

OCEANSIDE WATER DISTRICT

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OCEANSIDE WATER DISTRICT

FISCAL YEAR 2019-2020

BUDGET COMMITTEE MEETING

TUESDAY, MAY 21, 2019 AT 1:00 P.M.

CAPE MEARES COMMUNITY HALL

5690 4TH ST. N.W.

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 2019-2020. Answer questions/concerns from Committee and/or public.
7. Approval of Fiscal Year 2019-2020 Proposed Budget.
8. Adjournment of Budget Committee Meeting.

2019 – 2020

BUDGET MESSAGE

Rates have remained the same since July 2015 when they were raised to \$60 per month for a single-family residence, however water rates at least for the last 2 years were not enough to cover overhead, debt service and reserves and the situation does not look any better for this coming year.

With the recent completion of the financial audit for the year ending June 30, 2018, it is the first time that Net Operating Profit is not enough to cover our Debt Service Requirement and our Reserve for Membrane Module Replacement. (See Document A). This means we have had to dip into our reserves to make up the shortfall. As of April 30, 2019, we have \$232,093 in our operating account so the matter is not critical yet but as stated below, we anticipate a short fall for the year ending June 30, 2019 and beyond.

For the year ending June 30, 2018, most of this short fall was caused by overtime of approximately \$12,000 and the hiring of an additional employee, \$30,000, to assist our Water Master while David was on limited duty, due to an injury. There was also an increase of some \$18,000 in repair and maintenance for both the plant and distribution system in Cape Mears over the previous period. In addition, water testing in Cape Meares was up over \$6,000 from the previous period due to state requirements for a new start-up. Most of these increases carried forward into the current year, 2018-2019.

In the current year, year 2018-2019, (Document B) which shows the actual figures for the 9 months ending March 2019 and an estimate for the last 3 months ending June 30, 2019. The estimate is based on the operating results from the previous quarter.

Expenses in the current year, have not seen any decrease. Personal Services expenses are estimated to be up some \$10,000 over last year and we estimate that that Materials and Services expenses will be some \$40,00 over the previous period. In looking at Personal Costs in the aforementioned period there is some \$25,000 in separation costs for our previous Water Master. In Materials and Services there is \$15,000 for a Water Conservation Plan required by the State which was a requirement to renew our water rights for Short Creek and Coleman Creek and may be required every 10 years or so or if there is a substantial change in our operation. For a good part of this year and last, we have been fighting a high pressure problem at the Cape Mears plant, incoming water pressure is over 100 pounds but the plant's operating limit is 50 pounds) which is further exasperated by the amount of solids in the incoming water that clogs a key pressure regulator, which fails in the open position. There has been a lot of finger pointing concerning this problem between the *engineering company*

and the water plant manufacture, which was finally solved by David Nordman, however we are still experimenting with solutions to the solids problem.

Given the un-anticipated costs we estimate a short fall of some \$33,000 in operating profits for the current year after covering debt service and filter reserve.

In July of 2018 we moved \$110,000 from the general account to the debt service account so that we would not have to maintain Operating Profits of 1.2 times Debt Service which was a requirement of the IFA loans. The penalty for not meeting the requirement is an increase in the interest rate from our current 1 % to 3.9%. Our most recent audited financial statement for the period ending June 30, 2018 showed that we would not have made this requirement had we not increased our debt service reserve. In order to wave this requirement, we must maintain at least one loan payment, \$248,000 at all times, or increase water fees. Currently we meet this requirement with \$323,546 in our debt service fund and we are on track to have \$496,800 in the account by December 2019, when we make our next payment of \$248,000. We were also in compliance last December.

Raising water fees by 8% or (\$5 a month for single family homes as well as 8% for the other categories) will raise \$51,300 a year. To not raise water fees at this time might result in a negative comment on our next annual audit. However, there are several items in our favor going into next year, that being we will not have the salary and benefit costs associated with our prior Water Master (\$25,000) and the Water Conservation Plan (\$15,000) which will not be reoccurring for possibly another 10 years. There should be savings in repair cost at the Cape Meares plant along with water testing as we pass the one-year point.

Yes, we have enough funds in reserves to go another year but without raising rates for the coming year we will possibly have reduced our reserves by some \$40,000 and will not be able to replace them at the current rate.

Funds on hand as of April 30, 2019:

General Fund	\$232,093	For operating expenses.
Capital Reserve	\$137,948	Can't be used for operating expenses.
Debt Service	\$344,212	Restricted to debt payments.
Membrane Replacement	\$16,239	Limited to filter replacement costs.
Infrastructure Upgrades & System Replacement &		
Water Source Development	\$86,938	In prior years, we were able to build this account To over \$900,000.

As a comparison, Netarts Water has \$1.2 million combined between their general account and capital reserves. Also, they have no long-term debt.

If you remove the amount required to service debt from our current monthly payment for single family homes (Debt Portion \$24.17) we are left with \$35.17 to cover all operating cost of the water plant. Netarts Water has no long-term debt compared to our \$5,700,000, and they currently charge \$34, with a possible \$1 increase for the coming year. Arch Cape charges a monthly fee for water of \$47 and a surcharge for debt of \$6.30 and are projecting 2% annual increases going forward.

Neskowin Water has a monthly charge for water only of \$51, (when adjusted for the same volume, 15,000 gallons, they only allow 6,000) and debt coverage is collected through property taxes.

In our case a \$5.00 monthly increase for single family homes and adjusted accordingly for the other classes of service would put us at \$40.17 when the debt portion is removed. This would put us in the middle of the 3 comparisons referred to above.

As Budget Officer it is my recommendation that we increase monthly rates from \$60 to \$65 (8%) for single family homes and the other classes of service to be adjusted accordingly at 8%.

On a separate note, our Accountants raised a question during the audit as to our depreciation threshold which is \$500. They indicated it was more common to have a threshold of \$5,000 which many of the water districts use. Had this been implemented in the past, our expenses would be much higher as any asset purchase under \$5,000 would have to be expensed. Once we are confident that we have all the problems solved with regards to the water plants, we will evaluate the depreciation threshold.

Document A
Audited General Fund Revenues & Expenses
For the Year Ended June 30, 2018
With Comparison to Netarts Water & Neskowin Water

As can be seen on line 11, our revenue exceeds that of Netarts Water but if you pull out the debt service of \$248,000 it brings us down below that of Netarts Water, \$382,538 compared to \$452,924. Also comparing Personal Costs (line 21), we are some \$13,000 less and our Materials and Services cost (line 42) is almost \$16,000 less than theirs.

Also as indicate before, Netarts Water has no long-term debt to service.

Comparison figures are also included for Neskowin Water, their Personal Services cost are \$43,000 more than ours and their Material and Service cost are \$12,000 less. Their Debt Service requirement is substantially less, and they collect property taxes to cover it.

Comparisons for Arch Cape have not been included in this chart as they have yet to file their June 2018 annual statement.

In our case a \$5.00 monthly increase for single family homes and adjusted accordingly for the other classes of service would put us at \$40.17 when the debt portion is removed. This would put us in the middle of the 2 comparisons referred to.

	A	B	C	D	E
1	OCEANSIDE WATER DISTRICT GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES For the Year Ended June 30, 2018 As Taken From The 2017-2018 Audit				
2					
3					
4					
5					
6	REVENUES				
7	Water Sales	\$ 616,910.00		Netarts Water 1,000 Accounts SFH \$34.00	Neskowin Water 712 accounts SFH \$51 PT \$6.16 Total 57.16
8	Miscellaneous charges	\$ 3,707.00			
9	Labor and materials	\$ 5,398.00			
10	Interest	\$ 4,523.00			
11	TOTAL REVENUES	\$ 630,538.00		\$ 452,924.00	\$ 476,166.00
12	Expenditures				
13	Personal Services:				
14	Watermaster	\$ 85,879.00			
15	Other labor	\$ 86,663.00			
16	Payroll taxes	\$ 13,142.00			
17	Medical insurance	\$ 43,137.00			
18	Worker's compensation	\$ 3,004.00			
19	Unemployment insurance	\$ 1,562.00			
20	Deferred compensation	\$ 18,892.00			
21	Total Personal Services	\$ 252,279.00		\$ 265,293.00	\$ 308,997.00
22	Material & Services				
23	Water rights	\$ 2,270.00			
24	Commissioners	\$ 1,183.00			
25	Office	\$ 5,439.00			
26	Postage	\$ 1,420.00			
27	Elections and Publications	\$ 1,275.00			
28	Dues	\$ 2,067.00			
29	Insurance	\$ 11,017.00			
30	Professional Services	\$ 12,658.00			
31	Training	\$ 4,244.00			
32	Miscellaneous	\$ 2,563.00			
33	Repair and Maintenance	\$ 33,755.00			
34	Plant Supplies and Chemicals	\$ 5,958.00			
35	Water Testing	\$ 8,920.00			
36	Small Tools	\$ 1,194.00			
37	Telephone	\$ 8,054.00			
38	Electricity	\$ 13,488.00			
39	Trash Service	\$ 735.00			
40	Generator Repair and Maintenance	\$ 3,289.00			
41	Vehicles	\$ 4,726.00			
42	Total Materials and Services	\$ 124,255.00		\$ 139,903.00	\$ 112,884.00
43	TOTAL EXPENDITURES	\$ 376,534.00		\$ 405,196.00	\$ 421,881.00
44	Operating Profit	\$ 254,004.00		\$ 47,728.00	\$ 54,285.00
45	LESS				
46	Debt Service Fund Requirement (Annual Payment)	\$ 248,000.00		No Debt	\$ 45,436.00
47	Membrane Module Replacement Fund	\$ 10,200.00			
48	Total	\$ 258,200.00			
49	(Deficiency) Operating Profits	\$ (4,196.00)		\$ 47,728.00	\$ 8,849.00

Document B
Oceanside Water District
Internal Profit & Loss
3 Quarters Actual & 1 Quarter Projected
For the Period Ending 6/30/2019

Document B, is an internal Profit & Loss statement for the 12 months ending June 30, 2019. The 4th Quarter is projected based on the 3rd Quarter.

Gross Profit, line 32, is less line 18, 22, and 26 since we can't use those funds to cover overhead. Also line 30, which is owed us by IFA, is included but we may or may not receive it before the end of this fiscal year.

Line 43, Workers Comp, included a credit in the second quarter for a prior year but our billing for the 2019-2020 year is \$6,000 due to claims experience. Some may come back when David's injury claims are litigated as Special District has filed a claim for recovery in that litigation.

Line 86, Coleman Creek Grant Expense, has a \$20,000 offsetting item on line 30, which if not received from IFA by June 30, 2019 will be set up as a receivable.

Line 105, Water Conservation Report \$15,500 is still a work in process and may or may not be paid out this year, but since we have already received a draft copy, our accountants may want us to treat it as a payable and expense it this year.

Line 107, Net Operating Profit, except for column B, is a negative figure (-\$) and would have been printed in red if printed in color. Therefore, except for the 1st quarter (Column B) all other quarters are losses after taking into consideration debt service and filter reserves.

If the committee decides to increase rates by \$5.00 per month or 8% across the board, it will raise some additional \$51,300, (Line 109) in the coming year.

	A	B	C	D	E	F
1	Oceanside Water District					B
2	Profit and Loss					
3	Actual July 2018 - March 2019, Projected April - June 2019					
4		Actual			Estimated	
5		Jul - Sep, 2018	Oct - Dec, 2018	Jan - Mar, 2019	Apr - Jun, 2019	Total
6	Income					
7	1-4000 General Fund Income					
8	1-4003 Water Service	142,822.66	76,306.16	66,143.13	66,143.13	351,415.08
9	1-4004 Labor & Materials	263.52	3,209.00	1,679.00	1,679.00	6,830.52
10	1-4005 Miscellaneous Income, New Account Fees	600.00	833.21	895.00	895.00	3,223.21
11	1-4006 Water Overages	1,543.48	2,608.15	6,240.68	6,240.68	16,632.99
12	1-4007 General Fund LGIP Interest Income	971.12	1,218.30	1,146.96	1,146.96	4,483.34
13	1-4008 Customer Related Late Fees, Interest & Penalties	434.66	799.50	493.79	493.79	2,221.74
14	Total 1-4000 General Fund Income	\$ 146,635.44	\$ 84,974.32	\$ 76,598.56	\$ 76,598.56	384,806.88
15	3-4000 Capital Reserve Fund					
16	3-4006 System Development Charges	5,574.00	7,051.00	28,204.00	7,051.00	47,880.00
17	3-4007 Capital Reserve Fund Interest	791.92	869.65	767.30	767.30	3,196.17
18	Total 3-4000 Capital Reserve Fund	\$ 6,365.92	\$ 7,920.65	\$ 28,971.30	\$ 7,818.30	51,076.17
19	4-4000 Debt Service Fund					
20	4-4003 Debt Service Fund Income	61,998.00	61,998.00	61,998.00	61,998.00	247,992.00
21	4-4007 Interest Income	2,066.17	1,844.64	1,663.52	1,663.52	7,237.85
22	Total 4-4000 Debt Service Fund	\$ 64,064.17	\$ 63,842.64	\$ 63,661.52	\$ 63,661.52	255,229.85
23	6-4000 Membrane Replacement Fund					
24	6-4003 Membrane Replacement Fund	2,550.00	2,550.00	2,550.00	2,550.00	10,200.00
25	6-4007 Interest Income	55.41	69.51	65.43	65.43	255.78
26	Total 6-4000 Membrane Replacement Fund	\$ 2,605.41	\$ 2,619.51	\$ 2,615.43	\$ 2,615.43	10,455.78
27	9-4000 Future Plant Replacement Fund					
28	9-4007 Interest	707.24	704.13	569.41	569.41	2,550.19
29	Total 9-4000 Future Plant Replacement Fund	\$ 707.24	\$ 704.13	\$ 569.41	\$ 569.41	2,550.19
30	Uncategorized Income	58.69			20,000.00	20,058.69
31	Total Income	\$ 220,436.87	\$ 160,061.25	\$ 172,416.22	\$ 171,263.22	724,177.56
32	Gross Profit	\$ 146,635.44	\$ 84,974.32	\$ 76,598.56	\$ 96,598.56	404,806.88
33	Expenses					
34	1-5000 General Fund Expenses					
35	1-5100 Personal Services					
36	5101 Watermaster	25,648.39				25,648.39
37	5102 District Manager	13,424.25	12,626.25	12,626.25	12,626.25	51,303.00
38	5104 Office Manager	6,687.00	5,750.00	5,819.00	5,819.00	24,075.00
39	5105 Plant Operator	10,650.80	10,128.75	9,781.00	9,781.00	40,341.55
40	5107 Assistant Plant Operator	5,760.00	8,890.00	9,245.00	9,245.00	33,140.00
41	5109 Payroll Taxes	5,113.99	2,991.97	3,055.82	3,055.82	14,217.60
42	5111-2 SDIS Medical Coverage	14,138.35	12,576.40	12,697.05	12,697.05	52,108.85
43	5113 Workmen's Compensation Insurance	2,713.49	-2,161.59			551.90
44	5115 Deferred Compensation	6,583.64	4,314.91	4,321.99	4,321.99	19,542.53
45	Total 1-5100 Personal Services	\$ 90,719.91	\$ 55,116.89	\$ 57,546.11	\$ 57,546.11	\$ 260,928.82
46	1-5200 Materials & Services					
47	5203 Commissioner's Expense	30.00		700.00		730.00
48	5210 Office Expense					0.00
49	5210-1 Office Supplies	598.95	212.20	269.14	269.14	1,349.43

	A	B	C	D	E	F
50	5210-2 Bank Fees	106.45	104.05	417.55	417.55	1,045.60
51	5210-3 Billing Software	38.97	578.97	1,125.39	1,125.39	2,868.72
52	5210-4 Accounting Software	305.76	263.79	483.90	483.90	1,537.35
53	5210-5 Office fixtures & Equipment	129.98		100.00	100.00	329.98
54	5210-6 Legal Notices	178.25	202.55	176.70	176.70	734.20
55	5210-7 Travel	827.46	2,336.99			3,164.45
56	Total 5210 Office Expense	\$ 2,185.82	\$ 3,698.55	\$ 2,572.68	\$ 2,572.68	\$ 11,029.73
57	5221 Postage	200.00	535.04	107.85	200.00	1,042.89
58	5224 Dues & Memberships	385.07	720.33	445.00	450.00	2,000.40
59	5225 General Liability / Property Insurance		-37.00	12,834.00		12,797.00
60	5226 Bond Insurance	164.00				164.00
61	5227 Professional Fees					
62	5227-1 Legal Fees	540.00	124.00			664.00
63	5227-2 Audit & Filing Fees	125.00			16000.00	16,125.00
64	Total 5227 Professional Fees	\$ 665.00	\$ 124.00	\$ 0.00	\$ 16,000.00	\$ 16,789.00
65	5230 Training / School (Employees / Board Members)	1,689.78	1,006.00	100.00	500.00	3,295.78
66	5232 Misc. Exp. & Water System Survey					
67	5232-1 Misc. Exp. Cape Meares			75.00	1800.00	1,875.00
68	5232-2 Misc. Exp. Oceanside			75.00	1800.00	1,875.00
69	Total 5232 Misc. Exp. & Water System Survey	\$ 0.00	\$ 0.00	\$ 150.00	\$ 3,600.00	\$ 3,750.00
70	5240 Repair & Maintenance System					
71	5240-1 System R & M OWD	1,576.38	5,870.22	2,090.96	2000.00	11,537.56
72	5240-2 System R & M Cape Meares	1,881.23	4,746.32	1,962.49	2000.00	10,590.04
73	Total 5240 Repair & Maintenance System	\$ 3,457.61	\$ 10,616.54	\$ 4,053.45	\$ 4,000.00	\$ 22,127.60
74	5241 Repair & Maintenance Plant					
75	5241-1 Plant R & M OWD	1,844.95	3,025.57	4,683.55	2000.00	11,554.07
76	5241-2 R & M Plant Cape Meares	2,010.35	3,327.30	3,686.31	2000.00	11,023.96
77	Total 5241 Repair & Maintenance Plant	\$ 3,855.30	\$ 6,352.87	\$ 8,369.86	\$ 4,000.00	\$ 22,578.03
78	5242 Plant Supplies			28.65		28.65
79	5243 Chemicals					0.00
80	5243-1 Chemicals Oceanside	253.69	271.92	955.97	300.00	1,781.58
81	5243-2 Chemicals Cape Meares	253.67	271.92	65.97	300.00	891.56
82	Total 5243 Chemicals	\$ 507.36	\$ 543.84	\$ 1,021.94	\$ 600.00	\$ 2,673.14
83	5245 Water Testing					
84	5245-2 Water Testing OWD	397.00	1,785.00	261.00	270.00	2,713.00
85	5245-3 Water Testing Cape Meares	297.00	908.00	1,896.00	1900.00	5,001.00
86	5245-4 Coleman Creek Grant Expense Items	3,564.00	12,716.00	5,610.00	2000.00	23,890.00
87	Total 5245 Water Testing	\$ 4,258.00	\$ 15,409.00	\$ 7,767.00	\$ 4,170.00	\$ 31,604.00
88	5246 Small Tools	407.42	1,033.28	377.93	400.00	2,218.63
89	5247 Boots, Safety Ware, Uniforms	794.57	155.67	37.08	150.00	1,137.32
90	5251 Telephone / Cellphone / Internet	2,203.98	2,245.74	2,085.03	2200.00	8,734.75
91	5252 Electricity					0.00
92	5252-1 Electricity OWD	2,725.85	2,179.34	2,457.32	2600.00	9,962.51
93	5252-2 Electricity Cape Meares	559.82	755.36	1,237.09	1400.00	3,952.27
94	Total 5252 Electricity	\$ 3,285.67	\$ 2,934.70	\$ 3,694.41	\$ 4,000.00	\$ 13,914.78
95	5253 Trash Service	190.15	42.00	93.45	100.00	425.60
96	5254 Generator Repair & Maintenance					
97	5254-2 Generator Service & Repair		318.33		300.00	618.33
98	Total 5254 Generator Repair & Maintenance	\$ 0.00	\$ 318.33	\$ 0.00	\$ 300.00	\$ 618.33
99	5260 Vehicle Repair & Maintenance					

	A	B	C	D	E	F
100	5260-1 Fuel	868.15	906.40	1,024.07	1000	3,798.62
101	5260-2 Vehicle Service & Repairs			132.28	140	272.28
102	Total 5260 Vehicle Repair & Maintenance	\$ 868.15	\$ 906.40	\$ 1,156.35	\$ 1,140.00	\$ 4,070.90
103	Total 1-5200 Materials & Services	\$ 25,147.88	\$ 46,605.29	\$ 45,594.68	\$ 44,382.68	\$ 161,730.53
104	Total 1-5000 General Fund Expenses	\$ 115,867.79	\$ 101,721.98	\$ 103,140.79	\$ 101,928.79	\$ 422,659.35
105	Water Conservation Report				\$ 15,500.00	\$ 15,500.00
106	Total Expenses	\$ 115,867.79	\$ 101,721.98	\$ 103,140.79	\$ 117,428.79	\$ 438,159.35
107	Net Operating Income	\$30,767.65	(\$16,747.66)	(\$26,542.23)	(\$20,830.23)	(\$33,352.47)
108		Solution				
109		Increase Rates by 8% (\$5 a month for single family homes) \$				
110		Net Operating Income if rates had been increase this year \$				
111						
112						
113						For 2019 - 2020
114		Debt Service Funds on Hand as of 3/30/2019(Annual Payment \$248,000) \$				
115		Debt Service Funds Needed by December 2019 \$496,000 \$				
116		Additional Debt Service Funds Needed by 12/2019 \$				
117		Monthly Contribution of \$20,666 from 4/2019 to 12/2019 \$				

BUDGET FORMS

(Note: Reference to line #'s refer to those in the far left or far right columns)

General Fund Summary, Form #1

This form is a summary of all the budget forms and shows that we have budgeted \$297,000 for Personnel Services, line 3; \$206,250 for Materials and Services, line 8, and Interfund Transfers of \$358,200, line 27. Except for Debt Service in the amount of \$248,000, lines 23-24, the balance of the Interfund transfers could be adjusted if it puts too much burden on our cash flow.

With the cash on hand and our projected income, we anticipate having a total source of funds in the amount of \$870,200, line 35.

FORM
LB-30

GENERAL FUND SUMMARY

1

OCEANSIDE WATER DISTRICT
(name of fund)

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2019 - 2020			
	Actual		Adopted Budget This Year 2018 - 2019					
	Second Preceding year 2016 - 2017	First Preceding Year 2017 - 2018			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				PERSONAL SERVICES				
1				1				1
2				2				2
3	204,572	252,279	337,484	3 TOTAL PERSONAL SERVICES	297,000		0	3
4	3	3	3.0	Total Full-Time Equivalent (FTE)	4.0	4.0	4.0	4
5				MATERIALS AND SERVICES				5
6				5				6
7				6				7
8	91,060	124,255	211,250	7 TOTAL MATERIALS AND SERVICES	204,250		0	8
9				CAPITAL OUTLAY				9
10				8				10
11				9				11
12	0	0	0	10 TOTAL CAPITAL OUTLAY	0	0	0	12
13								13
14	0	0		11				14
15				12				15
16	0	0	0	13	0	0	0	16
17				INTERFUND TRANSFERS				17
18				14 Transfer to				18
19				INFRASTRUCTURE UPGRADES, SYSTEM REPLACEMENT AND WATER SOURCE DEVELOPMENT FUND	100,000			19
20				21 Membrane Module Replacement Fund	10,200			20
21	0	10,200	10,200	17 Transfer to Debt Service Fund				21
22				18 IFA Water Waste Water Loan \$36,000 a yr. beg 12/15	36,000		0	22
23	36,000	36,000	36,000	19 IFA Safe Drinking Water Loan \$211,880 a yr. beg 12/17	212,000		0	23
24	106,000	211,992	212,000	20 Transfer to other funds				24
25	0	150,000	210,000	21				25
26				22 TOTAL INTERFUND TRANSFERS	358,200	0	0	26
27	142,000	397,992	468,200					27
28								28
29				23				29
30	437,632	774,526	1,016,934	24 REQUIREMENTS	859,450		0	30
31	137,392	137,392	6,686	25 UNAPPROPRIATED ENDING FUND BALANCE	62,050		0	31
32	575,024	911,918	1,023,620	26 TOTAL REQUIREMENTS	921,500	0	0	32
33				27 Ending balance (prior years)				33
34				28 UNAPPROPRIATED ENDING FUND BALANCE				34
35	999,452	1,027,650	1,023,620	29 TOTAL RESOURCES	921,500	0	0	35

General Fund Resources, Form #2

This shows the projected balance of \$190,000 in our General Fund account, Line 1, as of July 1, 2019. It also shows an estimate of the Income we receive from water and other related income, \$727,200, Lines 7 – 13. We also have income from a Forgivable Loan for the Coleman Creek Intake Relocation Study, \$20,000, Line 12, which may yet to be received in the current year but if not, it is in the budget for the coming year. Total Resources for the Budget Period 2019 - 2020 are estimated to be \$921,500, line 32.

FORM
LB-20

**GENERAL FUND
RESOURCES
OCEANSIDE WATER DISTRICT**

2

(Fund)

OCEANSIDE WATER DISTRICT

	Historical Data			RESOURCE DESCRIPTION	Budget for Next Year 2019 - 2020			
	Actual		Adopted Budget This Year 2018 - 2019		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2016 - 2017	First Preceding Year 2017 - 2018						
1	338,669	397,112	370,000	1. Available cash on hand* (cash basis)	190,000			
2				2. Net working capital (accrual basis)				
3				3. Previously levied taxes estimated to be received				
4	4511		2,500	4. Interest, Late Fees & Penalties	4,300			
5				5. Transferred IN, from other funds				
6				6. Operating Revenue				
7	610,338	630,538	609,120	7. Water Service	615,600			
8	20379		6,500	8. Miscellaneous Income	5,300			
9	24880		8,000	9. Labor & Materials	10,000			
10			7,500	10. Water Overages	11,000			1
11	675		0	11. IFA Short Creek Herbicide Study Grant	14,000			1
12			20,000	12. Coleman Creek Relocation Study Forgivable Loan	20,000			1
13				13. Water rate increase	51,300			1
14	656,272	630,538	651,120	14. Total Operating Revenue	727,200			1
15	0	0	0	15.	0	0	0	1
16				16.				1
17				17.				1
18				18.				1
19				19.				1
20				20.				2
21				21.				2
22				22.				2
23				23.				2
24				24.				2
25				25.				2
26				26.				2
27				27.				2
28				28.				2
29	999,452	1,027,650	1,023,620	29. Total resources	921,500	-	-	2
30			-	30.				3
31				31.				3
32	999,452	1,027,650	1,023,620	32. TOTAL RESOURCES	921,500	-	-	3

Personal Services, Form #3

We are projecting a Personal Services Budget of \$297,000, which is down from \$337,484 from the prior year, line 32. It also includes a contingency of \$10,000. Besides wages, our next largest expense is medical coverage for our employees, Line 8. Per our policy, we provide coverage for our employees and their spouses if any. Coverage costs run from \$7,300 for a single employee to \$14,800 per year for employee and spouse and is a group plan through Special Districts. An employee may purchase additional coverage, but that cost is deducted from their monthly pay. The water district pays into a 457 Retirement Plan from 9% to 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.

DETAILED REQUIREMENTS

FORM
LB-31

PERSONAL SERVICES

GENERAL FUND

OCEANSIDE WATER DISTRICT

OCEANSIDE WATER DISTRICT

[illegible]

Materials and Services, Form #4

This area is still hard to estimate as we are still trying to get an accurate handle on our plant operating and repair costs. We are still in the shake down phase of the new plants, trying to work out all the software kinks and having only recently solved all the communication problems among the plants, intakes, reservoirs and pumping stations. We believe we have the high incoming water pressure problem at the Cape Meares plant solved but it still requires almost daily maintenance of the pressure regulators due to high solid matter in the raw water. We will be evaluating a number of prefilter ideas to be installed at the Coleman Creek intake and there is still some distribution work that needs to be done in downtown Oceanside. The Water Management Conservation Plan, line 16, is underway at this time and depending on its completion date, it could be paid out of our current 2018 – 2019 budget or the 2019 – 2020 budget. This may have to be done again in 10 years or when there is a major change in the system. The Coleman Creek Intake Relocation Study, line 31, is covered by a forgivable loan.

While we have budgeted a small reduction in this coming year budget for Materials and Services over last year, we hopefully will see some further reduction as repair and maintenance costs decrease due to the upgraded system improvements, lines 17 & 18.

Line 21 includes \$14,000 in expenses to do herbicide testing in Short Creek during the next spraying after a possible timber harvest in our water shed. We have a grant in the same amount which expires in December.

As explained in the Budget message, lines 5,17,18, 22, 26 and others could see an increase if the depreciation threshold were to be increased above its current \$500 in the future.

DETAILED REQUIREMENTS

FORM

MATERIALS AND SERVICES

4

LB-31

GENERAL FUND

OCEANSIDE WATER DISTRICT

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2019-2020			
	Actual		Adopted Budget This Year 2018-2019		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding year 2016- 2017	First Preceding Year 2017 - 2018						
1				1 MATERIALS & SERVICES				
2	0	0	0	2 5117 Minute Taking	-			
3	0	0	0	3 5118 Contract Bookkeeping	-			
4	583	1,183	1,800	4 5119 Commissioner's Expense	750.00			
5	5,292	5,439	9,800	5 5220 Office Expense	10,000.00			
6	1,475	1,420	1,600	6 5221 Postage	1,800.00			
7	873	1,275	150	7 5223 Elections & Publications	1,400.00			
8	1,491	2,067	2,600	8 5224 Dues & Memberships	2,500.00			
9	9,647	10,853	14,000	9 5225 General Liability/Property Insurance	13,000.00			
10	164	164	200	10 5226 Bond Insurance	200.00			
11	1,105	816	2,000	11 5227 Legal Fees	2,000.00			
12	10,100	11,370	12,000	12 5228 Audit & Filing Fee	15,500.00			
13	2,040	472	5,000	13 5229 Engineering	5,000.00			
14	120	4,244	4,000	14 5230 Training / School (Employees/Board Members)	2,000.00			
15	2,781	2,563	10,000	15 5232 Misc. Exp., Water System Survey	2,500.00			
16	-	0	15,000	16 Water Management Conservation Plan	16,000.00			
17	18,283	16,878	15,000	17 5240 Repair & Maintenance System	20,000.00			
18	3,289	16,878	15,000	18 5241 Repair & Maintenance Plant	20,000.00			
19	669	4,481	7,500	19 5242 Plant Supplies	5,000.00			
20	8,239	1,476	3,600	20 5243 Chemicals	2,800.00			
21	3,410	8,920	9,000	21 5245 Water Studies & Testing	22,000.00			
22	1,105	1,194	2,500	22 5246 Small Tools	2,500.00			
23	-		-	23 5250 Telemetry (Included with Telephone Below)				
24	5,502	8,054	9,000	24 5251 Telephone / Cellphones / Internet / Telemetry	9,000.00			
25	10,417	13,488	16,000	25 5252 Electricity	16,000.00			
26	3,874	4,726	8,000	26 5260 Vehicle Repair & Maintenance	6,000.00			
27	-		20,000	27 Reserve For Contingencies	20,000.00			
28	-	2,270	1,000	28 5270 Renewal of Water Rights	1,000.00			
29	601	735	1,000	29 Trash Service / Porta Potty	800.00			
30	-	3,289	2,500	30 Generator Repair & Maintenance	3,500.00			
31			20,000	31 Coleman Creek Relocation Study	-			
32			3,000	32 5247 Boots, Safety Ware, Uniforms	3,000.00			
33				33				
34	91,060.00	124,255	211,250	34 TOTAL MATERIALS & SERVICES	204,250	0	0	34

Infrastructure Upgrades, System Replacement
And Water Source Development Fund

This account has been used for our construction project over the last 5 years and most recently distribution upgrades in Cape Meares. Going forward, any additional infrastructure upgrades, system replacement and water source development will be paid out of this account.

There is still some piping that needs to be upgrade in the downtown section of Oceanside and there is some exploratory work that needs to be done on Baughman Creek.

In the budget we have allocated up to \$100,000 to be transferred into this account and we anticipate it would have about \$86,000 as of July 1, 2019, which would give us \$186,000 to work with.

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

5

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

and Water Source Development

OCEANSIDE WATER DISTRICT

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2019-2020			
	Actual		Adopted Budget This Year 2018-2019		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2016- 2017	First Preceding Year 2017 - 2018						
				RESOURCES				
1	29,294	-352,593	49,873	1. Cash on hand	86,000			1
2				2. Working Capital (accrual basis)				2
3		3290		3 Reimbursements				3
4	4,417	3,878	100	4. Interest				4
5	0	150,000	50,000	5. Transferred IN, from other funds	100,000			5
6	0		50,000	6 Additional Transfers as needed				6
7	3,494,535	526,903	-	7 Loans & Grants (IFA) Advances				7
8				8				8
9	3,528,246	331,478	149,973	9. Total Resources	186,000	0	0	9
10			0	10	0	0	0	10
11	0	0	0	11	0	0	0	11
12	3,528,246	331,478	149,973	12. TOTAL RESOURCES	186,000	0	0	12
13				INFRASTRUCTURE UPGRADES, SYSTEM REPLACEMENT AND WATER SOURCE DEVELOPMENT FUND EXPENDITURES	186,000			13
14	3,880,839	243,970	149,773					14
15			-					15
16								16
17	Subsequent to June 30, 2017 the District received							17
18	loan proceeds totaling \$529,903 that were incurred			5				18
19	during the 2016-2017 fiscal year.			6				19
20				7				20
21				8				21
22				9				22
23				10				23
24				11				24
25	0	0	0	12 Transfer to Other Funds	0	0		25
26				13				26
27				14				27
28	0	0		15 Ending balance (prior years)				28
29	-352,593	87,508	200	16. RESERVED FOR FUTURE EXPENDITURE	0	0	0	29
30	3,528,246	331,478	149,973	17. TOTAL REQUIREMENTS	186,000	0	0	30

Capital Reserve Fund, Form #6

This budget sheet shows that we project to have cash on hand, line 1, of \$130,000 as of July 1, 2019. The source of capital for this account, line 6, comes mainly from System Development Fees, which is currently \$7,290 (for SFH) and we have projected receiving 4 SDC's in the coming budget year for a total of \$29,160.

This account can be used for any planned capital outlay expenditures, it cannot be used for operating expenses. In the current year, the account was used to purchase a generator to power pumps at Short Creek and the pump station in the Camelot area, which is used to fill the Capes Reservoir. We have also purchased a 4-wheel drive Kubota Mule with a dump bed and two rolling ladders in order to accommodate the needs of our District Manager, David Nordman who was injured in an on the job accident. Another purchase is a 2018 Nissan service van to replace the Ford Ranger that was damaged in an accident. Up to \$35,000 of the cost of these items will be reimbursed or paid for by the States Preferred Worker's Program to assist injured workers to be able to carry out their job duties, which is a win win situation for the employee and the water district. We also received a \$12,000 recovery on the damaged pickup.

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 2019-2020			
	Actual		Adopted Budget This Year 2018-2019		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2016- 2017	First Preceding Year 2017 - 2018						
				RESOURCES				
1	118,324	124,433	125,000	1. Cash on hand	130,000			1
2				2. Working Capital (accrual basis)				2
3	0	0	0	3. Miscellaneous Charges				3
4	788	2026	1,000	4. Interest	2,592			4
5	0	0	0	5. Transferred IN, from other funds				5
6	33,444	18,199	14,102	6 SYSTEM DEVELOPMENT CHARGES (SDC'S) \$7,290 SFR	29,160			6
7	0	0	0	7				7
8				8				8
9	152,556	144,658	140,102	9. Total Resources, except taxes to be levied	161,752	0	0	9
10			0	10. Taxes estimated to be received	0	0	0	10
11	0	0		11. Taxes collected in year levied				11
12	152,556	144,658	140,102	12. TOTAL RESOURCES	161,752	0	0	12
13				REQUIREMENTS				13
14				1 FUTURE EXPENDITURES				14
15				2				15
16	30,828	15,295	108,796	3 Capital Outlay, including but not limited to vehicles, vac trailer,	161,752			16
17	0	0	0	4 Plant Sound Proofing, Water Source Development and other Capital				17
18	0	0	0	5 Asset Purchses		0		18
19	0	0	0	6				19
20	0	0	0	7				20
21	0	0	0	8				21
22	0	0	0	9				22
23				10				23
24				11				24
25				12				25
26	30,828	15,295	108,796	13 TOTAL EXPENSES	161,752	0	0	26
27				14				27
28				15 Ending balance (prior years)				28
29	121,728	129,363	31,306	16. RESERVED FOR FUTURE EXPENDITURE	0			29
30	152,556	144,658	140,102	17. TOTAL REQUIREMENTS	161,752	0	0	30

Debt Service Fund, Form #7

We have been paying on the IFA Water Waste Water 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 \$616,137.

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 \$4,881,341 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 \$248,000 per year, line 17. 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 as of June 30, 2018. The current balance in this account is currently \$344,212 and we currently add to it each month in the amount of \$20,666.

We currently earn 2.75% 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.

FORM
LB-35

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

7

OCEANSIDE WATER DISTRICT

	Historical Data			DESCRIPTION OF RESOURCES AND REQUIREMENTS	Budget for Next Year 2019-2020				
	Actual		Adopted Budget This Year 2018-2019		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding year 2016- 2017	First Preceding Year 2017 - 2018							
				Resources					
1	98,441	207,316	264,208	1. Beginning Cash on Hand (Cash Basis)	384,875			1	
2	0	0		2. Working Capital (Accrual Basis)				2	
3				3. Previously Levied Taxes to be Received				3	
4	0	4,262	3,900	4. Interest	6,400			4	
5	152,520	247,992	248,000	5. Transferred from Other Funds	248,000			5	
6			110,000	6. Transferred from Other Funds	0			6	
7	250,961	459,570	626,108	7. Total Resources	639,275	0	0	7	
8			0	8. Taxes Estimated to be Received *	0	0	0	8	
9	0	0		9				9	
10	250,961	459,570	626,108	10. TOTAL RESOURCES	639,275	0	0	10	
11				Requirements				11	
12				Principal & Interest Payments				12	
13				LOAN				Budgeted Payment Date	13
14	35,872	see below	36,000	14. IFA Water Waste Water Loan	\$36M a yr. beg 12/14 for 25 yrs.	36,000		14	
15	7,773	see below	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	43,645	243,551	248,000	14. Total Principal & Interest	248,000	0	0	17	
18								18	
19				19. Reserve for future loan payments				19	
20	0	0	248,000	Reserve Required for Wavier of Operating Profit of 1.2 X Debt Service	248,000			20	
21			496,000	21	Total Requirement	496,000	0	21	
22				22				22	
23	0	0		23				23	
24				Unappropriated Balance for Following Year By				24	
25									25
26									26
27									27
28									28
29				29				29	
30	207,316	216,009	130,108	30. Total Unappropriated Ending Fund Balance	143,275	0		30	
31	0	0	0	31. Loan Repayment to Fund				31	
32	0	0	0	32				32	
33	250,961	459,570	626,108	33. TOTAL REQUIREMENTS	639,275	0	0	33	

Membrane Module Replacement Fund #8

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 earlier this year which was damaged due to a high-pressure situation and as a result, its warranty was voided.

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 2019-2020				
Actual		Adopted Budget This Year 2018-2019	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding Year Year 2016-2017	First Preceding Year 2017-2018								
				RESOURCES					
1	0	0	10,215	1. Cash on hand	17,715			1	
2				2. Working Capital (accrual basis)				2	
3	0	49	250	3. Interest	220			3	
4	0	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	0	10,249	20,665	9. Total Resources, except taxes to be levied	28,135	0		9	
10				10				10	
11				11				11	
12	0	10,249	20,665	12. TOTAL RESOURCES	28,135	0	0	12	
13				REQUIREMENTS				13	
14				FUTURE EXPENDITURES				14	
15				2				15	
16	0	10,200	20,665	3. Membrane Module Replacement	28,135			16	
17								17	
18	-	-	-	5	-	-		18	
19				6				19	
20				7				20	
21				8				21	
22				9				22	
23				10				23	
24				11				24	
25				12				25	
26	0	10,200	20,665	13 TOTAL EXPENSES	28,135	0	0	26	
27				14				27	
28				15 Ending balance (prior years)				28	
29	0	49	0	16. RESERVED FOR FUTURE EXPENDITURE	0	0		29	
30	0	10,249	20,665	17. TOTAL REQUIREMENTS	28,135	0	0	30	