

OCEANSIDE WATER DISTRICT

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OCEANSIDE WATER DISTRICT

FISCAL YEAR 2023-2024

BUDGET COMMITTEE MEETING

TUESDAY, MAY 16, 2022, AT 1:00 P.M.

CONFERENCE CALL: 1-425-436-6369

CODE: 2159171

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 2023-2024. Answer questions/concerns from Committee and/or public.
7. Approval of Fiscal Year 2023-2024 Proposed Budget.
8. Adjournment of Budget Committee Meeting.

2023 – 2024

BUDGET MESSAGE

Based on our projection for the year ending June 30, 2023, (Document A) we are projecting operating Income of \$221,524 after deducting Capital Reserve Income (SDC Fees) Of \$84,551. Our loan agreement with the Infrastructure Finance Authority of Oregon requires that we have sufficient operating income in an amount to cover our loan obligations of \$243,516, which leaves us with a shortfall of (\$22,036). Failure to comply with the loan terms could result in an increase in our interest rate from 1% to 3%. This would result in our annual interest expense going from \$51,165 to \$153,496.

To come into compliance, the budget calls for a rate increase across the board in an average amount of 7.7% or for a single-family home, an increase of \$5.00 per month.

Financial Highlights from the 2021-2022 Audit

- The District's total assets decreased by \$165,519 (or 2%) during the fiscal year that ended June 30, 2022, principally due to depreciation of \$285,207.
- The District's total net position increased by \$4,811 in 2021-22.
- Operating revenues increased by \$7,606 (or 1%) in 2021-22, from the previous year.
- Operating expenses increased by \$14,032 (or 1.8%) in 2021-22, 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, leaving a negative margin (\$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 \$279,402, which was sufficient to cover the Annual Debt Service of \$243,562, leaving a margin of \$35,841.
- For 2022, the Adjusted Net Operating Income was \$263,817, which was sufficient to cover the Annual Debt Service of \$243,516, leaving a margin of \$20,361.
- Projected for 2023, Adjusted Net Operating Income was \$221,524, which is not sufficient to cover the Annual Debt Service of \$243,516, leaving a shortfall of (\$22,036). So, a rate increase will be required to bring us into compliance with our loan agreement effective July 1, 2023.

Summary of Funds on Hand as of April 30, 2022, & 2023

<u>Unrestricted Funds</u>	<u>April 30, 2022,</u>	<u>April 30, 2023</u>	
General Fund	\$312,392	\$236,154	For Operating Expenses
Membrane Replacement	\$47,672	\$58,933	For Water Treatment Repairs
Infrastructure	<u>\$105,928</u>	<u>\$108,166</u>	Infrastructure Repairs& Upgrades
Total Operating Funds	\$465,992	\$403,253	
 <u>Restricted Funds</u>			
Debt Service	\$346,479	\$342,308	Restricted to debt payments.
Capital Reserve	<u>\$121,771</u>	<u>\$213,123</u>	Can't be used for operating expenses.
Total Restricted Funds	\$468,250	\$555,431	
Total	\$934,242	\$958,684	

What this shows is that our General Fund Account, which is used to pay operating costs, has \$76,238, less than last year at the end of April. If we look back to April 30, 2021, General Fund had \$317,398, so the difference increases to \$81,244 over a 2-year span.

In the 23-24 budget, our proposed rate increase of 7.7% would add an additional \$63,000 to Operating Income. See Rate Chart.

RATE CHART

Our last rate increase was in July 2019, when we raise rates by approximately 8%, which was a \$5.00 increase, for single-family homes.

For a number of reasons which I have outlined before, we are once again proposing a rate increase of 7.7% across the board, which for a single-family home amounts to an increase of \$5.00 per month.

We currently have 811 customers s of which 777 are single-family homes and they make up 88% of our customer base.

Oceanside Water District Rate Structure

Rates 2018-2019			Overage Fees \$2.70 per 1000 gallons over allocation			
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.
100	\$ 720.00	\$ 180.00	\$ 60.00	754	\$ 542,880.00	15,000.00
110	\$ 1,440.00	\$ 360.00	\$ 120.00	20	\$ 28,800.00	30,000.00
120	\$ 2,160.00	\$ 540.00	\$ 180.00	3	\$ 6,480.00	45,000.00
130	\$ 1,680.00	\$ 420.00	\$ 140.00	1	\$ 1,680.00	35,000.00
135	\$ 2,880.00	\$ 720.00	\$ 240.00	1	\$ 2,880.00	60,000.00
140	\$ 1,200.00	\$ 300.00	\$ 100.00	1	\$ 1,200.00	25,000.00
150	\$ 8,400.00	\$ 2,100.00	\$ 700.00	0	\$ -	175,000.00
160	\$ 6,000.00	\$ 1,500.00	\$ 500.00	1	\$ 6,000.00	125,000.00
170	\$ 5,040.00	\$ 1,260.00	\$ 420.00	1	\$ 5,040.00	105,000.00
180	\$ 7,920.00	\$ 1,980.00	\$ 660.00	1	\$ 7,920.00	165,000.00
190	\$ 3,600.00	\$ 900.00	\$ 300.00	1	\$ 3,600.00	75,000.00
210	\$ 3,360.00	\$ 840.00	\$ 280.00	1	\$ 3,360.00	70,000.00
500	\$ 2,880.00	\$ 720.00	\$ 240.00	2	\$ 5,760.00	60,000.00
				Total	\$ 615,600.00	

Rates 2020-2021			Overage Fees \$2.92 per 1000 gallons over allocation				% Increase
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.	% Increase
100	\$ 780.00	\$ 195.00	\$ 65.00	755	\$ 588,900.00	15,000.00	0.0%
110	\$ 1,560.00	\$ 390.00	\$ 130.00	20	\$ 31,200.00	30,000.00	0.0%
120	\$ 2,340.00	\$ 585.00	\$ 195.00	3	\$ 7,020.00	45,000.00	0.0%
130	\$ 1,824.00	\$ 456.00	\$ 152.00	1	\$ 1,824.00	35,000.00	0.0%
135	\$ 3,120.00	\$ 780.00	\$ 260.00	1	\$ 3,120.00	60,000.00	0.0%
140	\$ 1,296.00	\$ 324.00	\$ 108.00	1	\$ 1,296.00	25,000.00	0.0%
150	\$ 9,096.00	\$ 2,274.00	\$ 758.00	0	\$ -	175,000.00	0.0%
160	\$ 6,504.00	\$ 1,626.00	\$ 542.00	1	\$ 6,504.00	125,000.00	0.0%
170	\$ 5,460.00	\$ 1,365.00	\$ 455.00	1	\$ 5,460.00	105,000.00	0.0%
180	\$ 8,580.00	\$ 2,145.00	\$ 715.00	1	\$ 8,580.00	165,000.00	0.0%
190	\$ 3,900.00	\$ 975.00	\$ 325.00	1	\$ 3,900.00	75,000.00	0.0%
210	\$ 3,636.00	\$ 909.00	\$ 303.00	1	\$ 3,636.00	70,000.00	0.0%
500	\$ 3,120.00	\$ 780.00	\$ 260.00	2	\$ 6,240.00	60,000.00	0.0%
				Total	\$ 667,680.00		

Rates 2022-2023			Overage Fees \$2.92 per 1000 gallons over allocation				% Increase
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.	% Increase
100	\$ 780.00	\$ 195.00	\$ 65.00	766	\$ 597,480.00	15,000.00	0.0%
110	\$ 1,560.00	\$ 390.00	\$ 130.00	20	\$ 31,200.00	30,000.00	0.0%
120	\$ 2,340.00	\$ 585.00	\$ 195.00	3	\$ 7,020.00	45,000.00	0.0%
130	\$ 1,824.00	\$ 456.00	\$ 152.00	1	\$ 1,824.00	35,000.00	0.0%
135	\$ 3,120.00	\$ 780.00	\$ 260.00	1	\$ 3,120.00	60,000.00	0.0%
140	\$ 1,296.00	\$ 324.00	\$ 108.00	1	\$ 1,296.00	25,000.00	0.0%
150	\$ 9,096.00	\$ 2,274.00	\$ 758.00	0	\$ -	175,000.00	0.0%
160	\$ 6,504.00	\$ 1,626.00	\$ 542.00	1	\$ 6,504.00	125,000.00	0.0%
170	\$ 5,460.00	\$ 1,365.00	\$ 455.00	1	\$ 5,460.00	105,000.00	0.0%
180	\$ 8,580.00	\$ 2,145.00	\$ 715.00	1	\$ 8,580.00	165,000.00	0.0%
190	\$ 3,900.00	\$ 975.00	\$ 325.00	1	\$ 3,900.00	75,000.00	0.0%
210	\$ 3,636.00	\$ 909.00	\$ 303.00	1	\$ 3,636.00	70,000.00	0.0%
500	\$ 3,120.00	\$ 780.00	\$ 260.00	2	\$ 6,240.00	60,000.00	0.0%
				Total	\$ 676,260.00		

Rates 2019-2020			Overage Fees \$2.92 per 1000 gallons over allocation				% Increase
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.	% Increase
100	\$ 780.00	\$ 195.00	\$ 65.00	754	\$ 588,120.00	15,000.00	8%
110	\$ 1,560.00	\$ 390.00	\$ 130.00	20	\$ 31,200.00	30,000.00	8%
120	\$ 2,340.00	\$ 585.00	\$ 195.00	3	\$ 7,020.00	45,000.00	8%
130	\$ 1,824.00	\$ 456.00	\$ 152.00	1	\$ 1,824.00	35,000.00	9%
135	\$ 3,120.00	\$ 780.00	\$ 260.00	1	\$ 3,120.00	60,000.00	8%
140	\$ 1,296.00	\$ 324.00	\$ 108.00	1	\$ 1,296.00	25,000.00	8%
150	\$ 9,096.00	\$ 2,274.00	\$ 758.00	0	\$ -	175,000.00	8%
160	\$ 6,504.00	\$ 1,626.00	\$ 542.00	1	\$ 6,504.00	125,000.00	8%
170	\$ 5,460.00	\$ 1,365.00	\$ 455.00	1	\$ 5,460.00	105,000.00	8%
180	\$ 8,580.00	\$ 2,145.00	\$ 715.00	1	\$ 8,580.00	165,000.00	8%
190	\$ 3,900.00	\$ 975.00	\$ 325.00	1	\$ 3,900.00	75,000.00	8%
210	\$ 3,636.00	\$ 909.00	\$ 303.00	1	\$ 3,636.00	70,000.00	8%
500	\$ 3,120.00	\$ 780.00	\$ 260.00	2	\$ 6,240.00	60,000.00	8%
				Total	\$ 666,900.00		

Rates 2021-2022			Overage Fees \$2.92 per 1000 gallons over allocation				% Increase
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.	% Increase
100	\$ 780.00	\$ 195.00	\$ 65.00	757	\$ 590,460.00	15,000.00	0.0%
110	\$ 1,560.00	\$ 390.00	\$ 130.00	20	\$ 31,200.00	30,000.00	0.0%
120	\$ 2,340.00	\$ 585.00	\$ 195.00	3	\$ 7,020.00	45,000.00	0.0%
130	\$ 1,824.00	\$ 456.00	\$ 152.00	1	\$ 1,824.00	35,000.00	0.0%
135	\$ 3,120.00	\$ 780.00	\$ 260.00	1	\$ 3,120.00	60,000.00	0.0%
140	\$ 1,296.00	\$ 324.00	\$ 108.00	1	\$ 1,296.00	25,000.00	0.0%
150	\$ 9,096.00	\$ 2,274.00	\$ 758.00	0	\$ -	175,000.00	0.0%
160	\$ 6,504.00	\$ 1,626.00	\$ 542.00	1	\$ 6,504.00	125,000.00	0.0%
170	\$ 5,460.00	\$ 1,365.00	\$ 455.00	1	\$ 5,460.00	105,000.00	0.0%
180	\$ 8,580.00	\$ 2,145.00	\$ 715.00	1	\$ 8,580.00	165,000.00	0.0%
190	\$ 3,900.00	\$ 975.00	\$ 325.00	1	\$ 3,900.00	75,000.00	0.0%
210	\$ 3,636.00	\$ 909.00	\$ 303.00	1	\$ 3,636.00	70,000.00	0.0%
500	\$ 3,120.00	\$ 780.00	\$ 260.00	2	\$ 6,240.00	60,000.00	0.0%
				Total	\$ 669,240.00		

Rates 2023-2024			Overage Fees \$3.15 per 1000 gallons over allocation				% Increase
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.	% Increase
100	\$ 840.00	\$ 210.00	\$ 70.00	777	\$ 652,680.00	15,000.00	7.7%
110	\$ 1,680.00	\$ 420.00	\$ 140.00	21	\$ 35,280.00	30,000.00	7.7%
120	\$ 2,520.00	\$ 630.00	\$ 210.00	3	\$ 7,560.00	45,000.00	7.7%
130	\$ 1,968.00	\$ 492.00	\$ 164.00	1	\$ 1,968.00	35,000.00	7.9%
135	\$ 3,360.00	\$ 840.00	\$ 280.00	1	\$ 3,360.00	60,000.00	7.7%
140	\$ 1,392.00	\$ 348.00	\$ 116.00	1	\$ 1,392.00	25,000.00	7.4%
150	\$ 9,792.00	\$ 2,448.00	\$ 816.00	0	\$ -	175,000.00	7.7%
160	\$ 7,008.00	\$ 1,752.00	\$ 584.00	1	\$ 7,008.00	125,000.00	7.7%
170	\$ 5,880.00	\$ 1,470.00	\$ 490.00	1	\$ 5,880.00	105,000.00	7.7%
180	\$ 9,240.00	\$ 2,310.00	\$ 770.00	1	\$ 9,240.00	165,000.00	7.7%
190	\$ 4,200.00	\$ 1,050.00	\$ 350.00	1	\$ 4,200.00	75,000.00	7.7%
210	\$ 3,912.00	\$ 978.00	\$ 326.00	1	\$ 3,912.00	70,000.00	7.6%
500	\$ 3,360.00	\$ 840.00	\$ 280.00	2	\$ 6,720.00	60,000.00	7.7%
				Total	\$ 739,200.00		

OCEANSIDE WATER DISTRICT

DOCUMENT A

PROJECTED PROFIT AND LOSS

July 2022 – June 2023

Document A is an internal Profit & Loss statement for the 12 months ending June 30, 2023. The 4th Quarter is projected based on the 3rd Quarter, with some adjustments. We have also included key figures from the 2022 audit, column G.

In document A, we are projecting an operating loss for the current year ending June 30, 2023, of (\$22,036) line 108, after covering debt service, of \$243,561 (line 107), but that doesn't include Capital Reserve income of \$84,551, line 105, that cannot be used to cover overhead expenses. Capital Reserve can only be used to purchase Capital Assets.

For the year ending June 2023, Personal Services (line 43) is up by about \$21,061, or about 7% over the previous year. principally due to inflation.

As to Materials and Services, for the fiscal year ending June 2023, we are projecting an increase over the previous year of \$30,809, line 101. This is a 16% increase over the previous year.

In total, our operating expenses are up 12.42% over the previous year.

	A	B	C	D	E	F	G	H	I	
1	Oceanside Water District						A			
2	Profit and Loss 3 Quarters Actual 4th Quarter Projected									
3	July 2022 - June 2023									
4										
5		Jul - Sep, 2022	Oct - Dec, 2022	Jan - Mar, 2023	Apr - Jun, 2023	Projected Total 2023	Audit 2022			
6	Income									
7	1-4000 General Fund Income									
8	1-4003 Water Service	143,362.18	95,660.32	92,264.67	92,264.67	423,551.84				
9	1-4004 Labor & Materials	3,402.59	7,635.00	1,670.64	1,670.64	14,378.87				
10	1-4005 Miscellaneous Income, New Account Fees	1,040.00	903.67	290.00	290.00	2,523.67				
11	1-4006 Water Overages	1,598.43	4,932.89	1,531.50	1,531.50	9,594.32				
12	1-4007 General Fund LGIP Interest Income	708.84	1,399.79	1,115.49	1,115.49	4,339.61				
13	1-4008 Customer Related Late Fees, Interest & Penalties	471.10	623.21	526.90	526.90	2,148.11				
14	Total 1-4000 General Fund Income	\$ 150,583.14	\$ 111,154.88	\$ 97,399.20	\$ 97,399.20	\$ 456,536.42	\$ 463,896.00			
15	3-4000 Capital Reserve Fund									
16	3-4006 System Development Charges	16,250.00	56,875.00	8,125.00		81,250.00				
17	3-4007 Capital Reserve Fund Interest	399.08	1,114.14	887.87	900.00	3,301.09				
18	Total 3-4000 Capital Reserve Fund	\$ 16,649.08	\$ 57,989.14	\$ 9,012.87	\$ 900.00	\$ 84,551.09	\$ 68,973.00			
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	\$ 243,564.00			
21	4-4007 Interest Income	1,490.37	1,916.42	1,217.44	1,217.44	5,841.67	\$ 1,787.00			
22	Total 4-4000 Debt Service Fund	\$ 62,381.37	\$ 62,807.42	\$ 62,108.44	\$ 62,108.44	\$ 249,405.67				
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	\$ 10,200.00			
25	6-4007 Interest Income	189.44	358.46	285.66	285.66	1,119.22	\$ 218.00			
26	Total 6-4000 Membrane Replacement Fund	\$ 2,739.44	\$ 2,908.46	\$ 2,835.66	\$ 2,835.66	\$ 11,319.22				
27	9-4000 Future Plant Replacement Fund									
28	9-4007 Interest	395.19	747.77	595.90	595.90	2,334.76	\$ 593.00			
29	Total 9-4000 Future Plant Replacement Fund	\$ 395.19	\$ 747.77	\$ 595.90	\$ 595.90	\$ 2,334.76				
30	Total Income	\$ 232,748.22	\$ 235,607.67	\$ 171,952.07	\$ 163,839.20	\$ 804,147.16				
31	Gross Profit	\$ 232,748.22	\$ 235,607.67	\$ 171,952.07	\$ 163,839.20	\$ 804,147.16	\$ 789,231.00			
32	Expenses									
33	1-5000 General Fund Expenses									
34	1-5100 Personal Services									
35	5102 District Manager	19,115.00	17,115.00	17,115.00	17,115.00	70,460.00	\$ 64,807.00			
36	5104 Office Manager	8,740.09	7,666.52	7,298.64	7,298.64	31,003.89	\$ 29,045.00			
37	5107 Assistant Plant Operator CA	15,926.50	15,116.00	14,864.90	14,864.90	60,772.30	\$ 48,779.00			
38	5108 Plant Operator Trainee PW	9,578.00	8,976.00	9,332.00	9,332.00	37,218.00	\$ 13,568.00			
39	5109 Payroll Taxes	4,555.73	3,974.95	4,077.91	4,077.91	16,686.50	\$ 15,952.00			
40	5111-2 SDIS Medical Coverage	13,774.32	15,047.48	15,684.06	16,684.06	61,189.92	\$ 53,442.00			
41	5113 Workmen's Compensation Insurance	7,781.43	0.00	-4,391.22	0.00	3,390.21	\$ 4,966.00			
42	5115 Deferred Compensation	6,103.14	5,564.82	5,533.25	5,533.25	22,734.46	\$ 21,486.00			
43	Total 1-5100 Personal Services	\$ 85,574.21	\$ 73,460.77	\$ 69,514.54	\$ 74,905.76	\$ 303,455.28	\$ 282,394.00	Inc JH \$30,349		
44	1-5200 Materials & Services									
45	5203 Commissioner's Expense	0.00	700.00	149.90	0.00	849.90				
46	5210 Office Expense									
47	5210-1 Office Supplies	47.48	-51.03	379.09	300.00	675.54				
48	5210-10 Internet Security Expense	0.00	5,390.80	1,484.00	1,500.00	8,374.80				
49	5210-2 Bank Fees	300.00	609.96	429.61	500.00	1,839.57				
50	5210-3 Billing Software	625.50	10.00	802.98	800.00	2,238.48				
51	5210-4 Accounting Software	359.23	606.92	1,072.87	1,000.00	3,039.02				
52	5210-5 Office fixtures & Equipment	1,324.99	908.00	0.00	500.00	2,732.99				
53	5210-6 Legal Notices	615.35	259.90	212.35	600.00	1,687.60				
54	5210-9 Meter Reading Annual Maintenance	0.00	1,740.00	0.00	0.00	1,740.00				
55	Total 5210 Office Expense	\$ 3,272.55	\$ 9,474.55	\$ 4,380.90	\$ 5,200.00	\$ 22,328.00	\$ 28,963.00			
56	5221 Postage	289.85	189.85	440.03	450.00	1,369.73				
57	5224 Dues & Memberships	0.00	1,532.69	851.35	0.00	2,384.04				
58	5225 General Liability / Property Insurance	0.00	0.00	20,239.00	0.00	20,239.00	\$ 18,649.00			
59	5226 Bond Insurance	164.00	0.00	0.00	0.00	164.00				
60	5227 Professional Fees									
61	5227-2 Audit & Filing Fees	0.00	6,000.00	6,050.96	6,000.00	18,050.96				
62	Total 5227 Professional Fees	\$ 0.00	\$ 6,000.00	\$ 6,050.96	\$ 6,000.00	\$ 18,050.96	\$ 17,292.00			
63	5230 Training / School (Employees / Board Members)	0.00	0.00	477.75	500.00	977.75				
64	5232 Misc. Exp. & Water System Survey									
65	5232-1 Misc. Exp. Cape Meares	0.00	270.00	3,717.00	750.00	4,737.00				
66	5232-2 Misc. Exp. Oceanside	0.00	75.00	3,717.00	750.00	4,542.00				
67	Total 5232 Misc. Exp. & Water System Survey	\$ 0.00	\$ 345.00	\$ 7,434.00	\$ 1,500.00	\$ 9,279.00	\$ 1,675.00			
68	5233 Water Management Conservation Plan	13,906.51	0.00	0.00	0.00	13,906.51	0.00			
69	5240 Repair & Maintenance System									
70	5240-1 System R & M OWD	2,379.04	3,096.17	3,559.43	3,000.00	12,034.64				
71	5240-2 System R & M Cape Meares	3,085.50	1,284.05	454.78	3,000.00	7,824.33				
72	Total 5240 Repair & Maintenance System	\$ 5,464.54	\$ 4,380.22	\$ 4,014.21	\$ 6,000.00	\$ 19,858.97				

	A	B	C	D	E	F	G	H	I
73	5241 Repair & Maintenance Plant						\$ 40,286.00		
74	5241-1 Plant R & M OWD	2,818.10	1,410.22	1,734.30	2,000.00	7,962.62			
75	5241-2 R & M Plant Cape Meares	2,325.54	2,421.09	515.63	2,000.00	7,262.26			
76	Total 5241 Repair & Maintenance Plant	\$ 5,143.64	\$ 3,831.31	\$ 2,249.93	\$ 4,000.00	\$ 15,224.88			
77	5242 Plant Supplies	68.21	141.38	73.88	100.00	383.47			
78	5243 Chemicals								
79	5243-1 Chemicals Oceanside	643.09	4,458.35	2,766.91	2,700.00	10,568.35			
80	5243-2 Chemicals Cape Meares	643.09	4,458.36	2,766.90	2,700.00	10,568.35			
81	Total 5243 Chemicals	\$ 1,286.18	\$ 8,916.71	\$ 5,533.81	\$ 5,400.00	\$ 21,136.70	\$ 8,511.00		
82	5245 Water Testing								
83	5245-2 Water Testing OWD	0.00	3,198.00	0.00	1,200.00	4,398.00			
84	5245-3 Water Testing Cape Meares	0.00	3,198.00	0.00	1,200.00	4,398.00			
85	Total 5245 Water Testing	\$ 0.00	\$ 6,396.00	\$ 0.00	\$ 2,400.00	\$ 8,796.00	\$ 2,804.00		
86	5246 Small Tools	26.99	23.40	232.94	750.00	1,033.33			
87	5247 Boots, Safety Ware, Uniforms	0.00	219.37	175.72	800.00	1,195.09			
88	5251 Telephone / Cellphone /Internet	2,474.05	2,424.85	1,985.89	2,500.00	9,384.79	\$ 9,258.00		
89	5252 Electricity								
90	5252-1 Electricity OWD	2,752.64	2,308.66	2,319.81	2,300.00	9,681.11			
91	5252-2 Electricity Cape Meares	572.94	817.47	1,178.18	1,200.00	3,768.59			
92	Total 5252 Electricity	\$ 3,325.58	\$ 3,126.13	\$ 3,497.99	\$ 3,500.00	\$ 13,449.70	\$ 13,664.00		
93	5254 Generator Repair & Maintenance								
94	5254-1 Fuel	0.00	0.00	1,089.46	0.00	1,089.46			
95	5254-2 Generator Service & Repair	95.50	0.00	135.00	4,900.00	5,130.50			
96	Total 5254 Generator Repair & Maintenance	\$ 95.50	\$ 0.00	\$ 1,224.46	\$ 4,900.00	\$ 6,219.96	\$ 4,905.00		
97	5260 Vehicle Repair & Maintenance								
98	5260-1 Fuel	1,187.65	782.19	1,436.46	1,400.00	4,806.30			
99	5260-2 Vehicle Service & Repairs	796.28	129.61	452.14	2,200.00	3,578.03			
100	Total 5260 Vehicle Repair & Maintenance	\$ 1,983.93	\$ 911.80	\$ 1,888.60	\$ 3,600.00	\$ 8,384.33	\$ 7,652.00		
101	Total 1-5200 Materials & Services	\$ 37,501.53	\$ 48,613.26	\$ 60,901.32	\$ 47,600.00	\$ 194,616.11	\$ 163,807.00		
102	Total 1-5000 General Fund Expenses	\$ 123,075.74	\$ 122,074.03	\$ 130,415.86	\$ 122,505.76	\$ 498,071.39	\$ 436,201.00		
103	Total Expenses	\$ 123,075.74	\$ 122,074.03	\$ 130,415.86	\$ 122,505.76	\$ 498,071.39			
104	Net Operating Income	\$ 109,672.48	\$ 113,533.64	\$ 41,536.21	\$ 41,333.44	\$ 306,075.77	\$ 330,252.00		
105	Less Capital Reserve Income	\$ 16,649.08	\$ 57,989.14	\$ 9,012.87	\$ 900.00	\$ 84,551.09	\$ 68,973.00		
106	Net Income	\$ 93,023.40	\$ 55,544.50	\$ 32,523.34	\$ 40,433.44	\$ 221,524.68	\$ 263,817.00		
107	Less Debt Service					\$ 243,561.00	\$ 243,764.00		
108	Projected Net Income (Loss) After Debt Service					\$ (22,036.32)	\$ 20,053.00		
109									
110									
111									
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113									
114									
115									
116									
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OVERHEAD STUDY WITH COMPARISONS

Document B is a 2-year summary of key operating figures for the years ending June 2021 and 2022, lines 5 – 15, for Oceanside Water District

In addition, it compares our performance with 4 other water districts: Netarts Water, Neskowin Water, Arch Cape Water, and Fairview Water District, lines 17 – 36.

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, Materials and Services, Total Operating Expenses, and Net Operating Profit for the year ending June 2022.

Line 36, column B, shows that for Salaries and Benefits, we are the lowest at 39.92% of Income with Arch Cape being the highest at 55.37%.

As for Materials & Services, columns D & E, line 36, we are ranked 3rd at 23.15% with Neskowin the lowest at 14.45%.

In the case of Total Operating Expenses, we are ranked 2nd at 63.07% just above Neskowin at 62.04%, columns G & H, lines 31 – 36, and finally, for Net Operating Profit we are also ranked second at 36.93%, just behind Neskowin at 37.96%, columns J & K, lines 31 – 36.

Columns F & G, line 14 shows the amount of the monthly water service payment that goes to service debt, about \$23.70. 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	Operating Overhead Study 2022										
2	Overhead Study										B
3	Income and Expense										
4	Oceanside Water District										
			2021			2022					
	Income	Annually	Monthly Per 856 Dwelling Units	%	Annually	Monthly Per 858 Dwelling Units	%				
5	Water Sales	\$ 686,087	\$ 66.71	98.55%	\$ 694,675	\$ 67.55	98.19%				
6	Fees, Labor, Interest (excludes Capital Reserve Income)	\$ 10,086	\$ 0.98	1.45%	\$ 12,805	\$ 1.25	1.81%				
7	Total Income	\$ 696,173	\$ 67.69	100.00%	\$ 707,480	\$ 68.79	100.00%				
8	Operating Expenses										
9	Salaries & Benefits	\$ 280,890	\$ 27.31	40.35%	\$ 282,394	\$ 27.46	39.92%				
10	Materials & Services	\$ 135,881	\$ 13.21	19.52%	\$ 163,807	\$ 15.93	23.15%				
11	Total Operating Expenses	\$ 416,771	\$ 40.53	59.87%	\$ 446,201	\$ 43.39	63.07%				
12	Net Operating Profit	\$ 279,402	\$ 27.17	40.13%	\$ 261,279	\$ 25.41	36.93%				
13	Debt Service	\$ 243,561	\$ 23.68	34.99%	\$ 243,764	\$ 23.70	34.46%				
14	Remaining Operating Income	\$ 35,841	\$ 3.49	5.15%	\$ 17,515	\$ 1.70	2.48%				
15	Dwelling Units is the \$ total of all rates divided by the residential rate of \$65 per month, or \$780										
16											
17	Water District Comparisons	Netarts Water 2022	%	Neskowin Water 2022	%	Arch Cape Water 2022 Projected	%	Fairview Water District 2022	%	Oceanside 2022	%
18	Water Sales	\$ 614,322	98.90%	\$ 520,784	59.70%	\$ 366,647	91.43%	\$ 481,641	91.93%	\$ 694,675	98.19%
19	Fees, Labor, Interest, Property Taxes	\$ 6,863	1.10%	\$ 351,562	40.30%	\$ 34,349	8.57%	\$ 42,291	8.07%	\$ 12,805	1.81%
20	Total Income	\$ 621,185	100.00%	\$ 872,346	100.00%	\$ 400,996	100.00%	\$ 523,932	100.00%	\$ 707,480	100.00%
21	Operating Expenses										
22	Salaries & Benefits	\$ 292,275	47.05%	\$ 415,175	47.59%	\$ 222,037	55.37%	\$ 244,415	46.65%	\$ 282,394	39.92%
23	Materials & Services	\$ 134,904	21.72%	\$ 126,045	14.45%	\$ 194,054	48.39%	\$ 196,404	37.49%	\$ 163,807	23.15%
24	Total Operating Expenses	\$ 427,179	68.77%	\$ 541,220	62.04%	\$ 416,091	103.76%	\$ 440,819	84.14%	\$ 446,201	63.07%
25	Net Operating Profit	\$ 194,006	31.23%	\$ 331,126	37.96%	\$ (15,095)	-3.76%	\$ 83,113	15.86%	\$ 261,279	36.93%
26	Debt Service Due In 1 Year	\$ -	0.00%	\$ 74,135	8.50%	\$ 20,772	5.18%			\$ 243,764	34.46%
27	Remaining Operating Income	\$ 194,006	31.23%	\$ 256,991	29.46%	\$ (35,867)	-8.94%			\$ 17,515	2.48%
28	Water Rate Per Qtr., 15,000 gallons	\$ 132		\$ 186		\$ 172		\$154 Avg		\$ 195	
29	SDC Fee Income	\$ 200,707		\$ 128,094		\$ 11,726		\$ 8,905		\$ 68,533	
30	Number of Water Hook Ups	1060		744		295		781		790	
31	2022 COST RANKING	Salaries & Benefits			Materials & Services			Total Operating Expense			Net Operating Profit
32	Arch Cape	55.37%		Arch Cape	48.39%		Arch Cape	103.00%		Arch Cape	-3.76%
33	Neskowin	47.59%		Fairview Water	37.49%		Fairview Water	76.00%		Fairview Water	15.86%
34	Netarts Water	47.05%		Oceanside	23.15%		Netarts	68.77%		Netarts	31.23%
35	Fairview Water	46.65%		Netarts	21.74%		Oceanside	63.07%		Oceanside	36.93%
36	Oceanside	39.92%		Neskowin.	14.45%		Neskowin.	62.04%		Neskowin.	37.96%

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, 2023, plus interest and Operating Revenue for the year.

Total Operating Revenue, \$772,148, (line 14) is projected to be about 10% higher than last year's budget principally due to the rate increase and Other Labor and Materials, which comes from our June 2023 projection.

Form 1 also does not include Capital Reserve Fund income of \$84,551 (System Development Income and Interest) which can't be used to cover operating expenses and is reported on Form 6

GENERAL FUND

1

RESOURCES

OCEANSIDE WATER DISTRICT

FORM
LB-20

				OCEANSIDE WATER DISTRICT				
Historical Data				RESOURCE DESCRIPTION	Budget for Next Year 2023-2024			
Actual		Adopted Budget Year 2023	This 2022 - 2023		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding year 2020-2021	First Preceding Year 2021-2022							
1	388,144	330,020	317,000	1 Available cash on hand* (cash basis)	318,000			1
2				2				2
3				3				3
4	1,618	915	1,500	4 Interest, Late Fees & Penalties	4,300			4
5				5 Transferred IN, from other funds				5
6				6 Operating Revenue				6
7	686,087	694,675	676,300	7 Water Service	739,200			7
8	3,867	3,950	6,000	8 Miscellaneous Income	4,648			8
9	4,601	7,940	4,000	9 Labor & Materials	14,400			9
10	0	0	7,000	10 Water Overages	9,600			10
11				11				11
12				12				12
13				13				13
14	696,173	707,480	694,800	14 Total Operating Revenue	772,148	-	-	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	1,084,317	1,037,500	1,011,800	29 Total Resources	1,090,148	-	-	29
30			-	30				30
31				31				31
32	1,084,317	1,037,500	1,011,800	32 TOTAL RESOURCES	1,090,148	-	-	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	\$453,500
Materials and Services:	Line 8	\$289,250
General Operating Contingencies:	Line 12	\$30,000
General Fund Capital Outlay:	Line 16	\$0
Interfund Transfers:	Line 27	\$313,761

Of Interfund Transfers in the amount of \$313,761, 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

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2023-2024				
	Actual		Adopted Budget This Year 2022 - 2023		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
	Second Preceding year 2020-2021	First Preceding Year 2021-2022							
				PERSONAL SERVICES					
1				1				1	
2				2				2	
3	280,890	282,394	435,000	3	TOTAL PERSONAL SERVICES	453,500	0	0	3
4	3	4	4.0	4	Total Full-Time Equivalent (FTE)	5.0	5.0	5.0	4
5				5	MATERIALS AND SERVICES				5
6				6					6
7				7					7
8	135,881	163,807	264,250	8	TOTAL MATERIALS AND SERVICES	289,250	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	0	0	0	15
16	0	0	30,000	16	TOTAL CAPITAL OUTLAY	0	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	60,000	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			36,000	23	IFA Water Waste Water Loan \$35,871 a yr. beg 12/15	35,871			23
24	227,326	233,564	212,000	24	IFA Safe Drinking Water Loan \$207,690 a yr. beg 12/17	207,690			24
25	100,000	0	11,230	25	Transfer to other funds as needed	0	0		25
26				26					26
27	337,526	243,764	369,430	27	TOTAL INTERFUND TRANSFERS	313,761	0	0	27
28				28					28
29				29					29
30	754,297	689,965	1,128,680	30	REQUIREMENTS	1,086,511	0	0	30
31	330,020	347,535	-116,880	31	UNAPPROPRIATED ENDING FUND BALANCE	3,637	0	0	31
32	1,084,317	1,037,500	1,011,800	32	TOTAL REQUIREMENTS	1,090,148	0	0	32
33				33					33
34				34	UNAPPROPRIATED ENDING FUND BALANCE				34
35	1,084,317	1,037,500	1,011,800	35	TOTAL RESOURCES	1,090,148	0	0	35

Capital Outlay & Contingencies

Form #3

General Operating Contingencies \$30,000 is shown on (line 12) 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.

We can transfer less but never more than the transfers outlined above.

DETAILED REQUIREMENTS

**FORM
LB-31**

CAPITAL OUTLAY & Contingencies

3

GENERAL FUND
OCEANSIDE WATER DISTRICT

	Historical Data			EXPENDITURE DESCRIPTION	Budget for Next Year 2023-2024				
	Actual		Adopted Budget This Year 2022 - 2023		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body		
	Second Preceding year 2020-2021	First Preceding Year 2021-2022							
1	0	0	30,000	1	Capital Outlay General Fund Account	0			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	0	-	-	9
10				10					10
11				11					11
12				12					12
13				13					13
14				14					14
15				15					15
16				16					16
17				17					17
18				18					18
19				19					19
20				20					20
21				21					21
22				22	General Operating Contingencies				22
23	0	0	30,000	23	To be allocated as needed between the Personal Services	30,000			23
24				24	and the Materials & Services accounts				24
25	0	0	30,000	25	Total Contingencies	30,000	-	-	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	30,000	-	0	34

Personal Services

Form #4

We are proposing a Personal Services Budget of \$453,500, which is up from \$435,000 in the prior year's budget or 4%.

This coming year may be a year of transition, our District Manager, David Nordman, has expressed the need to cut back his hours because of ongoing health issues.

To have the most flexibility in our staffing matters, we have added to the Personal Services Budget (line 4) \$50,000 which would allow us to increase staff to accommodate David's need for reduced hours, hire a mid-level employee to free up some of Christian's time in order for him to take on some of David's duties. David has a lot of institutional knowledge of the water treatment and distribution system that we don't want to lose.

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 Nordman 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 Anderson 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 families, if any. We have also budgeted insurance coverage for an additional employee and any change in an employee's personal circumstance should the need arise. Medical and Dental coverage is contracted through Special Districts Insurance Services.

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 example, in July 2021, we paid \$13,732, and in September 2021, we received a dividend of \$8,766. In 2022, we paid \$15,562, and received a dividend of \$4,391, in March of 2023. We have budgeted \$14,000, for the 23-24 years.

The water district pays into a 457 Retirement Plan 12% of an employee's wages (line 11). The district has no unpaid obligation regarding this plan, unlike those Districts that participate in PERS. Our projected expense for the current year is about \$21,486, and we have \$34,000 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 7.5% to 15.4%.

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 2023-2024			
	Actual		Adopted Budget This Year 2022 - 2023					Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding year 2020-2021	First Preceding Year 2021-2022									
1				1	PERSONAL SERVICES						1
2	59,252	64,807	73,000	2	5102 District Mgr. (DN)	1		77,500			2
3	52,268	30,349	0	3	5105 Plant Operator (JH)	0		0			3
4	0	0	60,000	4	5103 Plant Operator	1		50,000			4
5	27,100	29,045	42,000	5	5104 Office Manager (JJ)	1		42,000			5
6	43,734	48,779	58,000	6	5107 Senior Plant Operator (CA)	1		67,000			6
7	0	13,568	39,000	7	5108 Plant Operator Trainee (PW)	1		43,000			7
8	15,594	15,952	23,000	8	5109 Payroll Tax & Unemployment Tax			25,000			8
9	54,549	53,442	90,000	9	5111 Employee/Family Medical Insurance			93,000			9
10	6,496	4,966	14,000	10	5113 Workmen's Compensation			14,000			10
11	21,897	21,486	30,000	11	5115 Deferred Compensation			34,000			11
12	0	0	6,000	12	5112 Vacation & Comp Time Estimated Accrual			8,000			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	280,890	282,394	435,000	32	TOTAL PERSONAL SERVICES			453,500	0	0	32
33				33							33

Materials and Services

Form #5

We are budgeting a 8.6% increase over the current year's budget in this area and based on our projection, this increase is largely centered in the following areas:

Office Expense, (line 5) ended June 2022 at \$18,649, we are projecting June 2023 at \$22,326, and we have budgeted \$40,000, up from last year's budget of \$14,000. This increase is largely due to increasing our internet security hardware, software, and monitoring, which is now required by state and federal agencies.

General Liability Insurance, (line 9) ended June 2022, at \$18,649, we budget \$20,000, for 2022-2023 and are budgeting \$22,000, for 2023-2024.

Professional Services, (line 10), includes accountants, attorneys, and engineers, and we ended the 2021-2022 year at \$17,292, and projected ending 2022-2023 year at \$18,000, and have budgeted \$50,000, for the last 2 budget years. Since September 2021, we have spent over \$61,000 in legal fees defending a complaint by Water Watch about our Water Rights on Coleman Creek. This is the second complaint filed by Water Watch regarding Coleman Creek Water Rights, the first was back in 2012-2013, which if memory serves, cost us around \$40,000, in legal fees. We have budgeted the same as last year \$50,000 and believe we have tentatively reached a settlement agreement with Water Watch, but it is now under review by the Oregon State Water Resource Department.

After some research, we determined that water rights could be treated as an asset, and for the year ending June 2022, our auditors concurred with our decision and some \$44,000 in cost will be treated as an asset.

Plant Supplies and chemicals (line 15) has seen a major increase in chemical costs. For the year ending June 2022, we expensed \$8,511 and we are projecting over \$21,000, for the year ending June 2023, and are budgeting \$22,000, for 23-24.

DETAILED REQUIREMENTS

5

FORM

MATERIALS AND SERVICES

LB-31

GENERAL FUND
OCEANSIDE WATER DISTRICT

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2023-2024			
	Actual		Adopted Budget This Year 2022 - 2023		Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
	Second Preceding year 2020-2021	First Preceding Year 2021-2022						
1				1 MATERIALS & SERVICES				1
2			-	2	-			2
3			-	3	-			3
4	786	850	1,500	4 5119 Commissioner's Expense	1,500			4
5	7,329	28,963	14,000	5 5220 Office Expense	40,000			5
6	1,292	1,359	1,750	6 5221 Postage	1,750			6
7	0	100	1,500	7 5223 Elections & Publications	1,500			7
8	2,986	2,955	4,000	8 5224 Dues & Memberships	4,000			8
9	16,790	18,649	20,000	9 5225 General Liability / Property / Bond Insurance	22,000			9
10	17,348	17,292	50,000	10 Professional Services	50,000			10
11	2,136	1,438	3,000	11 5230 Training / School (Employees/Board Members)	3,000			11
12	1,675	1,675	8,000	12 5232 Misc. Exp., Water System Survey	8,000			12
13	0	0	20,000	13 5233 Water Management Conservation Plan	0			13
14	35,823	40,286	50,000	14 Repair & Maintenance	60,000			14
15	8,966	8,511	16,000	15 Plant Supplies & Chemicals	22,000			15
16	9,291	2,804	10,000	16 5245 Water Studies & Testing	10,000			16
17	591	1,344	2,000	17 5246 Small Tools	2,000			17
18	8,357	9,258	12,000	18 5251 Telephone / Cellphones / Internet / Telemetry	12,000			18
19	13,671	13,664	17,000	19 5252 Electricity	17,000			19
20	6,273	7,652	10,000	20 5260 Vehicle Repair & Maintenance	10,000			20
21	0	0	10,000	21 5270 Renewal of Water Rights	10,000			21
22	327	191	500	22 5253 Trash Service / Porta Potty	500			22
23	454	4,905	10,000	23 5254-2 Generator Repair & Maintenance	10,000			23
24	1,786	1,911	3,000	24 5247 Boots, Safety Ware, Uniforms	4,000			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	135,881	163,807	264,250	34 TOTAL MATERIALS & SERVICES	289,250	-	0	34

Capital Reserve Fund

Form #6

This budget sheet shows that we project to have cash on hand, line 1, \$213,000 as of July 1, 2023. The source of capital for this account, line 6, comes mainly from System Development Fees, which is currently \$8,588 (for a $\frac{3}{4}$ inch residential single-family home) and we have projected receiving 4 SDC's in the coming budget year for a total of \$34,352.

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

Historically we have used this account to purchase capital assets that exceed \$1,000. This can include but is not limited to vehicles, vac trailer, plant soundproofing, water source development, water rights, and other capital asset purchases.

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 2023-2024			
	Actual		Adopted Budget This Year 2022 - 2023		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2020-2021	First Preceding Year 2021-2022						
				RESOURCES				
1	130,415	91,623	123,000	1 Cash on hand	213,000			1
2				2				2
3				3				3
4	820	440	700	4 Interest	3,300			4
5				5 Transferred IN, from other funds				5
6	14,766	68,533	48,750	6 SYSTEM DEVELOPMENT CHARGES (SDC'S) \$8,588 SFR	34,352			6
7				7 as of April 1, 2023				7
8				8				8
9	146,001	160,596	172,450	9 Total Resources	250,652	0	0	9
10				10				10
11				11				11
12	146,001	160,596	172,450	12 TOTAL RESOURCES	250,652	0	0	12
13				13 REQUIREMENTS				13
14				14 FUTURE EXPENDITURES				14
15				15				15
16	54,378	41,246	172,450	16 Capital Outlay, including but not limited to vehicles, vac trailer,	250,652			16
17				17 Plant Sound Proofing, Water Source Development, Water Rights				17
18				18 Water Treatment Equipment 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	54,378	41,246	172,450	26 TOTAL EXPENSES	250,652	0	0	26
27				27				27
28				28				28
29	91,623	119,350	0	29 RESERVED FOR FUTURE EXPENDITURE	0	0	0	29
30	146,001	160,596	172,450	30 TOTAL REQUIREMENTS	250,652	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 7 years and most recently distribution upgrades in both Cape Meares and Oceanside. The principal use of these funds now is to develop our water rights on Baughman Creek to have it as a backup source for Short Creek.

In addition, we have been informed by CenturyLink that they will no longer repair their communication cable from the Oceanside Water Plant to the pumping station on Short Creek. There is no line of sight from the pumping station to the water plant for over-the-air communication and we have some concerns about using Charter as the pumping station needs continuous 2-way communication from the plant. The ideal solution is for a direct underground communication cable from the water plant to the pumping station.

In the budget, we have allocated up to \$60,000 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 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 2023-2024			
	Actual		Adopted Budget 2022 - 2023		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2020-2021	First Preceding Year 2021-2022						
				RESOURCES				
1	47,365	147,880	90,000	1 Cash on hand	108,000			1
2				2 Working Capital (accrual basis)				2
3				3 Reimbursements				3
4	515	593	600	4 Interest	2,300			4
5	100,000		100,000	5 Transferred IN, from other funds	60,000			5
6			0	6 Additional Transfers as needed	0	0	0	6
7	-	-		7				7
8				8				8
9				9				9
10				10				10
11				11				11
12	147,880	148,473	190,600	12 TOTAL RESOURCES	170,300	0	0	12
13				13 INFRASTRUCTURE UPGRADES, SYSTEM				13
14	0	0	190,600	14 REPLACEMENT, WATER SOURCE	170,300	0	0	14
15			-	15 DEVELOPMENT AND MAJOR REPAIRS,				15
16				16 TO NAME JUST A FEW OF THIS FUNDS USAGE,				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	0	25
26				26				26
27				27				27
28				28				28
29	147,880	148,473	0	29 RESERVED FOR FUTURE EXPENDITURE	0	0	0	29
30	147,880	148,473	190,600	30 TOTAL REQUIREMENTS	170,300	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 \$556,123.

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 \$4,560,411, and the \$930,000, has formerly been forgiven.

Our loan agreement with IFA requires that we maintain an 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 need to maintain an amount equal to 1 annual payment in reserve in Debt Service Account. In addition, our Net Operating Income after the deduction of Capital Reserve Income must at least be equal to the annual loan payments of \$243,562. The current balance in this account is currently \$342,308, and we currently add to it \$20,297 each month. Our loan payments come due at the end of December each year.

Failure to comply with the loan terms could result in an increase in our interest rate from 1% to 3%. This would result in our annual interest expense going from \$51,165 to \$153,496.

**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 2023-2024			
	Actual		Adopted Budget This Year 2022 - 2023		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2020-2021	First Preceding Year 2021-2022						
				Resources				
1	239,910	226,226	387,000	1 Beginning Cash on Hand (Cash Basis)	383,000			1
2				2				2
3				3				3
4	2,552	1,787	2,000	4 Interest	5,600			4
5	227,326	233,564	243,562	5 Transferred from Other Funds	243,562			5
6				6				6
7	469,788	461,577	632,562	7 Total Resources	632,162	0	0	7
8				8				8
9				9				9
10	469,788	461,577	632,562	10 TOTAL RESOURCES	632,162	0	0	10
11				11 Requirements				11
12				12 Principal & Interest Payments				12
13				13 LOAN Budgeted 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	243,515	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	226,226	218,062	389,000	30 Total Ending Fund Balance Reserved For Current & Future Payments	388,600	-	-	30
31				31				31
32				32				32
33	469,788	461,577	632,562	33 TOTAL REQUIREMENTS	632,162	0	0	33

Membrane Module Replacement Fund

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

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 if purchased from the plant manufacturer. We have found another source for the filters which is less expensive, but the warranty is much shorter, and we need to verify that they have the same certification as our existing filters.

In addition, the treatment plants have numerous metering pumps, and some of those were replaced last year for a cost of \$12,149, see line 16.

Membrane Module Replacement Fund

**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 2023-2024				
Actual		Adopted Budget This Year 2022 - 2023			Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
Second Preceding year 2020-2021	First Preceding Year 2021-2022								
				RESOURCES					
1	31,300	47,043	46,800	1	Cash on hand	66,000			1
2	5,332	0	0	2	Grants	0			2
3	211	218	200	3	Interest	1,100			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	47,043	57,461	57,200	9	Total Resources	77,300	0	0	9
10				10					10
11				11					11
12	47,043	57,461	57,200	12	TOTAL RESOURCES	77,300	0	0	12
13				13	REQUIREMENTS				13
14				14	FUTURE EXPENDITURES				14
15				15					15
16	0	12,149	57,200	16	Membrane Module Replacement, to include :	77,300			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	12,149	57,200	26	TOTAL EXPENSES	77,300	0	0	26
27				27					27
28				28					28
29	47,043	45,312	0	29	RESERVED FOR FUTURE EXPENDITURE	0	0		29
30	47,043	57,461	57,200	30	TOTAL REQUIREMENTS	77,300	0	0	30