

OCEANSIDE WATER DISTRICT

P.O. BOX 360 | OCEANSIDE, OR 97134

503-842-0370 | oswater@charter.net

OCEANSIDE WATER DISTRICT

FISCAL YEAR 2021-2022

BUDGET COMMITTEE MEETING

TUESDAY, MAY 18, 2021 AT 1:00 P.M.

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 2021-2022. Answer questions/concerns from Committee and/or public.
7. Approval of Fiscal Year 2021-2022 Proposed Budget.
8. Adjournment of Budget Committee Meeting.

2021 – 2022

BUDGET MESSAGE

Rates will remain the same for the 2021-2022 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.

Financial Highlights from the 2019-2020 audit

- The District's total assets decreased by \$190,561 (or 2%) during the fiscal year ended June 30, 2020.
- The District's total net position decreased by \$19,517 (or 1%) in 2019-20.
- Operating revenues increased by \$43,882 (or 7%) in 2019-20, from the previous year.
- Operating expenses increased \$21,456 (or 5%) in 2019-20, from the previous year. This is principally due to staffing cost related to workers comp insurance, medical insurance, water management conservation plans and chemical costs.
- For the past several years, management has been tracking General Fund Income and Expenses to make sure that there is sufficient revenue after expenses to cover our annual debt service. While the district has other income sources, i.e. System Development Charges, only the General Fund Income can be used for operating expenses and debt service. In 2019 the General Fund had Excess Revenues Over Expenses of \$233,653 and Debt Service requirements of \$243,561, thereby requiring us to dip into Retained Earnings by some \$9,908. For 2020 the General Fund had Excess Revenues of \$273,763 which was sufficient to cover Annual Debt Service of \$243,562, leaving a margin of \$30,201. This margin was the result of a water rate increase effective July 1, 2019.

As explained in document A, we are projecting the operating profit margin remaining for the current year ending June 30, 2021, after covering debt service, to be \$10,369, but that does include Capital Reserve income of \$8,136 that cannot be used to cover overhead expenses.

With interest earned and early transfers into the debt service account before the start of amortization, we have been able to build up a margin of about \$43,000 in the account, over what is required. We are precluded from pulling the excess funds back into the General Account, but at the end of June each year, we will review the requirement to have operating profits at least equal to debt service and if necessary, adjust the June transfer from the General Fund to the Debt Service Fund to stay in compliance.

Summary of Funds on Hand as of April 30, 2020 & 2021

Funds on hand as of	<u>April 30, 2021</u>	<u>April 30, 2020</u>	
General Fund	\$317,203	\$298,759	For operating expenses.
Capital Reserve	\$87,977	\$119,759	Not to be used for operating expenses.
Debt Service	\$364,601	\$357,285	Restricted to debt payments.
Membrane Replacement	\$37,265	\$26,853	Limited to filter replacement costs.
Infrastructure Upgrades & System Replacement &			
Water Source Development	<u>\$67,511</u>	<u>\$82,398</u>	System & Plant Repair & Dev.
Total	\$874,558	\$885,053	

Oceanside Water District
Internal Profit & Loss
3 Quarters Actual & 1 Quarter Projected
For the Period Ending 6/30/2021

Document A is an internal Profit & Loss statement for the 12 months ending June 30, 2021. The 4th Quarter is projected based on the 3rd Quarter.

Line 111 shows Net Income of \$205,235.14, from which we must subtract non- operating income \$8,136.11, line 113; add back Interest Paid since it is included in the debt service figure, \$56,832.00 line 114, and finally subtract debt service, \$243,562.00, line 115, which leaves us with an operating margin of \$10,369, line 116.

	A	B	C	D	E	F
1	Oceanside Water District					
2	Projected Profit and Loss					
3	July 1, 2020 - June 30, 2021					
4		ACTUAL			PROJECTED	
5		Jul - Sep, 2020	Oct - Dec, 2020	Jan - Mar, 2021	Apr - Jun, 2021	Total
6	Income					
7	1-4000 General Fund Income					
8	1-4003 Water Service	147,642.39	86,638.62	89,829.91	89,829.91	413,940.83
9	1-4004 Labor & Materials	125.00	2,097.00	508.43	508.43	3,238.86
10	1-4005 Miscellaneous Income, New Account Fees	1,235.00	1,040.00	910.00	910.00	4,095.00
11	1-4006 Water Overages	1,477.16	5,422.14	1,702.11	1,702.11	10,303.52
12	1-4007 General Fund LGIP Interest Income	536.77	437.73	251.02	251.02	1,476.54
13	1-4008 Customer Related Late Fees, Interest & Penalties	365.85	460.87	477.43	477.43	1,781.58
14	Total 1-4000 General Fund Income	\$ 151,382.17	\$ 96,096.36	\$ 93,678.90	\$ 93,678.90	\$ 434,836.33
15	3-4000 Capital Reserve Fund					
16	3-4006 System Development Charges	7,383.00				7,383.00
17	3-4007 Capital Reserve Fund Interest	314.76	227.43	105.46	105.46	753.11
18	Total 3-4000 Capital Reserve Fund	\$ 7,697.76	\$ 227.43	\$ 105.46	\$ 105.46	\$ 8,136.11
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	1,038.33	623.92	281.56	281.56	2,225.37
22	Total 4-4000 Debt Service Fund	\$ 63,036.33	\$ 62,621.92	\$ 62,279.56	\$ 62,279.56	\$ 250,217.37
23	5-4000 Short Creek Herbicide Grant 11/20/17					
24	5-4003 Short Creek Herbicide Grant			5,332.00	0.00	5,332.00
25	Total 5-4000 Short Creek Herbicide Grant 11/20/17	\$ 0.00	\$ 0.00	\$ 5,332.00	\$ 0.00	\$ 5,332.00
26	6-4000 Membrane Replacement Fund					
27	6-4003 Membrane Replacement Fund	2,550.00	2,550.00	2,550.00	2,550.00	10,200.00
28	6-4007 Interest Income	54.47	58.03	37.27	37.27	187.04
29	Total 6-4000 Membrane Replacement Fund	\$ 2,604.47	\$ 2,608.03	\$ 2,587.27	\$ 2,587.27	\$ 10,387.04
30	9-4000 Future Plant Replacement Fund					
31	9-4007 Interest	161.48	131.68	74.60	74.60	442.36
32	Total 9-4000 Future Plant Replacement Fund	\$ 161.48	\$ 131.68	\$ 74.60	\$ 74.60	\$ 442.36
33	Uncategorized Income	14.72	41.60			56.32
34	Total Income	\$ 224,896.93	\$ 161,727.02	\$ 164,057.79	\$ 158,725.79	\$ 709,407.53
35	Gross Profit	\$ 224,896.93	\$ 161,727.02	\$ 164,057.79	\$ 158,725.79	\$ 709,407.53
36	Expenses					
37	1-5000 General Fund Expenses					
38	1-5100 Personal Services					
39	5102 District Manager	16,313.00	14,313.00	14,313.00	14,313.00	59,252.00
40	5104 Office Manager	7,325.00	6,675.00	6,325.00	6,325.00	26,650.00
41	5105 Plant Operator	14,405.50	11,994.50	13,608.50	13,608.50	53,617.00
42	5107 Assistant Plant Operator	11,643.60	10,430.20	10,676.80	10,676.80	43,427.40
43	5109 Payroll Taxes	4,156.14	3,501.10	3,993.85	3,993.85	15,644.94
44	5111 Health Coverage W2 Tracking					
45	5111-2 SDIS Medical Coverage	15,849.18	15,849.18	16,977.42	16,977.42	65,653.20
46	5112 Vacation & Comp. Time Accrual				6,000.00	6,000.00
47	5113 Workmen's Compensation Insurance	-4,948.52	11,444.67			6,496.15
48	5115 Deferred Compensation	5,977.45	5,209.52	5,390.80	5,390.80	21,968.57
49	Total 1-5100 Personal Services	\$ 70,721.35	\$ 79,417.17	\$ 71,285.37	\$ 77,285.37	\$ 298,709.26
50	1-5200 Materials & Services					
51	5203 Commissioner's Expense		696.51	89.00	89.00	874.51
52	5210 Office Expense					
53	5210-1 Office Supplies	213.00	65.68	751.27	751.27	1,781.22
54	5210-2 Bank Fees	447.65	506.66	553.91	553.91	2,062.13
55	5210-3 Billing Software		896.53	1,180.16	1,180.16	3,256.85

	A	B	C	D	E	F
1	Oceanside Water District					
2	Projected Profit and Loss					
3	July 1, 2020 - June 30, 2021					
4		ACTUAL			PROJECTED	
5		Jul - Sep, 2020	Oct - Dec, 2020	Jan - Mar, 2021	Apr - Jun, 2021	Total
56	5210-4 Accounting Software	511.07	536.91	605.90	605.90	2,259.78
57	5210-5 Office fixtures & Equipment		29.98	100.00	100.00	229.98
58	5210-6 Legal Notices	178.25	116.25	168.95	168.95	632.40
59	5210-7 Travel		92.00	379.50	379.50	851.00
60	Total 5210 Office Expense	\$ 1,349.97	\$ 2,244.01	\$ 3,739.69	\$ 3,739.69	\$ 11,073.36
61	5221 Postage	389.85	289.85	322.82	322.82	1,325.34
62	5223 Elections & Publications					
63	5224 Dues & Memberships	439.09	1,765.08	782.20	782.20	3,768.57
64	5225 General Liability / Property Insurance			16,527.00	0.00	16,527.00
65	5226 Bond Insurance	164.00				164.00
66	5227 Professional Fees					
67	5227-2 Audit & Filing Fees	5,500.00		5,700.00	5,700.00	16,900.00
68	Total 5227 Professional Fees	\$ 5,500.00	\$ 0.00	\$ 5,700.00	\$ 5,700.00	\$ 16,900.00
69	5230 Training / School (Employees / Board Members)	372.00	522.00	866.00	600.00	2,360.00
70	5240 Repair & Maintenance System					
71	5240-1 System R & M OWD	671.60	1,248.00	287.21	2,000.00	4,206.81
72	5240-2 System R & M Cape Meares	550.00	46.22	536.09	536.09	1,668.40
73	Total 5240 Repair & Maintenance System	\$ 1,221.60	\$ 1,294.22	\$ 823.30	\$ 2,536.09	\$ 5,875.21
74	5241 Repair & Maintenance Plant					
75	5241-1 Plant R & M OWD	1,233.79	10,115.93	1,188.55	3,000.00	15,538.27
76	5241-2 R & M Plant Cape Meares	1,735.74	11,130.34	268.41	3,000.00	16,134.49
77	Total 5241 Repair & Maintenance Plant	\$ 2,969.53	\$ 21,246.27	\$ 1,456.96	\$ 6,000.00	\$ 31,672.76
78	5242 Plant Supplies	2,063.10	60.52		1,000.00	3,123.62
79	5243 Chemicals					
80	5243-1 Chemicals Oceanside	1,273.86	302.38	1,407.25	1,407.25	4,390.74
81	5243-2 Chemicals Cape Meares	1,273.85	302.39	1,270.75	1,270.75	4,117.74
82	Total 5243 Chemicals	\$ 2,547.71	\$ 604.77	\$ 2,678.00	\$ 2,678.00	\$ 8,508.48
83	5245 Water Testing					
84	5245-1 Short Creek Herbicide Grant Exp	5,827.74	272.07			6,099.81
85	5245-2 Water Testing OWD	210.56	509.64	688.75	688.75	2,097.70
86	5245-3 Water Testing Cape Meares	260.56	659.64	331.00	331.00	1,582.20
87	Total 5245 Water Testing	\$ 6,298.86	\$ 1,441.35	\$ 1,019.75	\$ 1,019.75	\$ 9,779.71
88	5246 Small Tools	99.90	375.18	74.67	300.00	849.75
89	5247 Boots, Safety Ware, Uniforms	126.89	932.39	705.64	705.64	2,470.56
90	5251 Telephone / Cellphone /Internet	1,749.17	2,156.22	2,188.99	2,188.99	8,283.37
91	5252 Electricity					
92	5252-1 Electricity OWD	2,670.50	2,615.09	2,331.00	2,331.00	9,947.59
93	5252-2 Electricity Cape Meares	718.18	732.95	1,363.92	1,363.92	4,178.97
94	Total 5252 Electricity	\$ 3,388.68	\$ 3,348.04	\$ 3,694.92	\$ 3,694.92	\$ 14,126.56
95	5253 Trash Service	56.00	112.25	93.45	93.45	355.15
96	5254 Generator Repair & Maintenance					
97	5254-1 Fuel		355.19		400.00	755.19
98	Total 5254 Generator Repair & Maintenance	\$ 0.00	\$ 355.19	\$ 0.00	\$ 400.00	\$ 755.19
99	5260 Vehicle Repair & Maintenance					
100	5260-1 Fuel	672.60	800.13	1,008.64	1,008.64	3,490.01
101	5260-2 Vehicle Service & Repairs		95.00	3,126.49	3,126.49	6,347.98
102	Total 5260 Vehicle Repair & Maintenance	\$ 672.60	\$ 895.13	\$ 4,135.13	\$ 4,135.13	\$ 9,837.99
103	Total 1-5200 Materials & Services	\$ 29,408.95	\$ 38,338.98	\$ 44,897.52	\$ 35,985.68	\$ 148,631.13
104	Total 1-5000 General Fund Expenses	\$ 100,130.30	\$ 117,756.15	\$ 116,182.89	\$ 113,271.05	\$ 447,340.39
105						

	A	B	C	D	E	F
1	Oceanside Water District					
2	Projected Profit and Loss					
3	July 1, 2020 - June 30, 2021					
4		ACTUAL			PROJECTED	
5		Jul - Sep, 2020	Oct - Dec, 2020	Jan - Mar, 2021	Apr - Jun, 2021	Total
106	Total Expenses	\$ 100,130.30	\$ 117,756.15	\$ 116,182.89	\$ 113,271.05	\$ 447,340.39
107	Net Operating Income	\$ 124,766.63	\$ 43,970.87	\$ 47,874.90	\$ 45,454.74	\$ 262,067.14
108	Other Expenses					
109	5500 Other Miscellaneous Expense					
110	5500-1 Interest Paid	14,208.00	14,208.00	14,208.00	14,208.00	56,832.00
111	Net Income	\$ 110,558.63	\$ 29,762.87	\$ 33,666.90	\$ 31,246.74	\$ 205,235.14
112		Less non-operating income / expense adjustments				
113					Less Capital Reserve Funds	\$ (8,136.11)
114					Add Back Interest Paid	\$ 56,832.00
115					Less Debt Service	\$ (243,562.00)
116					Adjusted operating Income	\$ 10,369.03

OVERHEAD STUDY WITH COMPARISONS

Document B is a 2-year summary of key operating figures for the year ending June 2020 and our projection for year ending June 2021.

It does include all sources of Income, including Capital Reserve Income, including SDC Fees to be able to make a comparison with 4 other water districts: Netarts Water, Neskowin Water, Arch Cape Water and Pacific City Water.

Using financial information on file with the Secretary of State, I have ranked ourselves in comparison to the 4 water districts listed above, to compare Salaries and Benefits for the year ending June 2020 and the same for Material and Services for the same period as a percentage of Total Income.

Line 35, column B, shows that for Salaries and Benefits, we are the lowest at 38.59% of Income with Neskowin being the highest at 65.11%.

As for Materials & Services, column E, line 34, we rank second to the lowest with only 0.08% difference from that of the lowest being Neskowin.

Columns D & G, lines 6 thru 15 breaks down the monthly receipts, expenses, and debt service by percentage. So, for example, \$24 of the \$65 monthly water rate goes to debt service.

	A	B	C	D	E	F	G	H	I	J	K
1											
2	Overhead Study										B
3	Income and Expense										
4	Oceanside Water District										
		2020				Estimate For 2021					
5	Income	Annually	Monthly Per 855 Dwelling Units	%	Annually	Monthly Per 856 Dwelling Units	%				
6	Water Sales	\$ 683,784	\$ 66.65	96.99%	\$ 679,516	\$ 66.15	95.79%				
7	Fees, Labor, Interest (Includes Capital Reserve Income)	\$ 21,236	\$ 2.07	3.01%	\$ 29,891	\$ 2.91	4.21%				
8	Total Income	\$ 705,020	\$ 68.72	100.00%	\$ 709,407	\$ 69.06	100.00%				
9	Operating Expenses										
10	Salaries & Benefits	\$ 272,070	\$ 26.52	38.59%	\$ 298,709	\$ 29.08	42.11%				
11	Materials & Services	\$ 159,187	\$ 15.52	22.58%	\$ 148,631	\$ 14.47	20.95%				
12	Total Operating Expenses	\$ 431,257	\$ 42.03	61.17%	\$ 447,340	\$ 43.55	63.06%				
13	Net Operating Profit	\$ 273,763	\$ 26.68	38.83%	\$ 262,067	\$ 25.51	36.94%				
14	Debt Service	\$ 243,561	\$ 23.74	34.55%	\$ 243,561	\$ 23.71	34.33%				
15	Remaining Operating Income	\$ 30,202	\$ 2.94	4.28%	\$ 18,506	\$ 1.80	2.61%				
16	Dwelling Units is the \$ total of all rates divided by the residential rate of \$65 per month, or \$780 per year										
17	Water District Comparisons	Netarts Water 2020	%	Neskowin Water 2020	%	Arch Cape Water 2020	%	Pacific City Water 2020	%	Oceanside 2020	%
18	Water Sales	\$ 518,140	96.22%	\$ 492,982	84.52%	\$ 228,076	61.31%	\$ 623,236	100.00%	\$ 683,784	96.99%
19	Fees, Labor, Interest, Property Taxes	\$ 20,378	3.78%	\$ 90,290	15.48%	\$ 143,901	38.69%	\$ -	0.00%	\$ 21,236	3.01%
20	Total Income	\$ 538,518	100.00%	\$ 583,272	100.00%	\$ 371,977	100.00%	\$ 623,236	100.00%	\$ 705,020	100.00%
21	Operating Expenses										
22	Salaries & Benefits	\$ 342,031	63.51%	\$ 379,773	65.11%	\$ 201,544	54.18%	\$ 362,325	58.14%	\$ 272,070	38.59%
23	Materials & Services	\$ 135,351	25.13%	\$ 131,229	22.50%	\$ 91,877	24.70%	\$ 237,958	38.18%	\$ 159,187	22.58%
24	Total Operating Expenses	\$ 477,382	88.65%	\$ 511,002	87.61%	\$ 293,421	78.88%	\$ 600,283	96.32%	\$ 431,257	61.17%
25	Net Operating Profit	\$ 61,136	11.35%	\$ 72,270	12.39%	\$ 78,556	21.12%	\$ 22,953	3.68%	\$ 273,763	38.83%
26	Debt Service Due In 1 Year	\$ 8,459	1.57%	\$ 48,700	8.35%	\$ 16,688	4.49%			\$ 243,561	34.55%
27	Remaining Operating Income	\$ 52,677	9.78%	\$ 23,570	4.04%	\$ 61,868	16.63%			\$ 30,202	4.28%
28	Water Rate Per Qtr., 15,000 gallons	\$ 126		\$ 168		\$ 169		\$ 133		\$ 195	
29	SDC Fees	\$ 9,150		\$ 11,067		\$ 5,603		\$ 17,208		\$ 7,551	
30	2020 COST RANKING HIGHEST TO LOWEST	Salaries & Benefits		2020	Materials & Services						
31	Neskowin	65.11%		Pacific City	38.18%						
32	Netarts	63.51%		Netarts	25.13%						
33	Pacific City	58.14%		Arch Cape	24.70%						
34	Arch Cape	54.18%		Oceanside	22.58%						
35	Oceanside	38.59%		Neskowin	22.50%						

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, 2021, plus interest and Operating Revenue for the year.

Total Operating Revenue, line 14 is projected to be down slightly from 2020. Our projection for 2021 has Operating Income at \$688,680.

Total Resources, line 32, is estimated to be \$975,160, which includes cash on hand.

GENERAL FUND

1

RESOURCES

OCEANSIDE WATER DISTRICT

FORM
LB-20

				OCEANSIDE WATER DISTRICT				
Historical Data				RESOURCE DESCRIPTION	Budget for Next Year 2021 - 22			
Actual		Adopted Budget Year 21	This 2020 -		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding year 2018 - 19	First Preceding Year 2019-20							
1	397,112	372,573	265,000	1 Available cash on hand* (cash basis)	285,000			1
2				2 Net working capital (accrual basis)				2
3				3 Previously levied taxes estimated to be received				3
4	4,487	3,401	4,000	4 Interest, Late Fees & Penalties	1,480			4
5				5 Transferred IN, from other funds				5
6				6 Operating Revenue				6
7	620,601	683,784	667,680	7 Water Service	669,240			7
8	11,675	14,161	2,500	8 Miscellaneous Income	5,890			8
9	11,300	3,674	4,000	9 Labor & Materials	3,250			9
10			8,900	10 Water Overages	10,300			10
11			14,000	11 IFA Short Creek Herbicide Study Grant	N/A			11
12	20,000	0	0	12 Coleman Creek Relocation Study Forgivable Loan	N/A			12
13				13 Water rate Increase	N/A			13
14	663,576	701,619	697,080	14 Total Operating Revenue	688,680	-	-	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	1,065,175	1,077,593	966,080	29 Total Resources	975,160	-	-	29
30			-	30				30
31				31				31
32	1,065,175	1,077,593	966,080	32 TOTAL RESOURCES	975,160	-	-	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	\$353,200
Materials and Services:	Line 8	\$205,800
General Operating Contingencies:	Line 12	\$30,000
General Fund Capital Outlay:	Line 16	\$30,000
Interfund Transfers:	Line 27	\$353,761

Of the interfund transfers in the amount of \$353,761 only the Membrane Module Replacement, Line 21 and Debt Service, Lines 23-24 are fixed, line 20 will be transferred only as needed.

REQUIREMENTS SUMMARY

OCEANSIDE WATER DISTRICT

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2021 - 22				
	Actual		Adopted Budget This Year 2020 - 21		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding year 2018 - 19	First Preceding Year 2019-20							
				PERSONAL SERVICES					
1				1				1	
2				2				2	
3	250,438	272,070	334,000	3	TOTAL PERSONAL SERVICES	353,200	0	0	3
4	3	3	4.0	4	Total Full-Time Equivalent (FTE)	4.0	4.0	4.0	4
5				5	MATERIALS AND SERVICES				5
6				6					6
7				7					7
8	162,692	159,187	202,650	8	TOTAL MATERIALS AND SERVICES	205,800	0	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	0		10
11	0	0		11	and the Materials & Services accounts				11
12	0	0	30,000	12	Total Contingencies	30,000	0	0	12
13				13	CAPITAL OUTLAY GENERAL FUND				13
14				14					14
15	21,280	0	30,000	15	Capital Outlay General Fund	30,000	0		15
16	21,280	0	30,000	16	TOTAL CAPITAL OUTLAY	30,000	0	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	0		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	35,871	23	IFA Water Waste Water Loan \$35,871 a yr. beg 12/15	35,871			23
24			207,690	24	IFA Safe Drinking Water Loan \$207,690 a yr. beg 12/17	207,690			24
25	0	0	11,230	25	Transfer to other funds as needed	0	0		25
26				26					26
27	258,192	258,192	364,991	27	TOTAL INTERFUND TRANSFERS	353,761	0	0	27
28				28					28
29				29					29
30	692,602	689,449	961,641	30	REQUIREMENTS	972,761	0	0	30
31	372,573	388,144	4,439	31	UNAPPROPRIATED ENDING FUND BALANCE	2,399	0	0	31
32	1,065,175	1,077,593	966,080	32	TOTAL REQUIREMENTS	975,160	0	0	32
33				33	Ending balance (prior years)				33
34				34	UNAPPROPRIATED ENDING FUND BALANCE				34
35	1,065,175	1,077,593	966,080	35	TOTAL RESOURCES	975,160	0	0	35

Capital Outlay & Contingencies

Form #3

During the audit process, the accountants have in the past, reclassified some expenses in the General Fund as capital asset purchases. We had ample room in the budget to expense such items but had not set up a General Fund for Capital Outlays. That was set up in last year's budget and again for this coming year in the amount of \$30,000.

General Operating Contingencies \$30,000 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 2021 - 22			
	Actual		Adopted Budget This Year 2020-2021		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding year 2018 - 19	First Preceding Year 2019-20						
1	21,280	-	30,000	1 Capital Outlay General Fund Account	30,000			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	21,280	-	30,000	9 Total Capital Outlay	30,000	-	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	30,000	30,000	30,000	23 To be allocated as needed between the Personal Services	30,000			23
24				24 and the Materials & Services accounts				24
25	30,000	30,000	30,000	25 Total Contingencies	30,000	-	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	51,280	30,000	60,000	34 Total	60,000	-	0	34

Personal Services

Form #4

We are proposing a Personal Services Budget of \$353,200, which is up from \$334,000 in the prior year's budget. However, based on our Personal Services projection for the year ending June 2021, we believe the total figure for the year will come in at around \$300,000.

So why the projected increase? Our District Manager has indicated because of his health, he may leave us. At this time, we would like to promote from within provided we have a qualified operator to take over the vacated position. That means the operator must achieve the necessary certifications from the state to be qualified to oversee the plant and we aren't there yet.

The plant requires the following certification for the operator in charge:

Distribution Certificate 1

Treatment Certificate 1 & 2

Our staff currently hold the following certificates:

David Nordman	D1	T1	T2
---------------	----	----	----

Justin Hartford	D1	T1
-----------------	----	----

Christian Anderson	T1	T2
--------------------	----	----

To motivate our plant operators to achieve the Certifications required by the State for a plant our size, we offer a salary increase of \$1.00 per hour for each certificate obtained up to a limit of the certificates required by the plant. On an annual basis this amounts \$2,028 annually for each new certification.

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. Coverage under the plan is currently running about \$70,000 a year with employees picking up about \$13,000 of that cost per year.

Workers Compensation Insurance, line 9, is also through SDIS and has seen a dramatic increase. In the 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 was \$11,400, but we received a dividend of \$5,600. SDIS has notified us of a possible increase of 10% and there is no assurance of the amount of dividend if any for the coming year, so we have budgeted \$13,000.

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. Our projected expense for the current year is about \$22,000 and we have \$25,200 in the budget for the coming year.

As explained earlier, on exhibit B, when compared to 4 other water districts, our Salaries and Benefits expense remains well below the districts that we surveyed.

DETAILED REQUIREMENTS
PERSONAL SERVICES
 GENERAL FUND
 OCEANSIDE WATER DISTRICT

4

FORM
 LB-31

OCEANSIDE WATER DISTRICT

	Historical Data				REQUIREMENTS DESCRIPTION	Number of Employees	Range*	Budget for Next Year 2021 - 22			
	Actual		Adopted Budget					Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding year 2018 - 19	First Preceding Year 2019-20	This Year 2020-2021								
1				1	PERSONAL SERVICES						1
2	76,951	57,551	62,000	2	5101 Watermaster (AT) District Mgr (DN)	1		66,000			2
3	40,598	44,619	48,000	3	5102 System Operator (DN) Plant Operator (JH)	1		58,000			3
4	0	-	10,000	4	5103 P/T Assistant			10,000			4
5	23,581	23,300	38,000	5	5104 Office Manager	1		38,000			5
6	32,785	40,207	43,000	6	5105 Plant Operator Asst, Plant Operator (CA)	1		48,000			6
7	14,342	13,851	19,000	7	5109 Payroll Tax & Unemployment Tax			17,000			7
8	42,128	62,103	75,000	8	5111 Employee/Family Medical Insurance			72,000			8
9	552	10,558	12,000	9	5113 Workmen's Compensation			13,000			9
10				10							10
11	19,501	19,881	22,000	11	5115 Deferred Compensation			25,200			11
12	0	-	5,000	12	5112 Vacation & Comp Time Estimated Accrual			6,000			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	250,438	272,070	334,000	32	TOTAL PERSONAL SERVICES			353,200	0	0	32
33				33							33

Materials and Services

Form #5

We are budgeting a 1.5% increase over the current year's budget in this area and based on our projection, this increase is largely centered in the following areas:

General Liability Insurance, line 9

Professional Services, line 13. This includes accountants, attorneys, and engineers

Misc. expense and water system survey, line 15. The water system survey is an inspection of the water system done by the state on a 3-year rotating basis.

Water Management Conservation Plan, line 16. This was completed last year.

Repair & Maintenance, line 18. In 2019 & 2020 we spent about \$41,000 in this area and are budgeting \$50,000.

DETAILED REQUIREMENTS

5

FORM

MATERIALS AND SERVICES

LB-31

GENERAL FUND
OCEANSIDE WATER DISTRICT

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2021-2022			
	Actual		Adopted Budget		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding year 2018 - 19	First Preceding Year 2019-20	This Year 2020-2021					
1				1 MATERIALS & SERVICES				1
2			-	2	-			2
3			-	3	-			3
4	790	1,413	1,500	4 5119 Commissioner's Expense	1,500			4
5	5,333	5,531	11,350	5 5220 Office Expense	12,000			5
6	1,353	1,369	1,500	6 5221 Postage	1,500			6
7	1,091	1,286	200	7 5223 Elections & Publications	1,500			7
8	1,927	3,869	3,200	8 5224 Dues & Memberships	4,000			8
9	13,425	16,417	17,000	9 5225 General Liability / Property / Bond Insurance	18,400			9
10				10				10
11				11				11
12				12				12
13	15,989	16,112	18,900	13 Professional Services	30,000			13
14	3,086	944	2,000	14 5230 Training / School (Employees/Board Members)	2,500			14
15	11,222	3,754	2,500	15 5232 Misc. Exp., Water System Survey	8,000			15
16	0	17,090	16,000	16 5233 Water Management Conservation Plan	0			16
17		-	-	17				17
18	40,759	41,373	50,000	18 Repair & Maintenance	50,000			18
19		-		19				19
20	2,278	12,902	16,000	20 Plant Supplies & Chemicals	16,000			20
21	7,775	3,690	20,000	21 5245 Water Studies & Testing	10,000			21
22	4,496	271	500	22 5246 Small Tools	1,000			22
23				23				23
24	8,801	8,437	9,000	24 5251 Telephone / Cellphones / Internet / Telemetry	10,000			24
25	13,294	12,419	14,000	25 5252 Electricity	15,000			25
26	4,575	2,444	7,000	26 5260 Vehicle Repair & Maintenance	10,000			26
27				27				27
28	0	0	1,000	28 5270 Renewal of Water Rights	1,000			28
29	470	360	500	29 5253 Trash Service / Porta Potty	400			29
30	3,061	8,436	9,000	30 5254-2 Generator Repair & Maintenance	10,000			30
31	21,890		0	31 5245-4 Coleman Creek Relocation Study	0			31
32	1,077	1,070	1,500	32 5247 Boots, Safety Ware, Uniforms	3,000			32
33				33				33
34	162,692	159,187	202,650	34 TOTAL MATERIALS & SERVICES	205,800	-	0	34

Capital Reserve Fund

Form #6

This budget sheet shows that we project to have cash on hand, line 1, of \$94,000 as of July 1, 2021. The source of capital for this account, line 6, comes mainly from System Development Fees, which is currently \$7,551 (for SDC) and we have projected receiving 5 SDC's in the coming budget year for a total of \$37,755.

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.

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

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	OCEANSIDE WATER DISTRICT Budget for Next Year 2021-2022			
	Actual		Adopted Budget		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2018 - 19	First Preceding Year 2019-20	This Year 2020-2021					
				RESOURCES				
1	144,658	144,497	120,000	1 Cash on hand	94,000			1
2				2 Working Capital (accrual basis)				2
3				3 Other Income				3
4	3280	2,720	1,500	4 Interest	700			4
5				5 Transferred IN, from other funds				5
6	40,829	19,956	22,149	6 SYSTEM DEVELOPMENT CHARGES (SDC'S) \$7,551 SFR	37,755			6
7				7				7
8				8				8
9	188,767	167,173	143,649	9 Total Resources, except taxes to be levied	132,455	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	188,767	167,173	143,649	12 TOTAL RESOURCES	132,455	0	0	12
13				13 REQUIREMENTS				13
14				14 FUTURE EXPENDITURES				14
15				15				15
16	44,270	36,758	143,649	16 Capital Outlay, including but not limited to vehicles, vac trailer,	95,083			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	44,270	36,758	143,649	26 TOTAL EXPENSES	132,455	0	0	26
27				27				27
28				28 Ending balance (prior years)				28
29	144,497	130,415	0	29 RESERVED FOR FUTURE EXPENDITURE	132,455	0	0	29
30	188,767	167,173	143,649	30 TOTAL REQUIREMENTS	132,455	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 the asphalt batch plant in Tillamook to re-open so that asphalt will be available to pave the trench areas. This project will probably cost some \$20,000.

In the near future we will be seeking bids to do a Water Availability Study in Cape Meares, there seems to be a lot of new construction interest in that area, and we need to determine the service capacity of Coleman Creek over and above that required to supply Cape Meares Lake. In addition, if water is needed from Oceanside on a permanent basis to handle the growth, some parts of that line may have to be buried where it is currently above ground.

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.

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 2021-2022			
	Actual		Adopted Budget		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2018 - 19	First Preceding Year 2019-20	This Year 2020-2021					
				RESOURCES				
1	87,508	52,351	80,000	1 Cash on hand	68,000			1
2				2 Working Capital (accrual basis)				2
3				3 Reimbursements				3
4	2,564	1,842	1,300	4 Interest	400			4
5			100,000	5 Transferred IN, from other funds	100,000	0		5
6			11,230	6 Additional Transfers as needed	0	0		6
7	-	-		7 Loans & Grants (IFA) Advances				7
8				8				8
9				9				9
10				10				10
11				11				11
12	90,072	54,193	192,530	12 TOTAL RESOURCES	168,400	0	0	12
13				13 INFRASTRUCTURE UPGRADES, SYSTEM REPLACEMENT, WATER SOURCE DEVELOPMENT AND MAJOR REPAIRS				13
14	37,721	6,828	192,530	14	168,400	0		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	52351	47365		28 Ending balance (prior years)				28
29	90,058	16,472	0	29 RESERVED FOR FUTURE EXPENDITURE	0	0	0	29
30	180,130	70,665	192,530	30 TOTAL REQUIREMENTS	168,400	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 \$586,135.

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. This loan has a balance of \$4,720,890 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 waive 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 for June 30, 2018 but would have fallen short in 2019 without the rate increase. The current balance in this account is currently \$364,600 and we currently add to it each month in the amount of \$20,666.

We currently earn 0.60% interest on the funds in the Local Government Investment Account which is down from a high of 2.75% in 2018. However, since the inception of the Debt Service Fund in 2016 we have earned \$23,405 in interest on the loan fund account. That along with funds set aside prior to start of the loan payments, we have been able to build up a margin of about \$43,000. We are precluded from pulling the excess funds back into the General Account, but at the end of June each year, we will review the requirement to have operating profits at least equal to debt service and if necessary, adjust the June transfer from the General Fund to the Debt Service Fund to stay in compliance.

FORM
LB-35

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

8

OCEANSIDE WATER DISTRICT

	Historical Data				DESCRIPTION OF RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022			
	Actual		Adopted Budget			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2018 - 19	First Preceding Year 2019-20	This Year 2020-2021						
					Resources				
1	216,009	228,249	400,000	1	Beginning Cash on Hand (Cash Basis)	385,000			1
2				2	Working Capital (Accrual Basis)				2
3				3	Previously Levied Taxes to be Received				3
4	7,809	7,231	5,000	4	Interest	2,000			4
5	247,992	247,992	248,000	5	Transferred from Other Funds	248,000			5
6				6					6
7	471,810	483,472	653,000	7	Total Resources	635,000	0	0	7
8				8	Taxes Estimated to be Received	0	0	0	8
9				9					9
10	471,810	483,472	653,000	10	TOTAL RESOURCES	635,000	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.	35,871			14
15			212,000	15	IFA Safe Drinking Water Loan \$212M a yr. beg 12/17 for 29 yrs.	207,690			15
16				16	Additional Loan Reserve				16
17	243,561	243,562	248,000	17	Total Principal & Interest	243,561	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	243,561			20
21			496,000	21	Total Requirement Total Requirement	487,122	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	228,249	239,910	157,000	30	Total Ending Fund Balance Reserved For Future Payments	147,878	0		30
31	0	0	0	31	Loan Repayment to Fund				31
32	0	0	0	32					32
33	471,810	483,472	653,000	33	TOTAL REQUIREMENTS	635,000	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.

We have located another source for the membrane filters at a much lower cost, but the warranty is much shorter and we need to verify that they have the same certification as our existing filters.

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

				OCEANSIDE WATER DISTRICT					
Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2021-2022				
Actual		Adopted Budget	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body			
Second Preceding year 2018 - 19	First Preceding Year 2019-20	This Year 2020-2021							
				RESOURCES					
1	10,249	20,709	28,300	1	Cash on hand	38,500			1
2				2	Working Capital (accrual basis)				2
3	260	391	200	3	Interest	180			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	20,709	31,300	38,700	9	Total Resources, except taxes to be levied	48,880			9
10				10					10
11				11					11
12	20,709	31,300	38,700	12	TOTAL RESOURCES	48,880	0	0	12
13				13	REQUIREMENTS				13
14				14	FUTURE EXPENDITURES				14
15				15					15
16	0	0	38,700	16	Membrane Module Replacement	48,880			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	38,700	26	TOTAL EXPENSES	48,880	0	0	26
27				27					27
28				28	Ending balance (prior years)				28
29	20,709	31,300	0	29	RESERVED FOR FUTURE EXPENDITURE	0	0		29
30	20,709	31,300	38,700	30	TOTAL REQUIREMENTS	48,880	0	0	30