

OCEANSIDE WATER DISTRICT

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OCEANSIDE WATER DISTRICT

FISCAL YEAR 2022-2023

BUDGET COMMITTEE MEETING

TUESDAY, MAY 17, 2022, AT 1:00 P.M.

CONFERENCE CALL: 1-425-436-6369

CODE: 4755

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 2022-2023. Answer questions/concerns from Committee and/or public.
7. Approval of Fiscal Year 2022-2023 Proposed Budget.
8. Adjournment of Budget Committee Meeting.

DOCUMENT A

OCEANSIDE WATER DISTRICT PROJECTED PROFIT AND LOSS July 2021 – June 2022

Document A is an internal Profit & Loss statement for the 12 months ending June 30, 2022. The 4th Quarter is projected based on the 3rd Quarter, with some adjustments.

In document A, we are projecting an operating profit margin remaining for the current year ending June 30, 2022, after covering debt service, to be \$11,881 (line 104), but that does include Capital Reserve income of \$62,327 that cannot be used to cover overhead expenses. Capital Reserve can only be used to purchase Capital Assets.

There are 2 items that were unforeseen when the budget was prepared for the 2021 – 2022 year that was legal fees (line 63) and the Water Management Conservation Plan (line 67).

In 2013 Water Watch Oregon filed an objection to the extension of Oceanside Water District 's Water Rights on Coleman Creek, which supplies water to the community of Cape Meares. At that time, a temporary extension to the Water Right was agreed upon to allow Oceanside Water District time to complete its planned upgrades for the water system in Cape Meares, study the stream flows on Coleman Creek over several years, as well as time to ascertain the needs of the Cape Meares Community as it was going through a growth spurt. In September 2021 Water Watch of Oregon filed an objection again to the extension of our Water Right on Coleman Creek.

In September 2021 we once again engaged the law firm of Schwabe, Williamson & Wyatt to handle the matter and to date, we have spent approximately \$21,000. During the most recent review of the Water Rights on Coleman Creek, we found a Water Right Certificate in the name of Bayocean Water Company had never been formally transferred into the Cape Meares Water Co-op and finally into Oceanside Water District. This process has been started but it requires that we file a new Water

Management Conservation Plan which is in the process but that will run around \$18,000 with an additional several thousand for State fees. Fortunately, Governmental Accounting Standards Series, Statement No. 51 allows for Water Rights to be classified as a Capital Asset and amortized over its reasonable life. It is Oceanside Water District's intent to classify all funds expensed for this matter prior to this year-end and next as a capital asset but under an abundance of caution, we are treating it as an expense in the budget under consideration.

With interest earned and early transfers into the debt service account before the start of loan amortization, we will have created a margin of \$21,581 come this December 31, 2022, when our next payment of \$243,562 comes due. 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 as well as maintain at least 1 annual payment in reserve. We can, if necessary, adjust the June transfer from the General Fund to the Debt Service Fund to stay in compliance.

Line 102 shows a Net Operating Income of \$255,445.24, from which we must subtract Debt Service of \$243,564 (line 103), which leaves us with a margin of \$11,881 on line 104.

	A	B	C	D	E	F
1	Oceanside Water District Projected Profit and Loss July 2021 - June 2022					A
2						
3						
4						
5		Jul - Sep, 2021 Actual	Oct - Dec, 2021 Actual	Jan - Mar, 2022 Actual	Apr - Jun, 2022 Projected	Total
6	Income					
7	1-4000 General Fund Income					
8	1-4003 Water Service	138,316.44	102,490.06	92,260.11	65,000.00	398,066.61
9	1-4004 Labor & Materials	3,209.00	0.00	3,204.00	1,500.00	7,913.00
10	1-4005 Miscellaneous Income, New Account Fees	1,322.00	31.26	779.05	600.00	2,732.31
11	1-4006 Water Overages	2,384.26	0.00	2,742.56	0.00	5,126.82
12	1-4007 General Fund LGIP Interest Income	227.93	194.39	184.78	200.00	807.10
13	1-4008 Customer Related Late Fees, Interest & Penalties	517.32	0.00	559.01	600.00	1,676.33
14	Total 1-4000 General Fund Income	\$ 145,976.95	\$ 102,715.71	\$ 99,729.51	\$ 67,900.00	\$ 416,322.17
15	3-4000 Capital Reserve Fund					
16	3-4006 System Development Charges	15,102.00	16,629.00	15,102.00	15,102.00	61,935.00
17	3-4007 Capital Reserve Fund Interest	109.67	93.54	88.91	100.00	392.12
18	Total 3-4000 Capital Reserve Fund	\$ 15,211.67	\$ 16,722.54	\$ 15,190.91	\$ 15,202.00	\$ 62,327.12
19	4-4000 Debt Service Fund					
20	4-4003 Debt Service Fund Income	60,891.00	60,891.00	60,891.00	60,891.00	243,564.00
21	4-4007 Interest Income	536.03	341.16	291.09	300.00	1,468.28
22	Total 4-4000 Debt Service Fund	\$ 61,427.03	\$ 61,232.16	\$ 61,182.09	\$ 61,191.00	\$ 245,032.28
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	43.77	49.39	46.96	50.00	190.12
26	Total 6-4000 Membrane Replacement Fund	\$ 2,593.77	\$ 2,599.39	\$ 2,596.96	\$ 2,600.00	\$ 10,390.12
27	9-4000 Future Plant Replacement Fund					
28	9-4007 Interest	158.43	123.08	116.98	120.00	518.49
29	Total 9-4000 Future Plant Replacement Fund	\$ 158.43	\$ 123.08	\$ 116.98	\$ 120.00	\$ 518.49
30	Total Income	\$ 225,367.85	\$ 183,392.88	\$ 178,816.45	\$ 147,013.00	\$ 734,590.18

	A	B	C	D	E	F
5		Jul - Sep, 2021 Actual	Oct - Dec, 2021 Actual	Jan - Mar, 2022 Actual	Apr - Jun, 2022 Projected	Total
31	Expenses					
32	1-5000 General Fund Expenses					
33	1-5100 Personal Services					
34	5102 District Manager	17,701.79	15,701.79	15,701.79	15,702.00	64,807.37
35	5104 Office Manager	8,114.50	7,587.00	7,182.00	7,182.00	30,065.50
36	5105 Plant Operator	15,668.02	13,376.59	0.00	0.00	29,044.61
37	5107 Assistant Plant Operator	12,932.00	11,576.32	11,754.96	13,113.00	49,376.28
38	5108 Plant Operator Trainee	0.00	0.00	5,120.00	8,832.00	13,952.00
39	5109 Payroll Taxes	4,805.56	3,937.19	3,535.89	4,035.00	16,313.64
40	5111 Health Coverage W2 Tracking	0.00	0.00	0.00	0.00	0.00
41	5111-2 SDIS Medical Coverage	18,912.80	18,865.83	10,658.87	14,928.00	63,365.50
42	5113 Workmen's Compensation Insurance	4,965.65	0.00	0.00	0.00	4,965.65
43	5115 Deferred Compensation	6,529.95	5,804.00	4,156.64	5,380.00	21,870.59
44	5103 P/T Assistant	0.00	0.00	0.00	0.00	0.00
45	5112 Vacation & Comp Time Estimated Accrual	0.00	0.00	0.00	0.00	0.00
46	Total 1-5100 Personal Services	\$ 89,630.27	\$ 76,848.72	\$ 58,110.15	\$ 69,172.00	\$ 293,761.14
47	1-5200 Materials & Services					
48	5203 Commissioner's Expense		700.00	149.90	150.00	999.90
49	5210 Office Expense					
50	5210-1 Office Supplies	254.95	117.47	157.41	400.00	929.83
51	5210-2 Bank Fees	583.53	564.31	635.19	600.00	2,383.03
52	5210-3 Billing Software	0.00	968.04	1,829.90	1,000.00	3,797.94
53	5210-4 Accounting Software	518.12	188.98	0.00	520.00	1,227.10
54	5210-5 Office fixtures & Equipment	0.00	8,000.00	-6,865.00	500.00	1,635.00
55	5210-6 Legal Notices	624.65	167.40	783.65	300.00	1,875.70
56	Total 5210 Office Expense	\$ 1,981.25	\$ 10,006.20	-\$ 3,458.85	\$ 3,320.00	\$ 11,848.60
57	5221 Postage	289.85	349.20	289.85	300.00	1,228.90
58	5223 Elections & Publications	100.16	0.00	0.00	0.00	100.16
59	5224 Dues & Memberships	0.00	1,897.27	1,057.95	0.00	2,955.22
60	5225 General Liability / Property Insurance	0.00	0.00	18,485.00	0.00	18,485.00
61	5226 Bond Insurance	164.00	0.00	0.00	0.00	164.00
62	5227 Professional Fees					
63	5227-1 Legal Fees	4,892.00	3,366.00	8,358.00	10,000.00	26,616.00
64	5227-2 Audit & Filing Fees	5,700.00	5,700.00	0.00	6,000.00	17,400.00
65	Total 5227 Professional Fees	\$ 10,592.00	\$ 9,066.00	\$ 8,358.00	\$ 16,000.00	\$ 44,016.00

	A	B	C	D	E	F
5		Jul - Sep, 2021 Actual	Oct - Dec, 2021 Actual	Jan - Mar, 2022 Actual	Apr - Jun, 2022 Projected	Total
66	5230 Training / School (Employees / Board Members)		192.00	1,148.00		1,340.00
67	5233 Water Management Conservation Plan / System Survey			2,450.00	15,000.00	17,450.00
68	5240 Repair & Maintenance System					
69	5240-1 System R & M OWD	1,138.19	5,962.77	2,377.00	3,160.00	12,637.96
70	5240-2 System R & M Cape Meares	2,017.18	3,065.86	1,522.99	2,200.00	8,806.03
71	Total 5240 Repair & Maintenance System	\$ 3,155.37	\$ 9,028.63	\$ 3,899.99	\$ 5,360.00	\$ 21,443.99
72	5241 Repair & Maintenance Plant					
73	5241-1 Plant R & M OWD	2,435.10	1,239.66	1,416.78	1,700.00	6,791.54
74	5241-2 R & M Plant Cape Meares	1,901.74	3,878.15	436.55	2,070.00	8,286.44
75	Total 5241 Repair & Maintenance Plant	\$ 4,336.84	\$ 5,117.81	\$ 1,853.33	\$ 3,770.00	\$ 15,077.98
76	5242 Plant Supplies	35.72	60.49	0.00	100.00	196.21
77	5243 Chemicals					
78	5243-1 Chemicals Oceanside	450.40	2,396.97	994.56	1,300.00	5,141.93
79	5243-2 Chemicals Cape Meares	450.39	2,205.15	994.57	1,220.00	4,870.11
80	Total 5243 Chemicals	\$ 900.79	\$ 4,602.12	\$ 1,989.13	\$ 2,520.00	\$ 10,012.04
81	5245 Water Testing					
82	5245-2 Water Testing OWD		331.95		2,234.00	2,565.95
83	5245-3 Water Testing Cape Meares		238.00			238.00
84	Total 5245 Water Testing	\$ 0.00	\$ 569.95	\$ 0.00	\$ 2,234.00	\$ 2,803.95
85	5246 Small Tools	195.59	171.35	233.51	230.00	830.45
86	5247 Boots, Safety Ware, Uniforms	406.65	195.57	428.65	350.00	1,380.87
87	5251 Telephone / Cellphone /Internet	2,161.95	2,192.85	2,514.64	2,500.00	9,369.44
88	5252 Electricity					
89	5252-1 Electricity OWD	2,859.09	2,492.50	2,246.54	2,500.00	10,098.13
90	5252-2 Electricity Cape Meares	654.92	1,245.00	1,220.46	1,250.00	4,370.38
91	Total 5252 Electricity	\$ 3,514.01	\$ 3,737.50	\$ 3,467.00	\$ 3,750.00	\$ 14,468.51
92	5253 Trash Service	42.00	93.45	42.00	42.00	219.45
93	5254 Generator Repair & Maintenance					
94	5254-2 Generator Service & Repair	4,819.99	85.26		500.00	5,405.25
95	Total 5254 Generator Repair & Maintenance	\$ 4,819.99	\$ 85.26	\$ 0.00	\$ 500.00	\$ 5,405.25
96	5260 Vehicle Repair & Maintenance					
97	5260-1 Fuel	987.61	1,301.81	1,229.62	1,500.00	5,019.04
98	5260-2 Vehicle Service & Repairs	29.21	32.99	6.64	500.00	568.84
99	Total 5260 Vehicle Repair & Maintenance	\$ 1,016.82	\$ 1,334.80	\$ 1,236.26	\$ 2,000.00	\$ 5,587.88
100	Total 1-5200 Materials & Services	\$ 33,712.99	\$ 49,400.45	\$ 44,144.36	\$ 58,126.00	\$ 185,383.80

	A	B	C	D	E	F
5		Jul - Sep, 2021 Actual	Oct - Dec, 2021 Actual	Jan - Mar, 2022 Actual	Apr - Jun, 2022 Projected	Total
101	Total 1-5000 General Fund Expenses	\$ 123,343.26	\$ 126,249.17	\$ 102,254.51	\$ 127,298.00	\$ 479,144.94
102	Net Operating Income Before Debt Service	\$ 102,024.59	\$ 57,143.71	\$ 76,561.94	\$ 19,715.00	\$ 255,445.24
103	Less Debt Service					\$ 243,564.00
104	Net Operating Income After Debt Service					\$ 11,881.24

DOCUMENT B

OVERHEAD STUDY WITH COMPARISONS

Document B is a 2-year summary of key operating figures for the 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 Fairview Water District.

Using financial information on file with the Secretary of State and in the case of Arch Cape, their website, I have ranked ourselves in comparison to the 4 water districts listed above, to compare Salaries and Benefits for the year ending June 2021 and the same for Material and Services for the same period as a percentage of Total Income.

Line 36, column B, shows that for Salaries and Benefits, we are the lowest at 38.99% of Income with Neskowin being the highest at 65.40%.

As for Materials & Services, column E, line 36, we also rank the lowest at 18.86%.

Columns C & F, line 14 shows the amount of the monthly water service payment that goes to service debt, about \$24. 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											B	
2	Overhead Study											
3	Income and Expense											
4	Oceanside Water District		2020			2021						
	Income	Annually	Monthly Per 856 Dwelling Units	%	Annually	Monthly Per 857 Dwelling Units	%					
5	Water Sales	\$ 714,484	\$ 69.56	96.92%	\$ 704,783	\$ 68.53	97.84%					
6	Fees, Labor, Interest (Includes Capital Reserve Income)	\$ 22,676	\$ 2.21	3.08%	\$ 15,586	\$ 1.52	2.16%					
7	Total Income, including Capital Reserve	\$ 737,160	\$ 71.76	100.00%	\$ 720,369	\$ 70.05	100.00%					
8	Operating Expenses											
9	Salaries & Benefits	\$ 272,070	\$ 26.49	36.91%	\$ 280,890	\$ 27.31	38.99%					
10	Materials & Services	\$ 159,187	\$ 15.50	21.59%	\$ 135,881	\$ 13.21	18.86%					
11	Total Operating Expenses	\$ 431,257	\$ 41.98	58.50%	\$ 416,771	\$ 40.53	57.86%					
12	Net Operating Profit including Capital Reserve	\$ 305,903	\$ 29.78	41.50%	\$ 303,598	\$ 29.52	42.14%					
13	Debt Service	\$ 243,561	\$ 23.71	33.04%	\$ 243,561	\$ 23.68	33.81%					
14	Remaining Operating Income including Capital Reserve	\$ 62,342	\$ 6.07	8.46%	\$ 60,037	\$ 5.84	8.33%					
15	Dwelling Units is the \$ total of all rates divided by the residential rate of \$65 per month, or \$780											
	Water District Comparisons	Netarts Water 2021	%	Neskowin Water 2021	%	Arch Cape Water 2021 Budget	%	Fairview Water District 2021	%	Oceanside 2021	%	
16	Water Sales	\$ 555,399	97.35%	\$ 485,917	79.95%	\$ 377,684	100.00%	\$ 476,147	97.54%	\$ 704,783	97.84%	
17	Fees, Labor, Interest, Property Taxes	\$ 15,106	2.65%	\$ 121,871	20.05%	\$ -	0.00%	\$ 12,000	2.46%	\$ 15,586	2.16%	
18	Total Income	\$ 570,505	100.00%	\$ 607,788	100.00%	\$ 377,684	100.00%	\$ 488,147	100.00%	\$ 720,369	100.00%	
19	Operating Expenses											
20	Salaries & Benefits	\$ 293,350	51.42%	\$ 397,477	65.40%	\$ 230,202	60.95%	\$ 215,569	44.16%	\$ 280,890	38.99%	
21	Materials & Services	\$ 141,165	24.74%	\$ 128,347	21.12%	\$ 166,833	44.17%	\$ 179,329	36.74%	\$ 135,881	18.86%	
22	Total Operating Expenses	\$ 434,515	76.16%	\$ 525,824	86.51%	\$ 397,035	105.12%	\$ 394,898	80.90%	\$ 416,771	57.86%	
23	Net Operating Profit	\$ 135,990	23.84%	\$ 81,964	13.49%	\$ (19,351)	-5.12%	\$ 93,249	19.10%	\$ 303,598	42.14%	
24	Debt Service Due In 1 Year	\$ -	0.00%	\$ 50,419	8.30%	\$ 20,772	5.50%			\$ 243,561	33.81%	
25	Remaining Operating Income	\$ 135,990	23.84%	\$ 31,545	5.19%	\$ (40,123)	-10.62%			\$ 60,037	8.33%	
26	Water Rate Per Qtr., 15,000 gallons	\$ 132		\$ 168		\$ 172				\$ 195		
27	SDC Fee Income	\$ 76,761		\$ 76,761		\$ 11,726		\$ 10,686		\$ 15,586		
28	Number of Water Hook Ups	1000		732		293		649		788		
29	2021 COST RANKING HIGHEST TO LOWEST	Salaries & Benefits		2021	Materials & Services							
30	Neskowin	65.40%		Arch Cape	44.17%							
31	Arch Cape	60.95%		Fairview Water	36.74%							
32	Netarts Water	51.42%		Netarts Water	24.74%							
33	Fairview Water	44.16%		Neskowin	21.12%							
34	Oceanside	38.99%		Oceanside	18.86%							
35												

2022 – 2023

BUDGET MESSAGE

Rates will remain the same for the 2022-2023 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 2020-2021 audit

- The District's total assets decreased by \$229,442 (or 3%) during the fiscal year ended June 30, 2021, principally due to depreciation of \$277,998.
- The District's total net position decreased by \$39,329 (or 1%) in 2020-21.
- Operating revenues increased by \$9,266 (or 1%) in 2020-21, from the previous year.
- Operating expenses increased by \$10,532 (or 2%) in 2020-21, from the previous year.
- For the past several years, management has been tracking General Fund Income and Expenses, as well as its other funds to make sure that there is sufficient revenue after expenses to cover our annual debt service. Since depreciation is not an out-of-pocket expense, we exclude that in our calculation, interest income is also included, and interest expense is excluded as it is included in our annual payment of \$243,561. System Development Charges cannot be used to cover operating expenses, but they can be used to acquire capital assets, instead of using General Operating Funds, so they are included in our calculation.
- In 2019 the Adjusted Net Operating Income was \$233,653 and Debt Service Requirement was \$243,561, thereby requiring us to dip into Retained Earnings by some \$9,908.
- For 2020 the Adjusted Net Operating Income was \$273,763 which was sufficient to cover the 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, which added additional income of approximately \$50,000 annually.

- For 2021 the Adjusted Net Operating Income was \$276,065 which was sufficient to cover the Annual Debt Service of \$243,562, leaving a margin of \$32,503.
- So, all is good, debt Service is covered and there will be no rate increase for the 2022-2023 year.

Summary of Funds on Hand as of April 30, 2021 & 2022

Funds on hand as of	<u>April 30, 2021</u>	<u>April 30, 2022</u>	
General Fund	\$319,396	\$315,363	For operating expenses.
Capital Reserve	\$88,018	\$123,258	Not to be used for operating expenses.
Debt Service	\$364,756	\$346,334	Restricted to debt payments.
Membrane Replacement	\$37,279	\$47,650	Limited to filter replacement costs.
Infrastructure Upgrades & System Replacement &			
Water Source Development	<u>\$67,539</u>	<u>\$105,876</u>	System & Plant Repair & Dev.
Total	\$874,988	\$938,481	

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, 2022, plus interest and Operating Revenue for the year.

Total Operating Revenue, line 14 is projected to be about level with last year's budget and with the year ending 2022.

Our projection for the year ending June 2022 has an Operating Income of \$734,590, Chart A, line 30. This is principally due to much higher than anticipated SDC fees received for the year, line 16.

FORM
LB-20

GENERAL FUND
RESOURCES
OCEANSIDE WATER DISTRICT

1

						OCEANSIDE WATER DISTRICT			
	Historical Data				RESOURCE DESCRIPTION	Budget for Next Year 2022-2023			
	Actual		Adopted Budget Year 2021 - 2022			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2019-2020	First Preceding Year 2020-2021							
1	372,573	388,144	285,000	1	Available cash on hand* (cash basis)	317,000			1
2				2					2
3				3					3
4	3,401	1,618	1,480	4	Interest, Late Fees & Penalties	1,500			4
5				5	Transferred IN, from other funds				5
6				6	Operating Revenue				6
7	683,784	686,087	669,240	7	Water Service	676,300			7
8	14,161	3,867	5,890	8	Miscellaneous Income	6,000			8
9	3,674	4,601	3,250	9	Labor & Materials	4,000			9
10	0	0	10,300	10	Water Overages	7,000			10
11				11					11
12				12					12
13				13					13
14	705,020	696,173	690,160	14	Total Operating Revenue	694,800	-	-	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	1,077,593	1,084,317	975,160	29	Total Resources	1,011,800	-	-	29
30			-	30					30
31				31					31
32	1,077,593	1,084,317	975,160	32	TOTAL RESOURCES	1,011,800	-	-	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	\$435,000
Materials and Services:	Line 8	\$264,250
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 Debt Service, in the amount of \$243,561, Lines 23-24, are fixed, all the other transfers are done as needed, we can transfer less but never more.

REQUIREMENTS SUMMARY

OCEANSIDE WATER DISTRICT

2

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2022-2023				
	Actual		Adopted Budget This Year 2021 - 2022						
	Second Preceding year 2019-2020	First Preceding Year 2020-2021			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
					PERSONAL SERVICES				
1				1				1	
2				2				2	
3	272,070	280,890	353,200	3	TOTAL PERSONAL SERVICES	435,000	0	0	3
4	3	4	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	159,187	135,881	205,800	8	TOTAL MATERIALS AND SERVICES	264,250	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	0	0	30,000	15	Capital Outlay General Fund	30,000	0		15
16	0	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	0		21
22				22	Transfer to Debt Service Fund				22
23	247,992	227,326	36,000	23	IFA Water Waste Water Loan \$35,871 a yr. beg 12/15	35,871			23
24			212,000	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	237,526	369,430	27	TOTAL INTERFUND TRANSFERS	353,761	0	0	27
28				28					28
29				29					29
30	689,449	654,297	988,430	30	REQUIREMENTS	1,113,011	0	0	30
31	388,144	430,020	-13,270	31	UNAPPROPRIATED ENDING FUND BALANCE	-101,211	0	0	31
32	1,077,593	1,084,317	975,160	32	TOTAL REQUIREMENTS	1,011,800	0	0	32
33				33					33
34				34	UNAPPROPRIATED ENDING FUND BALANCE				34
35	1,077,593	1,084,317	975,160	35	TOTAL RESOURCES	1,011,800	0	0	35

Capital Outlay & Contingencies

Form #3

During the audit process, our accountants have in the past, reclassified some expenses in the General Fund as capital asset purchases. The limit for Capital Purchases out of the General Account (line 9) is \$30,000, once again, we can earmark less but never more than \$30,000 in Capital Asset purchases out of the General Account.

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. General Operating Contingencies have been in the Budget for close to 10 years and we have yet to use them.

DETAILED REQUIREMENTS

FORM

CAPITAL OUTLAY & Contingencies

3

LB-31

GENERAL FUND
OCEANSIDE WATER DISTRICT

	Historical Data				EXPENDITURE DESCRIPTION	Budget for Next Year 2022-2023			
	Actual		Adopted Budget This Year 2021 - 2022			Budget for Next Year 2022-2023			
	Second Preceding year 2019-2020	First Preceding Year 2020-2021				Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
1	0	0	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	0	0	30,000	9	Total Capital Outlay	30,000	-	-	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	-	-	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	0	60,000	34	Total	60,000	-	0	34

Personal Services

Form #4

We are proposing a Personal Services Budget of \$431,000, which is up from \$353,200 in the prior year's budget and up from the year ending 2021 in the amount of \$280,890.

This coming year may be a year of transition, our District Manager, David Nordman, would like to move to a warmer and dryer climate, either in the US or Abroad, due to on-the-job injuries he suffered a number of years ago. However, there are family, medical, and legal issues that are continually in flux that makes timing very difficult.

To have the most flexibility in our staffing matters, we have added to the Personal Services Budget (line 4) \$60,000 that would allow us to increase staff temporarily for some 6 months or more, to allow for an orderly change over in the District Manager position. David has indicated he should be able to give us up to a year's notice once some of the issues mentioned above are resolved.

We are also proud to announce that Christian Anderson has obtained his Treatment 2 and Transmission 1 certifications which makes him qualified to be responsible for the operation of the plant should the need arise.

Currently, David is the DRC (Direct Responsible Charge) of the water treatment plants. The DRC is the person the State holds responsible for complying with all regulations related to water treatment and distribution. There have been times in the past when we have had to contract for a temporary DRC but Christian now qualifies to act as the DRC, should the need arise, and with board approval.

Per our policy, we provide medical and dental coverage (line 9) for our employees and their spouses if any. Additional coverage can be elected but its cost is deducted from the employee's wages. We budget for employee and spouse/partner medical and dental insurance but currently, 2 of our employees only require individual coverage. We have also budgeted insurance coverage for the District Manager transition period, should the need arise. Medical and Dental coverage is provided through SDIS.

Workers Compensation Insurance, line 10, is also through SDIS and has a component that is hard to estimate due to the dividend which is based on the groups' loss ratio from prior years. For the year just ending 2019-2020, we have paid \$10,500, with no dividend and our billing for 2020-2021 was some \$12,000 but we received a dividend of \$5,600. We project the current year ending June 2022 to be around \$5,000 but that was after a dividend of almost \$9,000. For the coming year, we have budgeted \$14,000, which assumes no dividend.

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 that participate in PERS. Our projected expense for the current year is about \$22,000 and we have \$30,000 in the budget for the coming year.

As explained earlier, in exhibit B, when compared to 4 other water districts, our Salaries and Benefits expense remains below the districts that we surveyed by some 5%.

Historically our Salary and Benefit Expenses have always come in well below budget but given the staffing uncertainties in the coming year, we wanted to make sure this area was fully covered in the budget.

DETAILED REQUIREMENTS

4

FORM
LB-31

PERSONAL SERVICES

GENERAL FUND

OCEANSIDE WATER DISTRICT

OCEANSIDE WATER DISTRICT

	Historical Data				REQUIREMENTS DESCRIPTION	Number of Employees	Range*	Budget for Next Year 2022-2023			
	Actual		Adopted Budget This Year 2021 - 2022								
	Second Preceding year 2019-2020	First Preceding Year 2020-2021						Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
1				1	PERSONAL SERVICES						1
2	57,551	59,252	66,000	2	5102 District Mgr. (DN)	1		73,000			2
3	44,619	52,268	58,000	3	5105 Plant Operator (JH)	0		0			3
4	0	0	10,000	4	5103 P/T Assistant / Management Succession	0		60,000			4
5	23,300	27,100	38,000	5	5104 Office Manager (JJ)	1		42,000			5
6	40,207	43,734	48,000	6	5107 Plant Operator (CA)	1		58,000			6
7	0	0	0	7	5108 Plant Operator Trainee (PW)	1		39,000			7
8	13,851	15,594	17,000	8	5109 Payroll Tax & Unemployment Tax			23,000			8
9	62,103	54,549	72,000	9	5111 Employee/Family Medical Insurance			90,000			9
10	10,558	6,496	13,000	10	5113 Workmen's Compensation			14,000			10
11	19,881	21,897	25,200	11	5115 Deferred Compensation			30,000			11
12	0	0	6,000	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	272,070	280,890	353,200	32	TOTAL PERSONAL SERVICES			435,000	0	0	32
33				33							33

Materials and Services

Form #5

We are budgeting a 29% 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) a projected increase of some \$1,500 from the year ending, June 2022.

Professional Services, (line 10), includes accountants, attorneys, and engineers. Historically in this area, we have spent less than \$20,000 but we are budgeting \$50,000 for the coming budget year to cover legal expenses related to perfecting the Bayocean Water Company, Water Certificates on Coleman Creek.

Misc. expense and Water System Survey, (line 12). 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 (WMCP), (line 13). This was last completed back in 2020 but activation of the Bayocean Water Company, Water Certificates, authorizing water to be drawn from Coleman Creek, requires an update to the WMCP, which is under review and may or may not be completed this year. We have projected \$20,000 for the coming budget year.

Repair & Maintenance, (line 14). In our year-end projection for the period ending June 2022, (Chart A, lines 71 & 75 we project to have spent \$41,000 in this area and are budgeting \$50,000.

Renewal of Water Rights, (line 21), we have increased this to \$10,000 up from \$1,000 in the current budget. There are a number of costs; water testing; surveying and engineering cost that will come up as we move forward on our plan to establish Baughman Creek as a secondary source of water to Short Creek.

DETAILED REQUIREMENTS

5

FORM

MATERIALS AND SERVICES

LB-31

GENERAL FUND
OCEANSIDE WATER DISTRICT

	Historical Data				REQUIREMENTS DESCRIPTION	Budget for Next Year 2022-2023			
	Actual		Adopted Budget This Year 2021 - 2022			Budget for Next Year 2022-2023			
	Second Preceding year 2019-2020	First Preceding Year 2020-2021				Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
1				1	MATERIALS & SERVICES				1
2			-	2		-			2
3			-	3		-			3
4	1,413	786	1,500	4	5119 Commissioner's Expense	1,500			4
5	5,531	7,329	12,000	5	5220 Office Expense	14,000			5
6	1,369	1,292	1,500	6	5221 Postage	1,750			6
7	1,286	0	1,500	7	5223 Elections & Publications	1,500			7
8	3,869	2,986	4,000	8	5224 Dues & Memberships	4,000			8
9	16,417	16,790	18,400	9	5225 General Liability / Property / Bond Insurance	20,000			9
10	16,112	17,348	30,000	10	Professional Services	50,000			10
11	944	2,136	2,500	11	5230 Training / School (Employees/Board Members)	3,000			11
12	3,754	1,675	8,000	12	5232 Misc. Exp., Water System Survey	8,000			12
13	17,090	0	0	13	5233 Water Management Conservation Plan	20,000			13
14	41,373	35,823	50,000	14	Repair & Maintenance	50,000			14
15	12,902	8,966	16,000	15	Plant Supplies & Chemicals	16,000			15
16	3,690	9,291	10,000	16	5245 Water Studies & Testing	10,000			16
17	271	591	1,000	17	5246 Small Tools	2,000			17
18	8,437	8,357	10,000	18	5251 Telephone / Cellphones / Internet / Telemetry	12,000			18
19	12,419	13,671	15,000	19	5252 Electricity	17,000			19
20	2,444	6,273	10,000	20	5260 Vehicle Repair & Maintenance	10,000			20
21	0	0	1,000	21	5270 Renewal of Water Rights	10,000			21
22	360	327	400	22	5253 Trash Service / Porta Potty	500			22
23	8,436	454	10,000	23	5254-2 Generator Repair & Maintenance	10,000			23
24	1,070	1,786	3,000	24	5247 Boots, Safety Ware, Uniforms	3,000			24
25				25					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	159,187	135,881	205,800	34	TOTAL MATERIALS & SERVICES	264,250	-	0	34

Capital Reserve Fund

Form #6

This budget sheet shows that we project to have cash on hand, line 1 of \$123,000 as of July 1, 2022. The source of capital for this account, line 6, comes mainly from System Development Fees, which is currently \$8,125 (for a ¾ inch residential single-family home) and we have projected receiving 6 SDC's in the coming budget year for a total of \$48,750.

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, including but not limited to vehicles, vac trailer, plant soundproofing, water source development, water rights, and other capital asset purchases.

FORM LB-11

6

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

						OCEANSIDE WATER DISTRICT			
	Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2022-2023			
	Actual		Adopted Budget This Year 2021 - 2022			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2019-2020	First Preceding Year 2020-2021							
					RESOURCES				
1	144,497	130,415	120,000	1	Cash on hand	123,000			1
2				2	Working Capital (accrual basis)				2
3				3	Other Income				3
4	2720	820	1,500	4	Interest	700			4
5				5	Transferred IN, from other funds				5
6	19,956	14,766	22,149	6	SYSTEM DEVELOPMENT CHARGES (SDC'S) \$8,125 SFR	48,750			6
7				7	as of April 1, 2022				7
8				8					8
9	167,173	146,001	143,649	9	Total Resources	172,450	0	0	9
10				10					10
11				11					11
12	167,173	146,001	143,649	12	TOTAL RESOURCES	172,450	0	0	12
13				13	REQUIREMENTS				13
14				14	FUTURE EXPENDITURES				14
15				15					15
16	36,758	54,378	143,649	16	Capital Outlay, including but not limited to vehicles, vac trailer,	172,450			16
17				17	Plant Sound Proofing, Water Source Development, Water Rights				17
18				18	and other Capital Asset Purchases				18
19				19					19
20				20					20
21				21					21
22				22					22
23				23					23
24				24					24
25				25					25
26	36,758	54,378	143,649	26	TOTAL EXPENSES	172,450	0	0	26
27				27					27
28				28					28
29	130,415	91,623	0	29	RESERVED FOR FUTURE EXPENDITURE	0	0	0	29
30	167,173	146,001	143,649	30	TOTAL REQUIREMENTS	172,450	0	0	30

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

This account has been used for our construction projects over the last 6 years and most recently distribution upgrades in both Cape Meares and Oceanside. We do have several upgrade projects, one in Downtown Oceanside and another which is necessary due to the new Cape Meares Loop Road.

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, should it be necessary.

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 REPLACERMENT
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

and Water Source Development				OCEANSIDE WATER DISTRICT					
	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2022-2023				
	Actual				Adopted Budget 2021 - 2022	Proposed By Budget Officer	Approved By Budget Committee		Adopted By Governing Body
	Second Preceding year 2019-2020	First Preceding Year 2020-2021							
					RESOURCES				
1	52,351	47,365	80,000	1	Cash on hand	90,000			1
2				2	Working Capital (accrual basis)				2
3				3	Reimbursements				3
4	1,842	515	1,300	4	Interest	600			4
5		100,000	100,000	5	Transferred IN, from other funds	100,000			5
6			11,230	6	Additional Transfers as needed	0			6
7	-	-		7					7
8				8					8
9				9					9
10				10					10
11				11					11
12	54,193	147,880	192,530	12	TOTAL RESOURCES	190,600	0	0	12
13				13	INFRASTRUCTURE UPGRADES, SYSTEM REPLACEMENT, WATER SOURCE DEVELOPMENT AND MAJOR REPAIRS, TO NAME JUST A FEW OF THIS FUNDS USAGE,				13
14	6,828	0	192,530	14		190,600	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				28					28
29	47,365	147,880	0	29	RESERVED FOR FUTURE EXPENDITURE	0	0	0	29
30	54,193	147,880	192,530	30	TOTAL REQUIREMENTS	190,600	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 \$586,133.

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 \$4,720,891 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 for June 30, 2018, but would have fallen short in 2019 without the rate increase. The current balance in this account is currently \$346,334 and we currently add to it each month in the amount of \$20,297. Our loan payments come due at the end of December each year, based on our monthly contributions of \$20,297 to the account, we will have some accumulated \$509,000 which is in excess of the required amount of \$487,120.

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 2022-2023			
	Actual		Adopted Budget This Year 2021 - 2022			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2019-2020	First Preceding Year 2020-2021							
					Resources				
1	228,249	239,910	385,000	1	Beginning Cash on Hand (Cash Basis)	387,000			1
2				2	Working Capital (Accrual Basis)				2
3				3	Previously Levied Taxes to be Received				3
4	7,231	2,552	2,000	4	Interest	2,000			4
5	247,992	227,326	243,561	5	Transferred from Other Funds	243,562			5
6				6					6
7	483,472	469,788	630,561	7	Total Resources	632,562	0	0	7
8				8					8
9				9					9
10	483,472	469,788	630,561	10	TOTAL RESOURCES	632,562	0	0	10
11				11	Requirements				11
12				12	Principal & Interest Payments				12
13				13	LOANBudgeted Payment Date				13
14			35,872	14	IFA Water Waste Water Loan\$36M a yr. beg 12/14 for 25 yrs.	35,872			14
15			207,690	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	243,562	243,561	243,562	17	Total Principal & Interest	243,562	0	0	17
18				18					18
19				19	Reserve for future loan payments\$243,562				19
20				20	Reserve Required for Wavier of Operating Profit of 1.2 X Debt Service				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	239,910	226,227	386,999	30	Total Ending Fund Balance Reserved For Current & Future Payments	389,000	0		30
31									31
32									32
33	483,472	469,788	630,561	33	TOTAL REQUIREMENTS	632,562	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 is 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.

**To Include All Supporting Equipment, Repair And Replacement Parts
Used From The Water Diversion Point Through To Storage**

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 2022-2023			
	Actual		Adopted Budget This Year 2021 - 2022			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2019-2020	First Preceding Year 2020-2021							
					RESOURCES				
1	20,709	31,300	38,500	1	Cash on hand	46,800			1
2		5,332		2	Grants				2
3	391	211	180	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	31,300	47,043	48,880	9	Total Resources	57,200	0		9
10				10					10
11				11					11
12	31,300	47,043	48,880	12	TOTAL RESOURCES	57,200	0	0	12
13				13	REQUIREMENTS				13
14				14	FUTURE EXPENDITURES				14
15				15					15
16	0	0	48,880	16	Membrane Module Replacement, to include :	57,200			16
17				17	All Supporting Equipment, Repair And Replacement Parts				17
18				18	Used From The Water Diversion Point Through To Storage				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	48,880	26	TOTAL EXPENSES	57,200	0	0	26
27				27					27
28				28					28
29	31,300	47,043	0	29	RESERVED FOR FUTURE EXPENDITURE	0	0		29
30	31,300	47,043	48,880	30	TOTAL REQUIREMENTS	57,200	0	0	30