful year. Our regular work involves providing advice to private landowners who wish to work with us. At their invitation, we evaluate their situation and work with them to develop action plans to improve the protection of natural resources, and to improve the quantity and quality of the resources under their stewardship.

2.3.1 Conservation priorities

Our top conservation priorities for the July 1, 2022 through June 30, 2023 time period centered around:

- water quality;
- water quantity;
- wildlife habitat;
- invasive species management;
- soil health; and
- working lands.

The District's activities cover several different geographic and time scales, ranging from individual practices with a landowner to the perpetual preservation of working landscapes.

2.3.2 Conservation practices implemented

As this budget message is written, the current fiscal year has not ended. Conservation practices activities are summarized in the District's most recent annual report at https://conservationdistrict.org/?wpfb_dl=986

2.3.3 Invasive species management

A major emphasis of the District's overall program involves invasive species. We teach others about the damage caused by invasive plants and we train people to identify these invaders. We visit many properties throughout the year and we treat (or have contractors treat) outbreaks of targeted invasive weeds.

Invasive species activities are summarized in the District's most recent annual report at https://conservationdistrict.org/?wpfb_dl=986

2.3.4 Outreach and education activities

Helping our landowners and resource stewards to conserve water, improve habitat, and guard against invasive weeds requires constant outreach and education work. We lead by demonstrating practices, we reach people by direct mailings and participating in a wide range of events and activities, and we teach using workshops and outreach events.

Outreach and education activities are summarized in the District's most recent annual report at https://conservationdistrict.org/?wpfb_dl=986

2.4 Financial and Operations Performance

2.4.1 Operating costs controlled

The District effectively managed operating expenditures within the limits established by the adopted budget. A higher end-of-year cash balance is projected, primary through control of spending and through various loans and grants received in the second half of the current fiscal year.

2.4.2 Financial assistance continued

In FY 2023-24, the District continued to invest in conservation actions and programs. (Costs related to District employees and operations are not included in Conservation Grants Fund and Conservation Loans Fund expenditures.)

The District utilizes a competitive procurement process that led to establishing contracts with well-qualified vegetation management vendors. These contracts help assure rapid and effective treatment of targeted weeds. Our conservation planners also use these contractors to help restore native vegetation on project sites.

Most investments in conservation actions made by the District have been funded from the District's Conservation Grants Fund. Beginning in FY 2015-2016, these investments included making loans to landowners.

2.4.3 Partnerships maintained

The District provides funding to several organizations – particularly watershed councils and farmers markets – whose work helps to advance the District's conservation goals. Watershed councils pursue actions that directly improve watershed health and water quality. Farmers markets support local farmers who are directly responsible for management of productive, high-value agricultural land in Clackamas County. When we help partners with work that addresses the District's conservation goals, everyone wins.

The District has helped to establish and maintain the Backyard Habitat program expansion into a significant portion of Clackamas County's urban areas. These services help us to increase habitat for wildlife in areas where development has significantly limited remaining opportunities for wildlife, connecting rural wildlife corridors with urban corridors.

The District's directors and employees participate in a wide variety of other organizations interested in natural resources.

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3.1 Economic Conditions

3.1.1 Property values

Over the past four years, assessed valuation of real property in Clackamas County has grown. Property tax revenue has been increasing by more than three percent annually as construction activity and new home sales have increased.

3.1.2 Fuel cost

Fuel prices varied significantly over the past year, reaching a low points just before the beginning of the current fiscal year, then increasing precipitously near the end of the fiscal year. Currently, we see prices continuing to rise as the economy varies with current events. The cost of fuel affects most goods and services procured by the District.

Overview

- ✓ *Local economy growing*
- ✓ *Costs rising*
- ✓ *Manage costs and debt*
- ✓ *Seek good returns*
- ✓ *Continue assistance to cooperators*
- ✓ *Use contractors*
- ✓ *Grow the loan fund*
- ✓ *Invest in working lands*
- ✓ *Maintain WeedWise program/services*

3.1.3 Employee benefit costs

While employee benefit costs continue to rise, participation in a large group mitigates much of that exposure. The District also implemented an “opt out” program that rewards employees when they acquire medical insurance elsewhere. The net cost of medical insurance premiums paid by the District are significantly decreased because of the incentive program

3.1.4 Revenue is limited

For a tax-based public entity such as the District, opportunities to increase revenue are limited. The District’s permanent tax rate is capped at five cents per thousand dollars (5¢/\$1,000) of assessed property value. To provide the maximum level of service possible, the District assesses the full tax of five cents per thousand.

Investment of money is also limited by state law, with restrictions favoring safety over earnings. The District continues to seek safe opportunities to increase earnings on investments.

3.1.5 Cost of money

The District benefits from being a public entity when borrowing funds. The large loan for the Conservation Resource Center and forest property (ECCF) projects received an interest rate below 3%.

Other loans already received by the District are on terms very favorable to District. Interest rates are low, and for one large loan, a principal forgiveness clause means the District will not have to repay the entire loan proceeds.

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3.1.6 Rising costs vs. limited revenues

The District seeks to balance rising costs against a capped revenue stream that is increasing slowly. Growth in property tax revenue is rising at about the same rate as inflation in most years. For FYE2024, inflation events are reach unprecedented highs, which can affect the District's purchasing power during the coming fiscal year.

3.2 Management Responses to Economic Conditions

3.2.1 Growth in property values

The Budget Officer predicts that the value of assessed real property will continue to increase.

The Oregon State Constitution limits the annual increase in assessed property value for a property to three percent. Tax revenue received by the District has increased at more than three percent a year for the past several years in Clackamas County. More recently, it has increased by about four percent.

Based on local economic conditions, historical growth, and an upward trend in property values in Clackamas County, the Budget Officer utilized a projected rate of growth in tax revenue of 3.0 percent in developing the FY 2023-2024 proposed budget. The estimated rate is reduced from the 3.5 percent estimate from prior fiscal years due to uncertainty in the economy and to buffer against downward economic pressure.

3.2.2 Manage costs

Managers watch expenditures and continually seek more efficient ways to improve service, promote safety, and reduce cost. Management's challenge is to improve services while managing costs so that costs remain less than the expected growth in revenues.

When fuel prices rise, the cost of goods and services often rise. Management seeks competitive prices and free or low-cost delivery options whenever possible. Controlling costs is key to maintaining services within the limits of revenues and appropriations. The District believes that normal attrition and careful management will allow adequate control of operating costs for the foreseeable future.

Staffing is the District's greatest single cost center but it is also the primary vehicle for providing conservation help to constituents. Providing technical assistance to customers is a commitment made to voters in the very first sentence of Measure 3-221:

This permanent rate limit will enable Clackamas Soil and Water Conservation District to provide education and technical assistance to urban and rural residents, farmers, businesses, municipalities, and others to meet rising legal and public expectations for healthy and sustainable management of our land, air and water.

At the time this budget message is being written, the District projects that employee benefit

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costs will remain approximately level, primarily because the large group the District participates in has tended to buffer large swings in cost. Employee benefit costs remain one of the most significant unknowns when forecasting expenditures.

To help control the cost of benefits, the District adopted an “opt out” policy on January 1, 2017. This policy allows employees who have health care coverage elsewhere to decline coverage in the District’s medical insurance plan, thus saving money for both the District and for the employee. Two employees currently opt out of District coverage, yielding a net reduction in expenditures by the District.

3.2.3 Manage long-term debt and cost of money

Long-term debt will increase due to providing more loan funding to landowners. The long-term debt associated with making loans to landowners represents money that will come back to be used again by other customers. One of two loans from the Oregon Department of Environmental Quality was negotiated to include a principal forgiveness clause. The District expects to have to repay less than the amount borrowed.

3.2.4 Seek higher earnings on investments

The interest rate being earned on deposits in the Oregon State Treasury Local Government Investment Pool (LGIP) continued to drop in the past year, but have risen, along with inflation. At the time this Budget Message was written, the District was earning 3.75% interest on deposits.

Oregon Revised Statutes chapter 294.035 discusses limitations on investments of public funds by local governments. The District continues to seek investment vehicles available to Oregon local governments that provide safety and interest growth greater than inflation.

3.2.5 Provide some services through contractors

Rather than hire staff for some tasks and functions, the District will continue to utilize contractors for some activities. For example:

- We contract with an engineer for the review of some conservation designs;
- Invasive weed treatments and some conservation projects are primarily delivered through contractors; and
- The District provides partial support to the Backyard Habitat Certification Program as a way to help implement conservation actions within some urban areas.

These mechanisms allow the District to provide substantially more services without hiring additional staff.

3.2.6 Build a self-sustaining loan fund

The District has access to funds from the Department of Environmental Quality’s Clean Water State Revolving Fund, awarded for us to address water quality and water quantity issues using loans. Loan repayments from landowners are used to fund new loans to other landowners,

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thus recycling these dollars for conservation activities.

In fiscal year 2017-2018, the District launched a septic system repair loan program in the Clackamas River watershed to protect water quality and habitat. This pilot program is intended to become a revolving loan fund. If warranted, the District may consider expanding this program in future years to other vulnerable parts of Clackamas County.

3.2.7 Invest in working lands

Measure 3-221 stated:

"The permanent rate limit will support current District programs including conservation technical assistance, help for landowners navigating regulations, and cost-share funding for conservation projects to improve the quality of our streams, working lands and natural habitat for fish, wildlife, and people."

Conserving working lands is a key focus of the District's priorities. Farms, fields, and forests that are at risk of permanent loss or that provide unique, critical habitats represent focal points for our working lands strategy. Preserving our best agricultural soils is an important aspect of this effort.

Donations to the District may be tax deductible if made for a public purpose. The District can accept bequests. Staff continues to work toward establishing a programmatic approach to assist in accepting donations and bequests of land. Lands received by gift or bequest could be preserved, improved, leased, harvested, or sold, depending on the wishes of the parties involved and the characteristics of individual parcels. In some cases, it may be advisable to preserve all or part of such working lands with easements.

In FY 2016-2017, the District's Board of Directors voted to hold a conservation easement at Camp Adams, on a 186-acre forested property near Molalla, Oregon. The grant to support this work was awarded in fall 2017. The easement transaction closed in the current fiscal year and the District now holds the permanent easement.

The District began reaching out to residents near Molalla to assess public interest in conserving oak habitats. As this work developed, we partnered with the USDA Natural Resources Conservation Service to offer oak conservation assistance in a wider area. This program is proving to be of interest to several landowners.

3.2.8 Maintain the WeedWise program

Measure 3-221 stated:

"The District is also responding to citizen demands to implement a countywide weed program focused on education and sustainable control methods."

Control and management of invasive species continues through the District's WeedWise program. The District remains strongly committed to helping constituents control invasive weeds.

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Multi-year grant funding also helps to support an expansion of the District's work on invasive species in the Clackamas River watershed.

3.2.9 Maintain financial assistance to constituents

Providing financial assistance was also described in Measure 3-221:

"The permanent rate limit will support current District programs including conservation technical assistance, help for landowners navigating regulations, and cost-share funding for conservation projects to improve the quality of our streams, working lands and natural habitat for fish, wildlife, and people."

While assuring continued technical assistance to constituents is our top priority, providing incentives to help people implement practices that protect public resources is also an important way to help conserve natural resources.

Appendix 4: About the Clackamas SWCD

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Clackamas Soil and Water Conservation District

4.1 Governed by Seven-Member Board of Directors

The District is governed by a seven-member Board of Directors. Individual directors are publicly elected in county-wide elections administered by Clackamas County. Five directors are elected to represent specific zones in the District, and two directors are elected “at large,” meaning they do not represent a particular zone.

The District boundary is identical to that of Clackamas County, Oregon. The District office is located in Beavercreek Oregon, where the District has owned a 15 acre farm, and the site where the District completed construction on it’s new facility, the Conservation Resource Center.

4.2 Assistance Provided by Technical and Professional Staff

The District has 20 full-time equivalent (FTE) positions. These people work to assure the proper management and administration of the District, to educate and inform our constituents, and to provide conservation services to our customers.

The majority of the District’s employees are engaged in providing conservation services to the public, with specialized skills addressing large and small farms, streams and the health of streamside vegetation, conservation in the urban environment, wildlife needs, outreach and education services, and invasive plant species.

Three employees provide management and administration of the organization: a Financial Administrator, an Office Coordinator, and a District Manager. All work occurs under the supervision of a District Manager who reports to the Board of Directors.

4.3 Some Work is Contracted

The District also utilizes specialized contractors to provide additional service. For example, vegetation management contractors are used to treat invasive species, and an engineering technician is utilized a few days a week to assist District staff in serving customer needs.

Clackamas County

4.4 Overview (updated March 2018)

4.4.1 Population and People

Clackamas County is the third most populated county in Oregon, with a population of 418,187 people. The median age is 41.6 years old and the median household income is \$80,294 a year in 204,267 households, with a median value of \$441,900. (Source: 2015 data available at <https://datausa.io/profile/geo/clackamas-county-or/>)

Ethnicity in 2019 was 81.1% White, 5.27% Hispanic, 4.73% Asian, and 2.78% Multiracial. Other races or ethnicity were less than 1%, including Black, Native, Islander, and Other.

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The most common foreign languages are Spanish, Chinese, and Russian. Compared to other places, Clackamas County has a relatively high number of Russian speakers.

4.4.2 Economy and Employment

Employment in Clackamas County totals 199,068 workers. The largest employment sectors are: healthcare and social assistance; manufacturing; and retail trade. Compared to other counties in Oregon, Clackamas County has an unusually high number of residents working in farming, fishing, and forestry with 3,566 people employed.

4.4.3 Property and Transportation

The median property value in Clackamas County in 2019 was \$441,900, significantly higher than the median property value in Oregon of \$264,100 and the median property value in the Portland-Vancouver Metro Area of \$303,100.

The largest share of households in Clackamas County have two cars, followed by three cars. The average commute time is 26.5 minutes, slightly higher than the United States average of 27 minutes. However, 2.06% of the Clackamas County workforce have commutes in excess of 90 minutes. Commute time for Clackamas County residents is, on average, more than in Oregon and more than in the Portland-Vancouver Metro Area.

4.4 How Much Land?

The District covers all of Clackamas County, with a total area of 1,879 square miles. Land covers 1,868 square miles and surface water covers 11 square miles. The 11 square miles of water exists as wetlands, ponds, lakes, creeks, streams, and rivers.

4.5 Ten Feet of Precipitation in Mountains, Four Feet in Lowlands

4.5.1 Precipitation

The eastern part of the District is bounded by the Cascade Mountains where luxuriant forests help to capture snow and rain. Water is an abundant resource but it is not evenly distributed, with some areas receiving far more than other regions. Some places end up with too much water and some too little.

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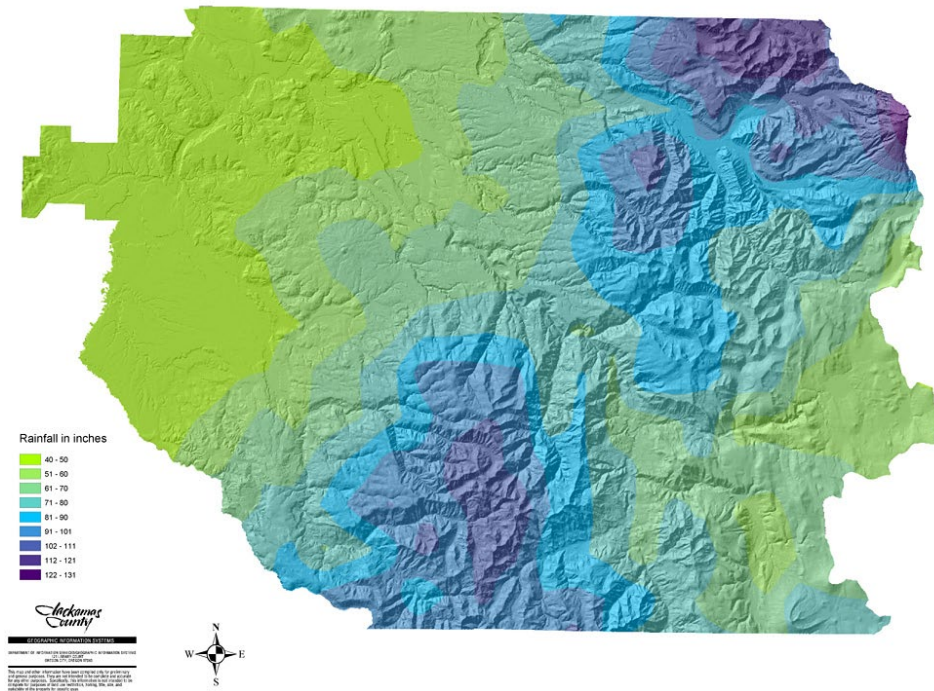


Figure 1: Average rainfall in Clackamas County

4.5.1 Changing climate

Clackamas County is experiencing changing weather patterns. Whether or not these changes continue into the future, the safest approach by farmers and forest owners is to assume that changes will continue. The District continues to contemplate the impact that drier summers may have on farming and forestry activities, and on fish and wildlife habitats.

4.6 More Farms Than Any Other County in Oregon

The District is home to one of the most favorable farming locations in the United States: the Willamette River Valley. The combination of rich, deep soil with a moderate climate makes it possible for farmers to produce a diverse array of food crops, livestock, nursery products, and Christmas trees.

Farming activity occurs on 285 square miles of land, or 15 percent of the total area of land available in the District. In general, public lands are higher elevation landscapes not suitable for farming activities. It comes as no surprise that most farming activity is centered on fertile valley bottoms and prairies.

Farming often involves disturbing soil for field preparation, weed control, planting, and harvesting. Clearly, farming is a major land disturbing activity, and with land disturbance comes increased potential for soil erosion, loss of native plant communities, invasion of weeds, and impacts to water quality.

The 2007 Census of Agriculture was updated in 2012 and results are now available. In 2007, Clackamas County had more farms than any other county in Oregon with 3,989 farms reported. In 2012, we still have more farms than any county but the number has dropped to 3,745 on 162,667 acres. The District contains more than ten percent of the total number of farms statewide. However, the average size of a Clackamas County farm is only 43 acres, which is less than one-tenth of the average size across the state. Our average farm size continues to be the smallest in Oregon.

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Approximately one-quarter of farms in the District irrigate land. About one-quarter of the farms in the District are owned by women.

Farms in the District are important to the local, regional, and statewide economy, generating more total farm sales than any other county in Oregon except for Marion County.

4.7 Urban Land

According to the U.S. Census Bureau, the District held 421,401 people in 2020, a Clackamas County is the 3rd most populated county in the state of Oregon. The Census Bureau's estimate for July 1, 2017 is 412,672 people, a 9.8-percent increase since the 2010 census.

Most people live in the northwestern part of Clackamas County.

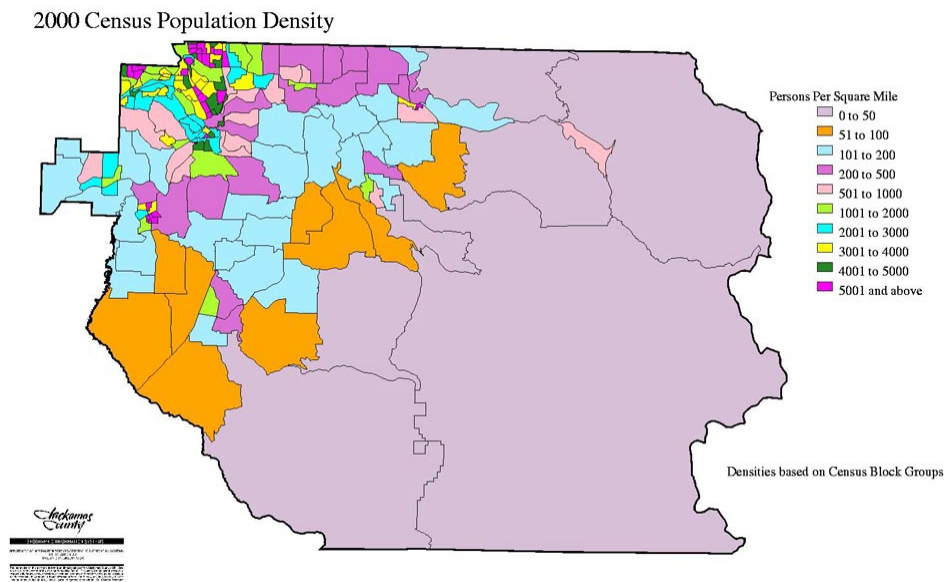


Figure 3: Population density in Clackamas County

Conditions in the urban environment challenge us in helping landowners conserve natural resources. In and around cities, native soil profiles have been disturbed through the building of roads, businesses, and homes. Our traditional conservation practices are based on having native soil profiles, and may not always work as expected in urban conditions.

Some conservation practices suitable for urban landscapes are quite expensive compared to working on farm and forest land. Urban areas also present many more potential users of our services in a smaller area, compared to delivering services in our farming and forestry-based communities.

4.8 Forest Land

Forested land covers a large portion of the District. Figure 4 shows the distribution of public lands in Clackamas County, and in general, public lands are forested lands. In addition, private forest land occurs in a north-south strip between public lands to the east and farms to the west.

Almost all District activities occur in the western half of Clackamas County. Exceptions generally revolve around invasive species issues where the District may work with federal land managers.

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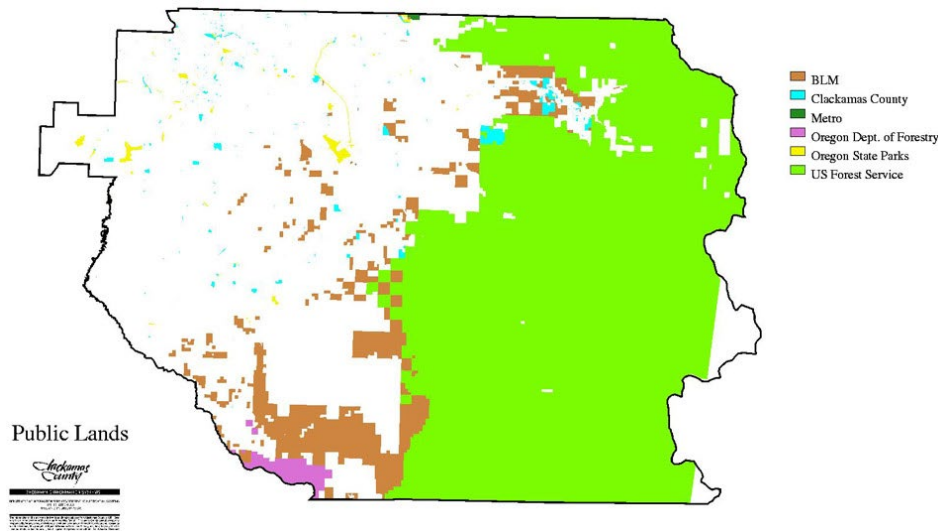


Figure 4: Public lands in Clackamas County

4.9 District Programs

We help people use natural resources responsibly so that those resources are available for current and future generations. Protecting water quality in a non-regulatory, collaborative manner is a core mission of the District. With so much land draining to a few large rivers, small changes in land-based practices can dramatically affect water quality.

Many of the District's core conservation programs revolve around land disturbance. Whenever land is disturbed, the potential increases for soil erosion, disruption of native plant communities, and invasion of foreign species. Whether in the forest, on the farm, or in an urban area, land disturbance is a central factor in determining the activities and support available through the District.

The District's conservation professionals are focused on conservation activities that roughly reflect the gross characteristics of the wide range of land uses on private lands in Clackamas County.

In addition to college-level education in various natural resource fields, and training in conservation planning systems, some staff received training in wildlife conservation and other conservation specialties. All staff work in a cross-functional manner, meaning they work not only within their core area but also extend their knowledge, skills, and abilities to other staff members when needed.

The distribution of District staff skills outlined above occurred in response to the kinds of requests for help received by the District, in combination with the guidelines presented in the District's Master Plan that was developed in 2008, the District's five-year plan, and based on direction from the District's elected Board of Directors. The District is nearing completion of a strategic planning effort to identify priority goals and objectives for the next 5 years. The complexity of the staff and programs will change somewhat to meet the demands of evolving natural resource conditions and shifting community needs.