

**EXHIBIT B**

May 23, 2005

Board of Commissioners  
Dunthorpe-Riverdale Sewer Service District  
501 SE Hawthorne Blvd  
Portland, Oregon 97214

Dear Commissioners:

The Tax Supervising and Conservation Commission has completed review and consideration of the 2005-06 budget for Dunthorpe-Riverdale Sewer Service District. This review was undertaken pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the district.

The 2005-06 budget, filed May 13, 2005, is hereby certified by a majority vote of the Commission with the following recommendation, which will require a written response.

**Recommendation - Budget Not Filed Timely**

**The Approved Budget was filed with the Tax Supervising and Conservation Commission on May 13, 2005, 20 days prior to the public hearing scheduled on June 2, 2005. Oregon Local Budget Law, ORS 294.411, requires districts to file their Approved Budgets with TSCC at least 30 days prior to the public hearing. (This is different than the regular County budget which is required under ORS 294.421(6) to file the Approved Budget 20 days prior to the public hearing.) When developing the budget calendar for the 2005-06 budget, care should be taken that both the May 15 deadline and the 30 days prior to the public hearing rule are both adhered to. The County may want to develop budget calendars for the two Service Districts separate from the County's budget calendar.**

Aside from the above Recommendation, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law.

Aside from the above exceptions, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with the Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, were as follows:

|                     |            |
|---------------------|------------|
| General Fund;       | \$ 933,860 |
| Permanent Tax Rate; | \$0        |

Please file a complete copy of the adopted budget with the Commission within 15 days of adoption. The response to the Commission recommendation should be included either in the adopting resolution or within a letter that accompanies the adopted budget. If extra time is needed for filing the adopted budget let us know.

Yours truly,

**TAX SUPERVISING & CONSERVATION COMMISSION**

Tom Linhares  
Director



**Tax Supervising  
& Conservation  
Commission**

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