



**Burlington Water District
Exit Recommendations**

OAR 162-010-0250 – Indebtedness

We reviewed ORS 308.207, which prescribes the taxes or bonding limitations. ORS 264.250(1) applies to Domestic Water Supply Districts with a population under 300. The limitation is 2.5% of the Real Market Value. The 2024-2025 Assessed Value for Computing Tax Rates for Burlington Water District was 53,516,420. 2.5% of this is \$1,337,910.50. As of 6/30/2025, total debt was \$1,413,135. It appears the District has exceeded its debt limitation by \$75,225.50.

We recommend the District consult with its attorney to determine a path forward.

OAR 162-010-0260 – Budget

We reviewed the District's budget process and noted the following exceptions:

- In the FY2023-2024 budget process, the District elected a presiding officer as required by ORS 294.414(9), but the auditor could not identify where the budget officer was appointed as required by ORS 294.331. In the FY2024-2025 budget process, the opposite occurred. The governing body is required to appoint a budget officer and at its first Budget Committee Meeting, the presiding officer should be elected. If this occurred, we recommend the District ensure both are clearly documented in the appropriate minutes.
- In the Resolution adopting the FY2024-2025 budget, materials and services and capital outlay for the Water Utility Program are combined in their presentation. ORS 294.456(3)(a)(A) and (B) requires these to be presented separately. These should also match the LB-1 in their classifications.
- ORS 294.334(6) requires principal and interest to be reported separately for each debt service estimate. The budget has a lump sum total estimate for each issuance of debt.

We recommend the District ensure all budget requirements are met in its next budgeting cycle.