

OCEANSIDE WATER DISTRICT

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OCEANSIDE WATER DISTRICT

FISCAL YEAR 2020-2021

BUDGET COMMITTEE MEETING

TUESDAY, MAY 19, 2020 AT 1:00 P.M.

VIA CONFERENCE CALL

1-978-990-5000

CODE: 377288

1. Call the meeting to order.
2. Self-Introduction of Budget Committee Members.
3. Election of Budget Committee Chairperson.
4. Elect Budget Committee Secretary.
5. Review of Budget Message.
6. Review of “Proposed” Budget for Fiscal Year 2020-2021. Answer questions/concerns from Committee and/or public.
7. Approval of Fiscal Year 2020-2021 Proposed Budget.
8. Adjournment of Budget Committee Meeting.

2020 – 2021

BUDGET MESSAGE

Rates will remain the same for the 2020-2021 Budget year at \$65 per month for a single-family residence and there will be no change in water rates for the other property classifications as well.

As we had mentioned in last year's budget message and further confirmed by our audit for the period ending June 2019, we had been falling short of being able to cover our debt service requirement of \$243,561 from operating profits without dipping into our cash reserves. Our loan agreement with the Oregon Infrastructure Finance Authority requires that we have Net Operating Profits in an amount in excess of our debt service requirement of \$243,561.

In 2018 by this measurement we covered our debt service by \$10,443 and our projection for 2019 showed that we would fall short of this measurement by -\$4,196 which called for the necessity of a rate increase for the year beginning July 2019. Our Financial Audit for the year ending June 2019 showed an actual short fall of -\$29,908 in covering our debt service, which is prior to the rate increase which began July 2019. The difference between our estimate and the actual short fall was largely due to classifying interest income of \$18,400 as non-operating income. I disagree with this classification of interest income as non-operating revenue (except for that earned on the Capital Reserve Funds) since it is not available to cover overhead and debt service.

Funds on hand as of	<u>April 30, 2020</u>	<u>April 30, 2019</u>	
General Fund	\$284,588	\$232,093	For operating expenses.
Capital Reserve	\$119,584	\$137,948	Not to be used for operating expenses.
Debt Service	\$356,828	\$344,212	Restricted to debt payments.
Membrane Replacement	\$26,823	\$16,239	Limited to filter replacement costs.
Infrastructure Upgrades & System Replacement & Water Source Development	<u>\$82,308</u>	<u>\$86,938</u>	
Total	\$870,132	\$817,430	

Document A
Oceanside Water District
Internal Profit & Loss
3 Quarters Actual & 1 Quarter Projected
For the Period Ending 6/30/2020

Document A is an internal Profit & Loss statement for the 12 months ending June 30, 2020. The 4th Quarter is projected based on the 3rd Quarter.

Line 103 shows Net Operating Income of \$290,553.60, from which we must subtract non-operating income, lines 105-106, for a total of \$30,747.49. This represents earnings in the Capital Reserve account, line 105, and other non-recurring income, line 106, for an adjusted Net Operating Income of \$259,806.21, line 109. Subtracting annual Debt payments of \$243,561 Leaves a Net Operating Margin of \$16,245.21, line 111, which is after the rate increase that was put into place on July 1, 2019. If interest income is not included in Net Operating Income, then the margin is reduced to \$6,875.

Oceanside Water District
 Projected Profit and Loss
 For Budget Presentation

A

	Actual			Projected	Projected
	Jul - Sep 2019	Oct - Dec, 2019	Jan - Mar, 2020	Apr - Jun, 2020	12 Months Ending 6-30-20
1 Income					
2 1-4000 General Fund Income					
3 1-4003 Water Service	158,364.17	84,409.51	80,097.37	80,097.37	402,968.42
4 1-4004 Labor & Materials	1,647.00	1,817.00	210.00	210.00	3,884.00
5 1-4005 Miscellaneous Income, New Account Fees	1,034.90	845.00	264.96	264.96	2,409.82
6 1-4006 Water Overages	2,080.29	5,104.42	856.55	856.55	8,897.81
7 1-4007 General Fund LGIP Interest Income	1,000.48	1,000.80	564.06	564.06	3,129.40
8 1-4008 Customer Related Late Fees, Interest & Penalties	761.71	596.71	402.04	402.04	2,162.50
9 Total 1-4000 General Fund Income	\$ 164,888.55	\$ 93,773.44	\$ 82,394.98	\$ 82,394.98	\$ 423,451.95
10 3-4000 Capital Reserve Fund					
11 3-4006 System Development Charges	14,580.00				14,580.00
12 3-4007 Capital Reserve Fund Interest	849.19	783.38	438.12	438.12	2,508.81
13 Total 3-4000 Capital Reserve Fund	\$ 15,429.19	\$ 783.38	\$ 438.12	\$ 438.12	\$ 17,088.81
14 4-4000 Debt Service Fund					
15 4-4003 Debt Service Fund Income	61,998.00	61,998.00	61,998.00	61,998.00	247,992.00
16 4-4007 Interest Income	2,551.91	1,930.97	931.03	931.03	6,344.94
17 Total 4-4000 Debt Service Fund	\$ 64,549.91	\$ 63,928.97	\$ 62,929.03	\$ 62,929.03	\$ 254,336.94
18 6-4000 Membrane Replacement Fund					
19 6-4003 Membrane Replacement Fund	2,550.00	2,550.00	2,550.00	2,550.00	10,200.00
20 6-4007 Interest Income	68.48	134.51	75.82	75.82	354.63
21 Total 6-4000 Membrane Replacement Fund	\$ 2,618.48	\$ 2,684.51	\$ 2,625.82	\$ 2,625.82	\$ 10,554.63
22 9-4000 Future Plant Replacement Fund					
23 9-4007 Interest	574.82	575.00	316.68	316.68	1,783.18
24 Total 9-4000 Future Plant Replacement Fund	\$ 574.82	\$ 575.00	\$ 316.68	\$ 316.68	\$ 1,783.18
25 Uncategorized Income	63.95	13,586.21	4.21	4.21	13,658.58
26 Total Income	\$ 248,124.90	\$ 175,331.51	\$ 148,708.84	\$ 148,708.84	\$ 720,874.09
27 Gross Profit	\$ 248,124.90	\$ 175,331.51	\$ 148,708.84	\$ 148,708.84	\$ 720,874.09
28 Expenses					
29 1-5000 General Fund Expenses					
30 1-5100 Personal Services					
31					
32 5102 District Manager	16,262.63	13,762.62	13,762.62	13,762.62	57,550.49
33 5104 Office Manager	6,788.00	5,040.00	5,088.00	5,088.00	22,004.00
34 5105 Plant Operator	11,963.90	10,878.74	10,768.24	10,768.24	44,379.12
35 5107 Assistant Plant Operator	10,760.33	9,848.39	9,640.80	9,640.80	39,890.32
36 5109 Payroll Taxes	3,925.97	3,256.13	3,374.14	3,374.14	13,930.38
37 5103 Other Labor	0.00	0.00	0.00	0.00	0.00
38 5111-2 SDIS Medical Coverage	19,321.56	14,491.17	15,904.08	15,904.08	65,620.89
39 5113 Workmen's Compensation Insurance	10,558.48	0.00	0.00	0.00	10,558.48
40 5115 Deferred Compensation	5,492.96	4,743.56	4,711.15	4,711.15	19,658.82
41 Total 1-5100 Personal Services	\$ 85,073.83	\$ 62,020.61	\$ 63,249.03	\$ 63,249.03	\$ 273,592.50
42 1-5200 Materials & Services					
43 5203 Commissioner's Expense	713.42	700.00	0.00		1,413.42
44 5210 Office Expense					
45 5210-1 Office Supplies	280.69	32.40	248.39	248.39	809.87
46 5210-2 Bank Fees	419.05	417.90	311.35	311.35	1,459.65
47 5210-3 Billing Software	0.00	566.20	572.89	572.89	1,711.98
48 5210-4 Accounting Software	439.08	485.91	614.68	614.68	2,154.35
49 5210-5 Office fixtures & Equipment	135.67	0.00	239.96	239.96	615.59
50 5210-6 Legal Notices	96.80	194.30	178.25	178.25	647.60
51 5210-7 Travel	428.78	100.63	232.30	232.30	994.01
52 Total 5210 Office Expense	\$ 1,800.07	\$ 1,797.34	\$ 2,397.82	\$ 2,397.82	\$ 8,393.05
53 5221 Postage	479.70	289.85	289.85	289.85	1,349.25
54 5223 Elections & Publications	80.43	0.00	0.00	0.00	80.43
55 5224 Dues & Memberships		1,441.25	752.78	752.78	2,946.81
56 5225 General Liability / Property Insurance			16,253.00	0.00	16,253.00

57	5226 Bond Insurance	164.00	0.00	0.00	0.00	164.00
58	5227 Professional Fees					
59	5227-1 Legal Fees & Expense				125.00	125.00
60	5227-2 Audit & Filing Fees	7,875.00	3,937.50	4,137.50	0.00	15,950.00
61	5227-3 Engineering Fees & Expense				0.00	0.00
62	Total 5227 Professional Fees	\$ 7,875.00	\$ 3,937.50	\$ 4,137.50	\$ 125.00	\$ 16,075.00
63	5230 Training / School (Employees / Board Members)	9.59	300.00	102.00	0.00	411.59
64	5232 Misc. Exp. & Water System Survey					
65	5232-2 Misc. Exp. Oceanside/ Cape Meares	1,280.22				1,280.22
66	Total 5232 Misc. Exp. & Water System Survey	\$ 1,280.22	\$ 0.00	\$ 0.00	\$ 0.00	\$ 1,280.22
67	5233 Water Management Conservation Plan	1,040.00	0.00	1,050.00	15,000.00	17,090.00
68	5240 Repair & Maintenance System					
69	5240-1 System R & M OWD	6,034.34	14,524.27	911.02	911.02	22,380.65
70	5240-2 System R & M Cape Meares	1,008.78	5,205.68	829.30	829.30	7,873.06
71	Total 5240 Repair & Maintenance System	\$ 7,043.12	\$ 19,729.95	\$ 1,740.32	\$ 1,740.32	\$ 30,253.71
72	5241 Repair & Maintenance Plant					
73	5241-1 Plant R & M OWD	5,800.45	1,228.76	1,434.96	1,434.96	9,899.13
74	5241-2 R & M Plant Cape Meares		48.24	519.00	519.00	1,086.24
75	Total 5241 Repair & Maintenance Plant	\$ 5,800.45	\$ 1,277.00	\$ 1,953.96	\$ 1,953.96	\$ 10,985.37
76	5242 Plant Supplies		2,320.25	296.46	296.46	2,913.17
77	5243 Chemicals					
78	5243-1 Chemicals Oceanside	2,745.69	1,481.01	359.94	359.94	4,946.58
79	5243-2 Chemicals Cape Meares	2,484.58	1,344.50	359.91	359.91	4,548.90
80	Total 5243 Chemicals	\$ 5,230.27	\$ 2,825.51	\$ 719.85	\$ 719.85	\$ 9,495.48
81	5245 Water Testing					
82	5245-2 Water Testing OWD & Short Creek Study	1,578.36	820.50	271.00	271.00	2,940.86
83	5245-3 Water Testing Cape Meares	235.36	455.50	221.00	221.00	1,132.86
84	Total 5245 Water Testing	\$ 1,813.72	\$ 1,276.00	\$ 492.00	\$ 492.00	\$ 4,073.72
85	5246 Small Tools	29.99	97.96	83.33	83.33	294.61
86	5247 Boots, Safety Ware, Uniforms	202.60	752.44	115.32	115.32	1,185.68
87	5251 Telephone / Cellphone /Internet	1,989.98	1,217.93	2,510.25	2,510.25	8,228.41
88	5252 Electricity					
89	5252-1 Electricity OWD	2,743.40	2,272.89	2,177.62	2,177.62	9,371.53
90	5252-2 Electricity Cape Meares	677.22	693.35	832.92	832.92	3,036.41
91	Total 5252 Electricity	\$ 3,420.62	\$ 2,966.24	\$ 3,010.54	\$ 3,010.54	\$ 12,407.94
92	5253 Trash Service	93.45	93.45	93.45	93.45	373.80
93	5254 Generator Repair & Maintenance					
94	5254-1 Fuel			880.87		880.87
95	5254-2 Generator Service & Repair	2,730.67			4,735.00	7,465.67
96	Total 5254 Generator Repair & Maintenance	\$ 2,730.67	\$ 0.00	\$ 880.87	\$ 4,735.00	\$ 8,346.54
97	5260 Vehicle Repair & Maintenance					
98	5260-1 Fuel	710.54	556.48	547.14	547.14	2,361.30
99	5260-2 Vehicle Service & Repairs	87.50	263.99			351.49
100	Total 5260 Vehicle Repair & Maintenance	\$ 798.04	\$ 820.47	\$ 547.14	\$ 547.14	\$ 2,712.79
101	Total 1-5200 Materials & Services	\$ 42,595.34	\$ 41,843.14	\$ 37,426.44	\$ 34,863.07	\$ 156,727.99
102	Total 1-5000 General Fund Expenses	\$ 127,669.17	\$ 103,863.75	\$ 100,675.47	\$ 98,112.10	\$ 430,320.49
103	Net Operating Income Before Adjustments	\$ 120,455.73	\$ 71,467.76	\$ 48,033.37	\$ 50,596.74	\$ 290,553.60
104	Less Non-Operating Income					
105	Total 3-4000 Capital Reserve Fund	\$ 15,429.19	\$ 783.38	\$ 438.12	\$ 438.12	\$ 17,088.81
106	Uncategorized Income	63.95	13,586.21	4.21	4.21	13,658.58
107						
108	Total Non-Operating Income / Expense	\$ 15,493.14	\$ 14,369.59	\$ 442.33	\$ 442.33	\$ 30,747.39
109	Net Operating Income After Adjustments	\$ 104,962.59	\$ 57,098.17	\$ 47,591.04	\$ 50,154.41	\$ 259,806.21
110	Debt Service					\$ 243,561.00
111	Net Operating Income After Debt Service					\$ 16,245.21

BUDGET FORMS

General Fund Resources, Form #1

This form is a summary of historical and projected sources of income for the General Fund and includes an estimate of General Funds on hand as of July 1, 2020, plus interest and Operating Revenue for the year. There is also income from a Grant, line 11, to study the effects of Herbicide Spraying in the Short Creek Watershed. It is anticipated the grant will offset any expenses incurred during the study, which must be completed prior to December 2020.

Total Operating Revenue, line 14 is projected to be down from last year's budget since the Coleman Creek Relocation Study Forgivable Loan, line 12, is not reoccurring and we have projected less growth as a result of the current economic conditions which results in less water service related income, lines 8-10.

The water rate increase in the current year budget, line 13, is now incorporated in the projected Water Service Income, line 7, for the proposed budget.

Total Resources, line 32, is estimated to be \$966,080, this is composed of Cash on Hand, line 1, Interest Income, line 4 and Total Operating Revenue, line 14.

FORM
LB-20

**GENERAL FUND
RESOURCES
OCEANSIDE WATER DISTRICT**

1

(Fund)

OCEANSIDE WATER DISTRICT

Historical Data				RESOURCE DESCRIPTION	Budget for Next Year 2020 - 21			
Actual		Adopted Budget Year 20	This 2019 - 20		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding year 2017 - 18	First Preceding Year 2018 - 19							
1	551,300	397,112	190,000	1 Available cash on hand* (cash basis)	265,000		1	
2				2 Net working capital (accrual basis)			2	
3				3 Previously levied taxes estimated to be received			3	
4	4,523	4,487	4,300	4 Interest, Late Fees & Penalties	4,000		4	
5				5 Transferred IN, from other funds			5	
6				Operating Revenue			6	
7	616,910	620,601	615,600	7 Water Service	667,680		7	
8	3,707	11,675	5,300	8 Miscellaneous Income	2,500		8	
9	5,398	11,300	10,000	9 Labor & Materials	4,000		9	
10			11,000	10 Water Overages	8,900		10	
11			14,000	11 IFA Short Creek Herbicide Study Grant	14,000		11	
12		20,000	20,000	12 Coleman Creek Relocation Study Forgivable Loan	0		12	
13			51,300	13 Water rate Increase	0		13	
14	626,015	663,576	727,200	Total Operating Revenue	697,080	-	-	14
15				15			15	
16				16			16	
17				17			17	
18				18			18	
19				19			19	
20				20			20	
21				21			21	
22				22			22	
23				23			23	
24				24			24	
25				25			25	
26				26			26	
27				27			27	
28				28			28	
29	1,181,838	1,065,175	921,500	Total Resources	966,080	-	-	29
30			-	30			30	
31				31			31	
32	1,181,838	1,065,175	921,500	TOTAL RESOURCES	966,080	-	-	32

REQUIREMENTS SUMMARY

Form #2

This chart shows the projected demands on Operating Revenue and Cash on Hand as detailed on Chart 1 and carried over to Chart 2 on line 35.

Personal Services:	Line 3	\$334,000
Materials and Services:	Line 8	\$202,650
General Operating Contingencies:	Line 12	\$30,000
General Fund Capital Outlay:	Line 16	\$30,000
Interfund Transfers:	Line 27	\$369,430

In prior years, General Operating Contingencies was allocated \$10,000 to Personal Services and \$20,000 to Material and Services but reporting requirements now require it to be listed as a separate item on Form LB-1 which is prepared after final board approval of the budget in June. General Operating Contingencies is shown on line 12.

During the construction phase Capital Assets were purchased out of our Infrastructure Upgrades Account and or Capital Reserve accounts, but last year some \$21,280 was spent on Capital Assets out of the General Fund for Water Meters, Office Equipment, and Replacement Equipment at the Treatment Plants, Intakes and Pump Stations. The purchases in question could have been charged to the Infrastructure Upgrades account as a yearend adjustment but for whatever reason, the auditors decided to have them remain paid out of the General Fund, rather than reclassify them. To rectify this problem going forward, we have established the General Fund Capital Outlay, line 16, in the amount of \$30,000.

Of the interfund transfers in the amount of \$369,430 only the Membrane Module Replacement, Line 21 and Debt Service, Lines 23-24 are fixed, the balance of the items line 20 and line 25 will be transferred only as needed.

REQUIREMENTS SUMMARY

OCEANSIDE WATER DISTRICT
(name of fund)

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2020 - 2021			
	Actual		Adopted Budget This Year 2019 - 20		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2017-18	First Preceding Year 2018 - 19						
				PERSONAL SERVICES				
1				1				1
2				2				2
3	252,279	250,438	287,000	3	TOTAL PERSONAL SERVICES	334,000	0	3
4	3	3	4.0	4	Total Full-Time Equivalent (FTE)	4.0	4.0	4
5				5	MATERIALS AND SERVICES			5
6				6				6
7				7				7
8	124,255	162,692	184,250	8	TOTAL MATERIALS AND SERVICES	202,650	0	8
9				9	General Operating Contingencies			9
10	0	0	30,000	10	To be allocated as needed between the Personal Services	30,000		10
11	0	0		11	and the Materials & Services accounts			11
12	0	0	30,000	12	Total Contingencies	30,000	0	12
13				13	CAPITAL OUTLAY GENERAL FUND			13
14				14				14
15	0	21,280	0	15	Capital Outlay General Fund	30,000		15
16	0	21,280	0	16	TOTAL CAPITAL OUTLAY	30,000	0	16
17				17	INTERFUND TRANSFERS			17
18				18	Transfer To			18
19				19	Infrastructure Upgrades, System replacement			19
20			100,000	20	And Water Source Development Fund	100,000		20
21	10,200	10,200	10,200	21	Membrane Module Replacement Fund	10,200		21
22				22	Transfer to Debt Service Fund			22
23	247,992	247,992	36,000	23	IFA Water Waste Water Loan \$36,000 a yr. beg 12/15	36,000		23
24			212,000	24	IFA Safe Drinking Water Loan \$211,880 a yr. beg 12/17	212,000		24
25	150,000	0	0	25	Transfer to other funds as needed	11,230		25
26				26				26
27	408,192	258,192	358,200	27	TOTAL INTERFUND TRANSFERS	369,430	0	27
28				28				28
29				29				29
30	784,726	692,602	859,450	30	REQUIREMENTS	966,080	0	30
31	397,112	372,573	62,050	31	UNAPPROPRIATED ENDING FUND BALANCE	0	0	31
32	1,181,838	1,065,175	921,500	32	TOTAL REQUIREMENTS	966,080	0	32
33				33	Ending balance (prior years)			33
34				34	UNAPPROPRIATED ENDING FUND BALANCE			34
35	1,181,838	1,065,175	921,500	35	TOTAL RESOURCES	966,080	0	35

Capital Outlay & Contingencies

Form #3

During the construction phase Capital Assets were purchased out of our Infrastructure Upgrades Account and or Capital Reserve accounts, but last year some \$21,280 was spent on Capital Assets out of the General Fund for Water Meters, Office Equipment, and Replacement Equipment at the Treatment Plants, Intakes and Pump Stations. To rectify this problem going forward, we have established the General Fund Capital Outlay, in the amount of \$30,000, line 9, to cover purchases that our auditors have classified as capital assets.

In prior years, General Operating Contingencies was allocated \$10,000 to Personal Services and \$20,000 to Material and Services but reporting requirements now require it to be listed as a separate item on Form LB-1 which is prepared after final board approval of the budget in June. General Operating Contingencies is shown on line 25 and will be allocated as needed between Personal Services and Material & Services, but it cannot exceed 10% of the budget provision for that area.

DETAILED REQUIREMENTS

**FORM
LB-31**

CAPITAL OUTLAY & Contingencies

3

GENERAL FUND
OCEANSIDE WATER DISTRICT

	Historical Data			EXPENDITURE DESCRIPTION	Budget for Next Year 2020-2021			
	Actual		Adopted Budget This Year 2019-2020		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding Year 2017-18	First Preceding Year 2018-19						
1	0	21,280	0	1 Capital Outlay General Fund Account	30000			1
2				2 To include but not limited to parts for customer hook ups				2
3				3 and installation, office equipment, equipment involved				3
4				4 in the treatment or transmission of water and any other				4
5				5 capital assets required for the water district to function.				5
6				6				6
7				7				7
8				8				8
9	0	21,280	0	9 Total Capital Outlay	30,000	0	0	9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22 General Operating Contingencies				22
23	0	0	30,000	23 To be allocated as needed between the Personal Services	30,000			23
24				24 and the Materials & Services accounts				24
25	0	0	30,000	25 Total Contingencies	30,000	0	0	25
26				26				26
27				27				27
28				28				28
29				29				29
30				30				30
31				31				31
32				32				32
33				33				33
34	0	21,280	30,000	34 Total	60,000	0	0	34

Personal Services

Form #4

We are proposing a Personal Services Budget of \$334,000, which is up from \$287,000 from the prior year, line 32. Besides wages, our next largest expense is medical coverage for our employees, Line 8.

Per our policy, we provide medical and dental coverage for our employees and their spouses if any. Additional coverage can be elected but its cost is deducted from the employee's wages. For 9 months this year, wages have been reduced by some \$6,583 for the employee's share of medical and dental insurance. We estimate by fiscal year end we will have spent some \$65,000 for medical and dental coverage. Special Districts provides medical and dental insurance on a self-insured bases, but the plan is managed by Blue Cross Blue Shields of Oregon. Coverage costs run from \$7,300 for a single employee to \$14,600 per year for employee and spouse and a family plan runs \$20,700 per year. An employee may purchase additional coverage, but that cost is deducted from their monthly pay.

We have yet to receive our medical insurance rates for the period starting July`1, 2020 but it is anticipated that there will be an increase, so we have budgeted accordingly.

Workers Compensation Insurance, line 9, is also through SDIS and has seen a dramatic increase. In the year 2017-2018 we paid approximately \$5,000 and received a dividend of \$2,000, in the next year 2018-2019 we paid \$2,700 and received a dividend of \$2,200. For the year just ending 2019-2020, we have paid \$10,500, with no dividend and our billing for 2020-2021 is going to be \$11,136. Since July of 2017, SDIS has paid out over \$243,000 in medical expenses due to an employee injured during the construction phase caused by a faulty overhead door at no fault of our own. SDIS has put a claim into the litigation against the

overhead door company by the insured employee and if the litigation is successful we should see some recovery in future years, but it will probably be only a fraction of the premium paid.

The water district pays into a 457 Retirement Plan 12% of an employee's wages (line 11). The district has no unpaid obligation with regards to this plan, unlike those Districts who participate in PERS.

On April 2, 2020, the Federal Government passed the Families First Coronavirus Response Act and the State followed with an amendment to the Emergency Family and Medical Leave Act, which provides up to 12 weeks of protected leave. The first 10 Days may be unpaid after which pay would be limited to 2/3 of the employee's wage rate but with a limit of \$200 per day or \$10,000 in the aggregate per employee. Prior to the amendment it only applied to employers with 50 or more employees but that was removed and now an employer must request a hardship exception. Historically we have carried a part time labor allocation, line 4, in the amount of \$5,000 but have increased it to \$10,000 for the coming year to cover any problems that may come up with staffing or cost associated with the Emergency Family and Medical Leave Act.

DETAILED REQUIREMENTS

4

**FORM
LB-31**

PERSONAL SERVICES

GENERAL FUND

OCEANSIDE WATER DISTRICT

OCEANSIDE WATER DISTRICT

	Historical Data				REQUIREMENTS DESCRIPTION	Number of Employ-ees	Range*	Budget for Next Year 2020 - 21			
	Actual		Adopted Budget This Year 2019-2020					Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding Year Year 2017-18	First Preceding Year 2018-19									
1				1	PERSONAL SERVICES						1
2	85,879	76,951	60,000	2	5101 Watermaster (AT) District Mgr (DN)	1		62,000			2
3	32,092	40,598	42,000	3	5102 System Operator (DN) Plant Operator (JH)	1		48,000			3
4	0	0	5,000	4	5103 P/T Assistant			10,000			4
5	24,075	23,581	38,000	5	5104 Office Manager	1		38,000			5
6	30,496	32,785	40,000	6	5105 Plant Operator Asst, Plant Operator (CA)	1		43,000			6
7	13,142	14,342	15,000	7	5109 Payroll Tax			16,000			7
8	43,137	42,128	55,000	8	5111 Employee/Family Medical Insurance			75,000			8
9	3,004	552	6,000	9	5113 Workmen's Compensation			12,000			9
10	1,562	0	2,000	10	5114 Unemployment Insurance			3,000			10
11	18,892	19,501	20,000	11	5115 Deferred Compensation			22,000			11
12	0	0	4,000	12	5112 Vacation & Comp Time Estimated Accrual			5,000			12
13				13							13
14				14							14
15				15							15
16				16							16
17				17							17
18				18							18
19				19							19
20				20							20
21				21							21
22				22							22
23				23							23
24				24							24
25				25							25
26				26							26
27				27							27
28				28							28
29				29							29
30				30							30
31				31							31
32	252,279	250,438	287,000	32	TOTAL PERSONAL SERVICES			334,000	0		0
33				33							33

Materials and Services

Form #5

We are budgeting a 10% increase in this area largely centered in the following areas:

General Liability Insurance, line 9

Audit and Filing Fee, line 12

Water Management Conservation Plan, line 16, this will either be paid in the current budget year or in the proposed budget depending on when state approval is obtained.

Repair and Maintenance System, line 17

Repair and Maintenance Plant, line 18

Chemicals, line 20

Generator Fuel & Maintenance, line 30

Between system and plant repairs, lines 17 & 18, we have spent over \$40,000 in the first 9 months of this year, which was the budget for the whole year. There was extensive damage at the Short Creek Pump Station caused by what we believe was a power spike, but PUD claims not, and we had water damage to the electronics at the Cape Meares Booster Pump Station.

As to chemicals, line 20, we estimate by end of the current year, we will have spent close to \$10,000 for which we only budgeted \$2,800. We have had to increase the use of flocking chemicals to assist with the removal of minute solids which were clogging our prefilters and membrane filters, thereby reducing water production and increasing wear on the system.

Lastly, generator repair and maintenance, line 30, is running in excess of the current year budget by some \$5,000 so we have increased that budget area from \$3,500 to \$9,000. Much of the expense is centered in required annual maintenance and water intrusion problems.

DETAILED REQUIREMENTS

FORM

MATERIALS AND SERVICES

5

LB-31

GENERAL FUND
OCEANSIDE WATER DISTRICT

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2020-2021			
	Actual		Adopted Budget This Year 2019-2020		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding Year Year 2017-18	First Preceding Year 2018-19						
1				1 MATERIALS & SERVICES				1
2			-	2	-			2
3			-	3	-			3
4	1,183	790	750	4 5119 Commissioner's Expense	1,500			4
5	5,439	5,333	10,000	5 5220 Office Expense	11,350			5
6	1,420	1,353	1,800	6 5221 Postage	1,500			6
7	1,275	1,091	1,400	7 5223 Elections & Publications	200			7
8	2,067	1,927	2,500	8 5224 Dues & Memberships	3,200			8
9	10,853	13,261	13,000	9 5225 General Liability/Property Insurance	17,000			9
10	164	164	200	10 5226 Bond Insurance	200			10
11	816	664	2,000	11 5227 Legal Fees	500			11
12	11,370	15,325	15,500	12 5228 Audit & Filing Fee	17,200			12
13	472	0	5,000	13 5229 Engineering	1,000			13
14	4,244	3,086	2,000	14 5230 Training / School (Employees/Board Members)	2,000			14
15	2,563	11,222	2,500	15 5232 Misc. Exp., Water System Survey	2,500			15
16	0	0	16,000	16 5233 Water Management Conservation Plan	16,000			16
17	16,878	20,267	20,000	17 5240 Repair & Maintenance System	30,000			17
18	16,878	20,492	20,000	18 5241 Repair & Maintenance Plant	20,000			18
19	4,481	57	5,000	19 5242 Plant Supplies	4,000			19
20	1,476	2,221	2,800	20 5243 Chemicals	12,000			20
21	8,920	7,775	22,000	21 5245 Water Studies & Testing	20,000			21
22	1,194	4,496	2,500	22 5246 Small Tools	500			22
23				23				23
24	8,054	8,801	9,000	24 5251 Telephone / Cellphones / Internet / Telemetry	9,000			24
25	13,488	13,294	16,000	25 5252 Electricity	14,000			25
26	4,726	4,575	6,000	26 5260 Vehicle Repair & Maintenance	7,000			26
27				27				27
28	2,270	0	1,000	28 5270 Renewal of Water Rights	1,000			28
29	735	470	800	29 5253 Trash Service / Porta Potty	500			29
30	3,289	3,061	3,500	30 5254-2 Generator Repair & Maintenance	9,000			30
31	0	21,890	-	31 5245-4 Coleman Creek Relocation Study	0			31
32	0	1,077	3,000	32 5247 Boots, Safety Ware, Uniforms	1,500			32
33				33				33
34	124,255	162,692	184,250	34 TOTAL MATERIALS & SERVICES	202,650	0	0	34

Capital Reserve Fund

Form #6

This budget sheet shows that we project to have cash on hand, line 1, of \$120,000 as of July 1, 2020. The source of capital for this account, line 6, comes mainly from System Development Fees, which is currently \$7,383 (for SDC) and we have projected receiving 3 SDC's in the coming budget year for a total of \$22,150, line 7.

This account can be used for any planned capital outlay expenditures, it cannot be used for operating expenses.

Historically we have used this account to purchase capital assets that exceed \$500 or those assets which contribute to the capacity of the system. In the current year, we took advantage of the States Preferred Worker's Program which provided some \$35,000 in assistance to purchase vehicles and equipment to accommodate an injured worker needs.

In the near future we may use this account to assist with the development of the water intake facility for Baughman Creek which will add to our supply source of water for Oceanside.

This fund is authorized and established by resolution number 15-1 on March 17, 2015 for Capital Improvements, to include but not limited to: System Improvement & Expansion; Vehicle purchases.

**RESERVE FUND
RESOURCES AND REQUIREMENTS
OCEANSIDE WATER DISTRICT
CAPITAL RESERVE FUND**

Year this reserve fund will be reviewed to be continued or abolished.
Date can not be more than 10 years after establishment.
Review Year: 2023

				(Fund)	OCEANSIDE WATER DISTRICT			
Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2020-2021			
Actual		Adopted Budget This Year 2019-2020	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year Year 2017-18	First Preceding Year 2018-19							
				RESOURCES				
1	125,228	144,658	130,000	1 Cash on hand	120,000			1
2				2 Working Capital (accrual basis)				2
3	14500			3 Other Income				3
4	2026	3280	2,592	4 Interest	1,500			4
5	0			5 Transferred IN, from other funds				5
6	18,199	40,829	29,160	6 SYSTEM DEVELOPMENT CHARGES (SDC'S) \$7,383 SFR	22,149			6
7				7				7
8				8				8
9	159,953	188,767	161,752	9 Total Resources, except taxes to be levied	143,649	0	0	9
10	0	0	0	10 Taxes estimated to be received	0	0	0	10
11	0	0	0	11 Taxes collected in year levied	0	0	0	11
12	159,953	188,767	161,752	12 TOTAL RESOURCES	143,649	0	0	12
13				13 REQUIREMENTS				13
14				14 FUTURE EXPENDITURES				14
15				15				15
16	15,295	44,270	161,752	16 Capital Outlay, including but not limited to vehicles, vac trailer,	143,649			16
17	0	0	0	17 Plant Sound Proofing, Water Source Development and other Capital				17
18	0	0	0	18 Asset Purchses				18
19	0	0	0	19				19
20	0	0	0	20				20
21	0	0	0	21				21
22	0	0	0	22				22
23				23				23
24				24				24
25				25				25
26	15,295	44,270	161,752	26 TOTAL EXPENSES	143,649	0	0	26
27				27				27
28				28 Ending balance (prior years)				28
29	144,658	144,497	0	29 RESERVED FOR FUTURE EXPENDITURE	0	0	0	29
30	159,953	188,767	161,752	30 TOTAL REQUIREMENTS	143,649	0	0	30

Infrastructure Upgrades, System Replacement
And Water Source Development Fund
Form #7

This account has been used for our construction project over the last 5 years and most recently distribution upgrades in both Cape Meares and Oceanside. We do have an upgrade project in Downtown Oceanside which is waiting for plan approval which will probable happen in this budget year with an approximate cost of some \$20,000.

The Maxwell Mountain Tank has no backup power in event of a power failure so we need to have installed a transfer switch and connection for a small portable generator that can be moved in when needed.

There is also some soundproofing work that needs to be done at the Oceanside Plant to reduce the sound level of the generators when in operation.

In addition, we need to show some progress in moving ahead with the Baughman Creek intake study and plan for it to be rebuilt as well as secure necessary easements and permits for a water transmission line from the Baughman Creek Intake to the Oceanside plant.

In the budget we have allocated up to \$100,000 to be transferred into this account and if needed we have allowed for an additional transfer of \$11,230. We anticipate it would have about \$80,000 as of July 1, 2020, and with the available transfers it would give us \$192,530 to work with if needed

FORM

LB-11

This fund is authorized and established by resolution

19-02 on April 16, 2019 for the following specified purpose:

For the purpose of Infrastructure Upgrades, System Replacement
and Water Source Development

RESERVE FUND
RESOURCES AND REQUIREMENTS
OCEANSIDE WATER DISTRICT
INFRASTRUCTURE UPGRADES, SYSTEM REPLACEMENT
AND WATER SOURCE DEVELOPMENT FUND

7

Year this reserve fund will be reviewed to be continued or abolished.

Date can not be more than 10 years after establishment.

Review Year: 2029

OCEANSIDE WATER DISTRICT

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2020-2021			
	Actual		Adopted Budget This Year 2019-2020		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2017-18	First Preceding Year 2018-19						
				RESOURCES				
1	-352,593	87,508	86,000	1 Cash on hand	80,000			1
2				2 Working Capital (accrual basis)				2
3	3,290			3 Reimbursements				3
4	3,878	2,564		4 Interest	1,300			4
5	150,000		100,000	5 Transferred IN, from other funds	100,000			5
6				6 Additional Transfers as needed	11,230			6
7	526,903	-		7 Loans & Grants (IFA) Advances				7
8				8				8
9				9				9
10				10				10
11				11				11
12	331,478	90,072	186,000	12 TOTAL RESOURCES	192,530	0	0	12
13				13 INFRASTRUCTURE UPGRADES, SYSTEM REPLACEMENT, WATER SOURCE DEVELOPMENT AND MAJOR REPAIRS	192,530			13
14	243,970	37,721	186,000	14				14
15			-	15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25	0	0	0	25 Transfer to Other Funds	0	0		25
26				26				26
27				27				27
28				28 Ending balance (prior years)				28
29	87,508	52,351	0	29 RESERVED FOR FUTURE EXPENDITURE	0	0	0	29
30	331,478	90,072	186,000	30 TOTAL REQUIREMENTS	192,530	0	0	30

Debt Service Fund

Form #8

We have been paying on the IFA Water Wastewater loan, line 14, for several years. This loan, in the original amount of \$790,000, along with a grant of \$125,000 was used to develop the Cape Meares Water Reservoir site location and the 220,000-gallon reservoir. The balance on the loan is currently \$615,846.

The IFA Safe Drinking Water Loan, line 15, in the original amount of \$5,360,000 along with a Forgiveness Loan in the amount of \$930,000 plus our matching funds of \$827,000, was used to upgrade the water treatment and distribution systems in both Oceanside and Cape Meares. The 2nd payment on the large loan was made last December and now has a balance of \$4,879,784 and the \$930,000 has formerly been forgiven.

Our loan agreement with IFA requires that we maintain operating profit of 1.2 times the annual payments which are \$243,560 per year. This would require operating profits of approximately \$298,000. To wave this requirement, we always need to maintain an amount equal to 1 annual payment in the Debt Service Account. We were able to meet this balance requirement since June 30, 2018. The current balance in this account is currently \$356,828 and we currently add to it each month in the amount of \$20,666.

We currently earn 1.75% interest on the funds in the Local Government Investment Account and only pay 1% interest on the loan, so we are not penalized on the funds we have had to set aside. The earnings rate has been as high as 2.75% in 2018 but the rate may continue to fall in the near future. However, since the inception of the Debt Service Fund in 2017 we have earned \$19,975 in interest and are on track to have over \$500,000 in the account by December 2020 to be in compliance with the loan agreement.

**DEBT SERVICE FUND
RESOURCES AND REQUIREMENTS
OCEANSIDE WATER DISTRICT
DEBT SERVICE FUND**

	Historical Data				DESCRIPTION OF RESOURCES AND REQUIREMENTS	Budget for Next Year 2020-2021			
	Actual		Adopted Budget			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year Year 2017-18	First Preceding Year 2018-19	This Year 2019-2020						
					Resources				
1	207,316	216,009	384,875	1	Beginning Cash on Hand (Cash Basis)	400,000			1
2	0			2	Working Capital (Accrual Basis)				2
3				3	Previously Levied Taxes to be Received				3
4	4,262	7,809	6,400	4	Interest	5,000			4
5	247,992	247,992	248,000	5	Transferred from Other Funds	248,000			5
6				6					6
7	459,570	471,810	639,275	7	Total Resources	653,000	0	0	7
8				8	Taxes Estimated to be Received	0	0	0	8
9				9					9
10	459,570	471,810	639,275	10	TOTAL RESOURCES	653,000	0	0	10
11				11	Requirements				11
12				12	Principal & Interest Payments				12
13				13	LOAN Budgeted Payment Date				13
14			36,000	14	IFA Water Waste Water Loan \$36M a yr. beg 12/14 for 25 yrs.	36,000			14
15			212,000	15	IFA Safe Drinking Water Loan \$212M a yr. beg 12/17 for 29 yrs.	212,000			15
16				16	Additional Loan Reserve				16
17	243,561	243,561	248,000	17	Total Principal & Interest	248,000	0	0	17
18				18					18
19				19	Reserve for future loan payments				19
20	0	0	248,000	20	Reserve Required for Wavier of Operating Profit of 1.2 X Debt Service	248,000			20
21			496,000	21	Total Requirement Total Requirement	496,000	0		21
22				22					22
23	0	0		23					23
24				24					24
25				25					25
26				26					26
27				27					27
28				28					28
29				29					29
30	216,009	228,249	143,275	30	Total Ending Fund Balance Reserved For Future Payments	157,000	0		30
31	0	0	0	31	Loan Repayment to Fund				31
32	0	0	0	32					32
33	459,570	471,810	639,275	33	TOTAL REQUIREMENTS	653,000	0	0	33

Membrane Module Replacement Fund

Form #9

Both new filtration plants require membrane filter cartridges. These cartridges are guaranteed for 5 years and have a partial guarantee for the next 2 years. After 7 years, the full replacement cost is on us. The anticipated life of the cartridges are 8-10 years. It is estimated that the full replacement cost of the membrane filters in the future would be in the range of \$80,000.

It is felt that it is only prudent to be setting aside monies for the future replacement of the membranes.

One filter in Cape Meares was replaced last year which was damaged due to a high-pressure situation and as a result, its warranty was voided.

On the bright side, when the replacement filter was received, staff noted that it came from a different supplier than the manufacture of the treatment plant, whom it was order from, and upon further research we found that we could bypass the manufacture of the treatment plant and save about 1/3 the cost of the filters. We need to verify the warranty, if any, if they are not purchased through the manufacture of the plant.

Membrane Module Replacement Fund

This fund is authorized by resolution 17-02 on March 21, 2017 for Membrane Module Replacement Fund

				(Fund)	OCEANSIDE WATER DISTRICT			
Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2020-2021			
Actual		Adopted Budget This Year 2019-2020	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body		
Second Preceding Year 2017-18	First Preceding Year 2018-19							
				RESOURCES				
1	0	10,249	17,715	1 Cash on hand	28,300			1
2				2 Working Capital (accrual basis)				2
3	49	260	220	3 Interest	200			3
4	10,200	10,200	10,200	4 Transferred IN, from other funds	10,200			4
5				5				5
6				6				6
7				7				7
8				8				8
9	10,249	20,709	28,135	9 Total Resources, except taxes to be levied	38,700	0		9
10				10				10
11				11				11
12	10,249	20,709	28,135	12 TOTAL RESOURCES	38,700	0	0	12
13				13 REQUIREMENTS				13
14				14 FUTURE EXPENDITURES				14
15				15				15
16	0	0	28,135	16 Membrane Module Replacement	38,700			16
17				17				17
18	-	-	-	18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26	0	0	28,135	26 TOTAL EXPENSES	38,700	0	0	26
27				27				27
28				28 Ending balance (prior years)				28
29	10,249	20,709	0	29 RESERVED FOR FUTURE EXPENDITURE	0	0		29
30	10,249	20,709	28,135	30 TOTAL REQUIREMENTS	38,700	0	0	30