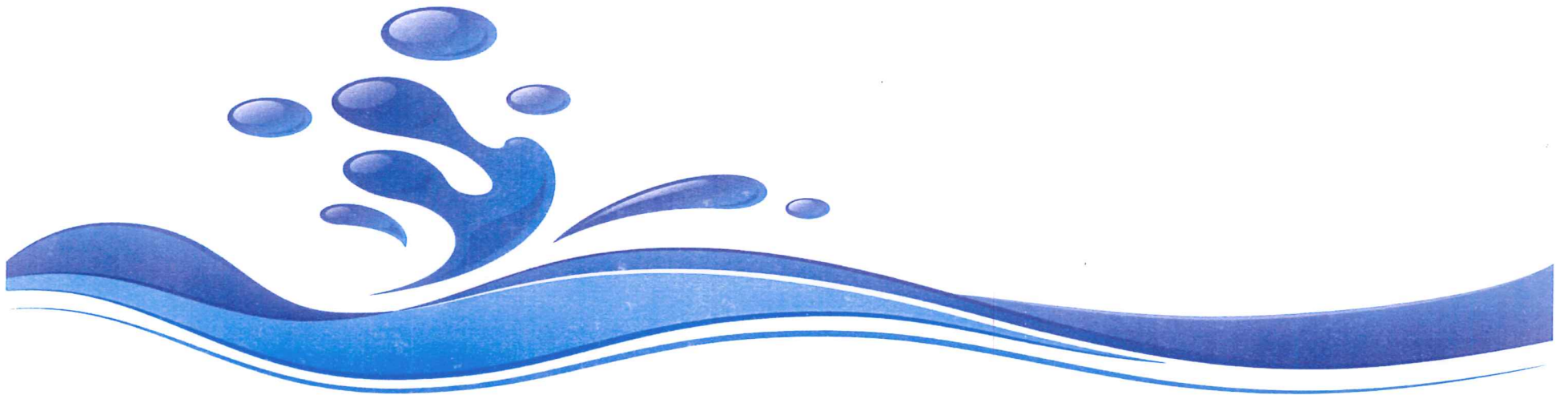


# **ROBERTS CREEK WATER DISTRICT**

**2017-18 BUDGET**





# ROBERTS CREEK WATER DISTRICT

**2017-2018**

## BOARD OF COMMISSIONERS

TRACEY PARKER  
CAROLYN WHITE  
TOM FULLBRIGHT  
STEVE LUSCH  
PHIL BIGLER

## BUDGET COMMITTEE

RONALD CURRY  
SHIRLEY McSPERITT  
KAT STONE  
GARY SCHROEDER  
PATRICIA CROSS

## STAFF

DAVID CAMPOS  
ALAN PAULSON

Office Manager & Budget Officer  
Plant Superintendent

SHARON CASON  
BETH DEWSNUP  
DANIEL RADFORD  
JEREMY WOLFORD  
CHARLES BORDEN  
WILL HOPE  
SHAWN HASTINGS

Office Assistant  
Office Assistant  
Foreman  
Plant Operator  
Utility  
Utility  
Utility



### OUR DISTRICT'S GOAL

Roberts Creek Water District's Board of Commissioners and staff strive to provide a safe and reliable source of water coupled with excellent customer service.

### SERVICE AREA

Roberts Creek Water District serves the Green District and outlying areas such as the Roberts Creek and Glengary areas as well as the area around McClain Avenue. The District is bounded on the north by the City of Roseburg, on the west by the City of Winston, on the south by the South Umpqua River, and on the east by Roberts Mountain.

### GOVERNING BODY

The District is a municipality incorporated in 1937 and formed under an Act of the Legislative Assembly of 1916. The District operates under Oregon Revised Statutes, Chapter 264 Domestic Water Supply Districts and its adopted ordinances. The government of the District is vested in a Board of Commissioners. The Board is composed of five district members elected at large, three of whom are elected to terms of four years at one election, and two of whom are elected at the next biennial election for a term of four years. The Board of Commissioners holds open meetings the second Thursday of each month at 6:00 p.m. at the District office located at 4336 Old Highway 99 S., Roseburg.

### DISTRICT ORIGIN & HISTORY

When the District was first designed it was intended to serve a small area around Roberts Creek Road. Cooper Spring, the beginning of Roberts Creek, was to be the main source of water thereby giving the District the name of Roberts Creek Water District. Over time, other residents of an area later to be known as the Green District expressed an interest in being included as a part of the water District. As a result, it was decided that the South Umpqua River would be a more constant and reliable source of water to serve the larger area.

The original plant and main reservoir constructed in 1948 were replaced with a 2,500,000 gallon-per-day treatment plant in 1975. That plant reached capacity in 1990, resulting in a moratorium on new service. A major plant upgrade was completed in 1994. Our most recent upgrade was completed July 2012 and increased the average output capability to 4,000,000 gallons of treated water per day. The District's treatment plant is located off Grange Road on the South Umpqua River.

More information, photos and interesting facts about Roberts Creek Water District can be found by visiting our website [www.rcwaterdistrict.com](http://www.rcwaterdistrict.com).

Population .....	7,700 +/-
Service Area .....	9 sq. miles
Number of Services .....	3,075
	<i>Includes larger meters that serve mobile home parks, RV parks, schools and several commercial and industrial sites.</i>
Number of Employees .....	9
Number of Storage Tanks .....	3
Number of Pump Stations .....	3
Total Miles of Pipe .....	55 +/-
Range of Pipe Size: .....	2" to 16" diameter
Current Max Output at Plant .....	4 million gals./day
Average Demand .....	1.2 million gals./day
Plant's Future Capability .....	8 million gals./ day
PSI Pressure.....	Gravity-fed: 20-150 lbs.
Water Hardness .....	32 milligrams/liter (med.)
Service Meter Pipe Size: .....	¾" to 8" diameter

The District draws its water from the South Umpqua River. The District also has inter-ties with the City of Roseburg and Winston-Dillard Water District. In the summer months when the river reaches minimum flows, reserved water may be released from Ben Irving Reservoir/Galesville Reservoir to make water available for our District's customers (750 acre-feet reserved annually).

Fire protection for our district is provided by Douglas County Fire District No. 2.



**ROBERTS CREEK**  
**WATER DISTRICT**

**2017-18 BUDGET**

# **TABLE OF CONTENTS**

	<b>Commissioners, Budget Committee, Staff</b>
	<b>District History &amp; Facts</b>
<b>Page 1-3</b>	<b>Annual Message from Budget Officer</b>
<b>Page 4</b>	<b>Budget User Assistance Guide</b>
<b>Page 5-7</b>	<b>General Fund Resources</b>
<b>Page 8-11</b>	<b>General Fund Expenditures: Administrative</b>
<b>Page 12-15</b>	<b>General Fund Expenditures: Operations</b>
<b>Page 16-17</b>	<b>General Fund Expenditures: Operations/Capital Outlay</b>
<b>Page 18-20</b>	<b>Capital Funds Resources</b>
<b>Page 21-23</b>	<b>Capital Funds Expenditures</b>



## ROBERTS CREEK WATER DISTRICT

### BUDGET MESSAGE for 2017-18 FISCAL YEAR

I am pleased to present the annual budget for Roberts Creek Water District for the 2017-18 fiscal year. This accompanying Budget Message is a requirement of Local Budget Law that provides background information and highlights portions of the budget document to aid in your review of the budget. The District's budget as prepared, submitted and adopted is intended to serve as a financial plan and guide for our District. It includes a forecast of anticipated revenues and proposed expenditures to guide our Board of Commissioners and executive staff.

The adopted budget also serves as a form of internal control that enables the Board to oversee that the District is staying within the adopted guidelines for expenditures. Each month, expenditures are entered into a spreadsheet and a running total is kept to compare with the annual amount allotted within the budget for that specific expenditure. Quarterly reports are issued to the Board of Commissioners showing the total for each line item, the percentage expended thus far, and the available balance remaining in the budget.

Management prepares the budget within the context of the Board's goals, initiatives and long-term financial plan. The public budget process begins when the "proposed budget" is presented to the Budget Committee for consideration, public comment and approval. The budget, as approved by the Budget Committee, is then presented to the Board of Commissioners who will conduct a public hearing, make revisions if necessary, and formally adopt the budget. Oregon Local Budget Law limits the revisions that can be made by the Board of Commissioners after the Budget Committee has approved the budget. The Board of Commissioners makes appropriations for the budget in conformity with the adopted budget.

As a Special District water utility, virtually all of Roberts Creek Water District's costs and planning efforts revolve around the importance of providing on-demand high-quality water at a competitive price to all residential customers and businesses within our service boundaries. This budget reflects the results of planning efforts as well as the impact of the most recent data available on population growth provided in the District's Master Plan.

Source water will remain an important topic for the District and we must be alert and vigilant in seeking additional water rights while remaining active in pursuing and maintaining an equitable cost for purchasing water from Ben Irving or Galesville Reservoirs should it become necessary. The District did not have to purchase stored water from Lookingglass-Olalla Water District during fiscal year 2016-17.

SDC revenues from meter sales increased during the 2016-17 fiscal year, a refreshing change from recent years. The increase in meter sales due to new construction and improvement signals growth in the local economy. We hope to continue to see an upward trend in meter sales in the upcoming years, as additional meters installed equals additional water revenues.

The District does not levy a tax on the customers of the District; therefore it must be self-sustaining through water rates and meter sales.

The District's last water rate increase went into effect in October 2009. That increase was implemented to fund the newly-acquired debt associated with the water treatment plant upgrade. In February 2017, the District successfully closed on a loan refunding agreement (refinance) of its treatment plant upgrade loan with the assistance of SDAO Advisory Services, LLC. The remaining note balance of approximately \$5,000,000 will retain the original maturity date of December 2031 under the new agreement. The District will save approximately \$580,000 over the remainder of the life of the note, which equates to annual savings of nearly \$40,000.

Despite the expected savings from the debt refunding, operational costs continue to rise each year. The Board felt it was time to have a rate study conducted to assess the adequacy of future funding resources to cover increasing expenditures. The District does have operational and capital reserves; however, the Board and Management would prefer to maintain those reserves for emergencies.

The rate study was conducted internally by the Office Manager, with contributions from Superintendent Alan Paulson. Mr. Lance Colley, City Manager for the City of Roseburg, performed the previous rate study for Roberts Creek Water District. Mr. Colley provided a copy of the recent water rate study the City of Roseburg had completed, which was used as reference material. The American Waterworks Association *Water Supply Practices Manual- Principles of Water Rates, Fees, and Charges* was also used as a guide.

Based on the results of the rate study, we propose an increase of \$1.50 to the base water rate for a 5/8 x 3/4" meter and a \$0.40 increase to the consumption rate. This would bring the base rate to \$23.00 from \$21.50, and the consumption rate to \$2.85 per 1,000 gallons used, from \$2.45 per 1,000 gallons used. The base rate for larger meter sizes will be increased in proportion to their EDU capacity. It is projected that this rate increase will yield additional water sales revenues of approximately \$200,000 per year which will be sufficient through fiscal year 2020-21. Another rate study will be performed in the 2020-21 year to re-evaluate water rates.

In the 2017-18 fiscal year, the District will also launch a new District website, powered by Streamline Website. The new website will better serve its users by providing helpful information such as a calendar with meeting schedule, board meeting agenda and minutes postings available for download, alerts for our District residents, and an online bill-pay option. In lieu of mailing out our annual water quality report, the report will be posted on the new website, and customers will be provided with a direct link to the report. The website is currently under construction and is scheduled to go live by the beginning of the 2017-18 fiscal year. A new budget line item is listed in the Administrative Materials and Services for *Website* expenditures.

As mentioned above, beginning in the 2017-18 year, the District will provide an online bill-payment option for its customers. This service will be provided by a 3<sup>rd</sup> party multi-service technology company, BMS Technologies, based in Bend, OR. The District will also be using BMS Technologies to produce and mail its monthly billing statements. The new statements will be full-page color statements that will include return envelopes for customers' convenience. Customers will also have the option to enroll in paperless billing and auto-pay. You will note two new budget line items in the Admin Materials and Services for *Billing Costs* and *Online Bill-Pay Fees*. These accounts will help track the cost of the new services.

The service crew will be performing minor line work and repairs within the District over the next budget year. Although no large projects are anticipated, it is beneficial to the District that our service crew has the capability to complete some line projects themselves in lieu of putting them out for bid. Determining cost analysis includes engineering, service crew's wages and benefits, cost of using District equipment, and all materials and supplies. The savings does not reflect the additional cost of implementing the bidding process where necessary.

The enclosed budget document consists of two funds: the General Fund (which contains resources and expenditures for the everyday operations of the District) and the Capital Projects Fund (which is for capital improvements such as line replacement, water storage capability and plant upgrade and District growth.) The budget contains a three-year history comprised of actual history for two years and the adopted budget for the current year. You will find a synopsis with each fund resource and expenditure that will outline any major changes and should help you understand the function of each fund.

A note of gratitude for the members of the Budget Committee (made up of 5 local community members and the existing 5-member Board of Commissioners) for their continuing support, fiscal prudence and thoughtful analysis of the issues facing the District. I look forward to working with them and all of you to review the budget plan and discuss any suggestions or alternative approaches and issues. It has been an exciting first year for me as Office Manager, and I am eager to see these new projects come to fruition. Please do not hesitate to contact me at 541-679-6451 or e-mail me at [david@rcwaterdistrict.com](mailto:david@rcwaterdistrict.com) if you have any questions or concerns.

A copy of the final budget, once adopted by the Board of Commissioners in June, will be available on our website [www.rcwaterdistrict.com](http://www.rcwaterdistrict.com) and at our District office at 4336 Old Hwy 99 S in Roseburg, OR.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "David Campos".

David M Campos, CPA  
Budget Officer



## BUDGET USER ASSISTANCE for the 2017-18 BUDGET

Each local government operates within a fiscal year beginning July 1st and ending on the following June 30th. Local governments can choose to budget and operate on a biennial basis which is a 24-month period beginning on July 1st of the first fiscal year and ending June 30th of the second fiscal year. The governing body of a municipal corporation may govern by ordinance, resolution, or charter, provided that the budget is prepared for a budget period of 24 months. Roberts Creek Water District has status as a “special district”.

A budget is a financial plan for a fiscal year. It shows the estimated costs of items or services the local government wants to purchase in the coming fiscal year. These are called "**expenditures.**" It shows other budget requirements that must be planned for in case of an emergency, but likely will not be spent. It also shows the funds, called "**resources,**" that the local government estimates will be available to pay for these expenditures.

The budget authorizes the local government to spend funds and limits how much can be spent. A budget may also justify the levy of property taxes; however, Roberts Creek Water District does not levy any tax upon its customers. In order to submit its property taxes to the county assessor, most local governments must prepare a budget following Oregon’s Local Budget Law process.

Preparing a budget allows a local government to look at its fiscal requirements while considering the funds available to meet those needs. In Oregon, all local governments must plan a budget that contains equal resources and requirements...in other words, a balanced budget. A local government cannot plan to purchase more goods or services than the funds it has available to pay for them.

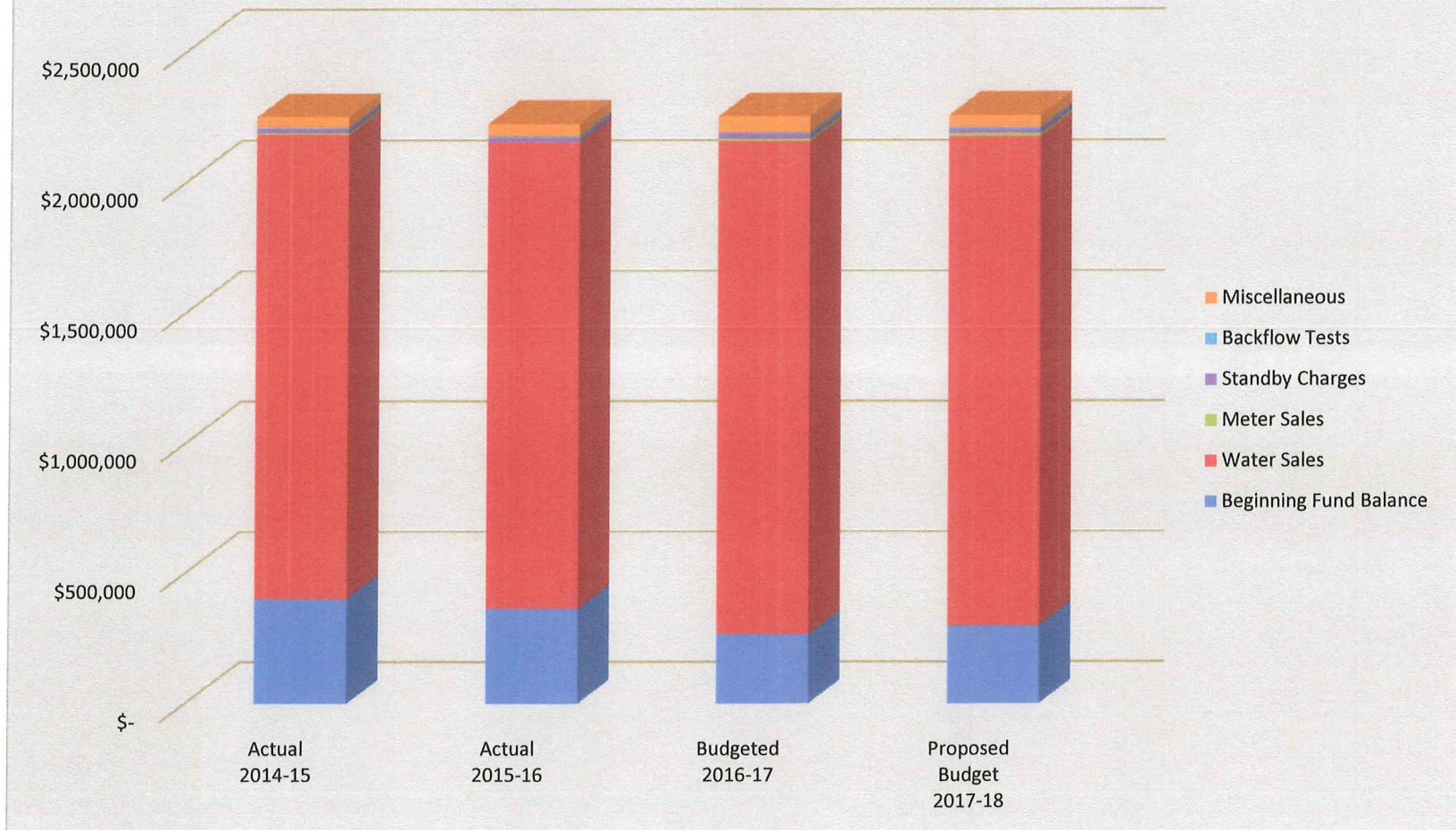
Oregon's Local Budget Law is a group of statutes that require local governments to prepare and adopt annual or biennial budgets following a very specific process.

Local Budget Law does several specific things:

- It sets standard procedures for preparing, presenting, and using budgets for most of Oregon's local governments.
- It encourages citizen involvement in the budget process.
- It gives a method for estimating expenses, resources, and proposed taxes.
- It offers a way of outlining the programs and services provided by the local government, and the fiscal policy used to carry them out.



## General Fund Resources



# GENERAL FUND RESOURCES

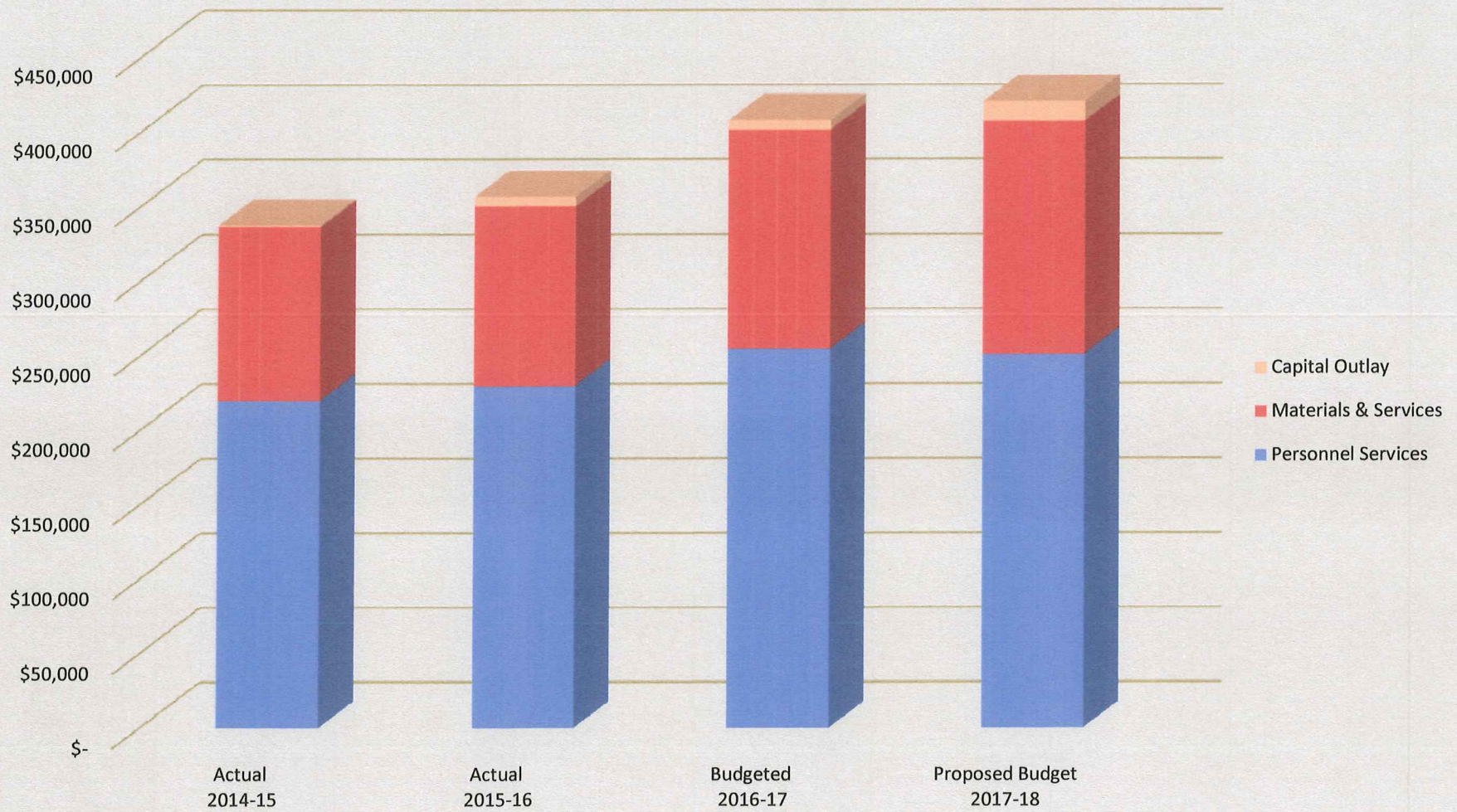
- **Available Cash on Hand** is the actual cash available projected for July 1st. It includes the sum of the checking and savings accounts minus estimated expenses and service deposits on hand.
- **Interest Earned:** For 2017-18, the District will be moving its money market funds from Umpqua Bank to the Oregon LGIP. The LGIP is currently paying 1.3% interest.
- **Water Sales to Plant Upgrade:** A rate increase to generate money for the treatment plant upgrade was enacted in October 2009, and the final phase in October 2009. Revenue generated from the increase goes to make the annual plant upgrade loan (recently refinanced) payment of approximately \$400,000.
- **Meter Sales:** This amount is based on the sale of 20 meter services. The current charge for a 5/8 x 3/4" meter service is \$3,982, a \$500 meter portion of which is deposited into the General Fund to cover the cost of installation, with the remainder to Capital Systems Development Charges. This category can include the sale of larger commercial meters at greater fee rates. Revenue derived from the impact of new development must be spent on Master Plan system improvements that increase the District's capacity to provide services.
- **Backflow Fees:** The District orders backflow tests to be done for customers who have been notified of, but do not comply with, the State's annual testing requirement. The District's cost for the testing, plus an administrative fee, is added to the customer's bill or invoiced to the property owner.
- **Standby Fees:** This is revenue generated from standby fire service. It represents approximately 30 customers and over 317 hydrants. Standby fees are billed and collected annually for sprinkler systems and fire hydrants on customers' premises, primarily on a commercial business basis such as a lumber mill, grocery store, warehouse, school, etc.
- **Miscellaneous Income:** This consists mainly of Activation Fees, Reconnect Fees for locked-off services, Delinquent Fees, NSF check fees, and the sale of bulk water. It also includes funds received on accounts sent for collection, and the \$2,825 lease fee received annually for the freeway sign erected on our Carnes Rd. property. It can also include refunds, reimbursements and, obviously, unforeseen income, for example: if we qualify, SDAO refunds a percentage of our insurance premium, plus we get a longevity credit...both of which amount to approximately \$5,000 annually but cannot be credited back to the insurance account from which they were paid so the funds go to Miscellaneous Income. In recent years, the District implemented a \$500 re-install fee for meters that have been pulled or have reverted to the District at customer request. These re-install fees are also classified as Miscellaneous Income
- **Special Surcharge Revenue (Lines):** This revenue comes from Special System Development Surcharges wherein meter service is requested for property fronting a main that the District installed with loan money from Special Public Works.
- **Special Surcharge Revenue (Tank):** Industrial properties benefitting from the construction of the Speedway Tank will be required to pay a System Development Surcharge in addition to the cost for a meter service. The amount collected for this System Development Surcharge will, in turn, be paid to Douglas County as repayment for their portion of the cost of the installation of the tank.

# GENERAL FUND RESOURCES - LB-20

## ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			2017-18 BUDGET			
Second Actual Preceding 2014-15	First Actual Preceding 2015-16	ADOPTED BUDGET 2016-17	RESOURCE DESCRIPTION	Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
403,302	364,098	265,000	1 Available Cash on Hand (Cash Basis)	300,000		
632	572	600	2 Interest Earned	4,000		
2,550	4,425	6,000	3 Backflow Test Receipts	5,000		
1,297,782	1,347,897	1,450,000	4 Water Sales	1,475,000		
480,000	440,000	440,000	5 Water Sales Transferred to Plant Upgrade	400,000		
7,250	500	10,000	6 Meter Sales	10,000		
18,534	18,558	19,000	7 Standby Charges	19,000		
38,833	47,019	60,000	8 Miscellaneous	45,000		
-	4,993	50,000	9 Special Intergov't. Surcharge Revenue (Lines)	50,000		
-	-	50,000	10 Special Intergov't. Surcharge Revenue (Tank)	50,000		
			11			
			12			
			13			
			14			
			15			
<b>2,248,883</b>	<b>2,228,062</b>	<b>2,350,600</b>	16 Total Resources, Except Taxes to be Levied	<b>2,358,000</b>	-	-
			17 Taxes Necessary to Balance Budget			
			18 Taxes Collected in Year Levied			
<b>2,248,883</b>	<b>2,228,062</b>	<b>2,350,600</b>	<b>19 TOTAL RESOURCES</b>	<b>2,358,000</b>	-	-

## General Fund Administrative Expenditures



# GENERAL FUND ADMINISTRATIVE EXPENDITURES

- **Staff:** The amounts under salaries reflect the Board's discretion to act on a cost of living increase and individual evaluations that may recommend a merit raise. Some merit raises may not be granted and some employees may be at the top of their job classification and not eligible for merit raises. The Office Manager position reflects the salary for the new Office Manager, David Campos.
- **Insurance:** In 2016-17, the District switched health insurance coverage from PacificSource to SDIS (administered by Regence). The new plan includes vision, dental and alternative care benefits. In addition to health insurance, the District contributes annual to a VEBA (Voluntary Employee Benefit Association) on behalf of each employee. Also included in Insurance expenditures are premiums for STD, LTD, AD&D, and life Insurance benefits for District employees. For 2017-18 the SDIS plan premiums will increase by 1.5%. The budget for Admin Insurance reflects a greater increase due to the new Office Manager having family coverage.
- **Medicare, Social Security, Unemployment, Workers' Compensation:** These line items include the District's portion based on payroll, plus our annual Worker's Comp (SAIF) insurance premium. For 2017-18, the State Unemployment Tax rate for the District will decrease from 3.9% to 1.1%
- **Retirement:** The District currently deposits an amount equal to 12% of an employee's base pay into a SEP IRA at Edward Jones Company. The deposits are made on a quarterly basis and asset distribution within the IRA is at the employee's discretion.
- **Auditing:** Our annual audit is performed by Neuner & Davidson CPA. The budgeted expenditures for Auditing reflect a decrease due to the new Office Manager drafting the financial statements and related notes internally, rather than having the audit firm draft the financials as in years past.
- **Elections:** Payment is made to Douglas County for our portion of the costs of the public election wherein we have candidates running for election for re-election to the Board of Commissioners. There are no elected positions set to expire in 2018.
- **Supplies:** This category covers a wide list of items needed to carry on everyday business within the office such as printer ink, pens, copy paper, kitchen and bathroom supplies, file storage boxes, cleaning supplies, etc. This line reflects a decrease due to the new 3<sup>rd</sup> party mailing services that will be used. This will eliminate the purchase of billing cardstock and bill-cutting services. Our copier lease costs should also decrease.
- **Telephone & Internet:** The District utilizes a phone/fax system through a VOIP provider and internet services through Douglas Fast Net.
- **Legal Fees:** Attorney Bruce Coalwell represents the District in legal matters, reviews our documents and lends legal advice.
- **Dues & Subscriptions (NEW):** Dues & Subscriptions reflects re-classifying some of the association dues and service fees from Operations, including the annual fee for our Utility Billing software. It also includes professional association dues for the Office Manager.
- **Property/Liability/Auto Insurance:** These figures allow for annual cost increases for coverage for office, plant, shop and vehicles. An increase in premiums is always anticipated.
- **R & M Office:** Includes garbage, pest control, office rugs, sewer fees, computer repair, landscape and waterfall maintenance and other miscellaneous maintenance items.

## GENERAL FUND ADMINISTRATIVE EXPENDITURES (cont')

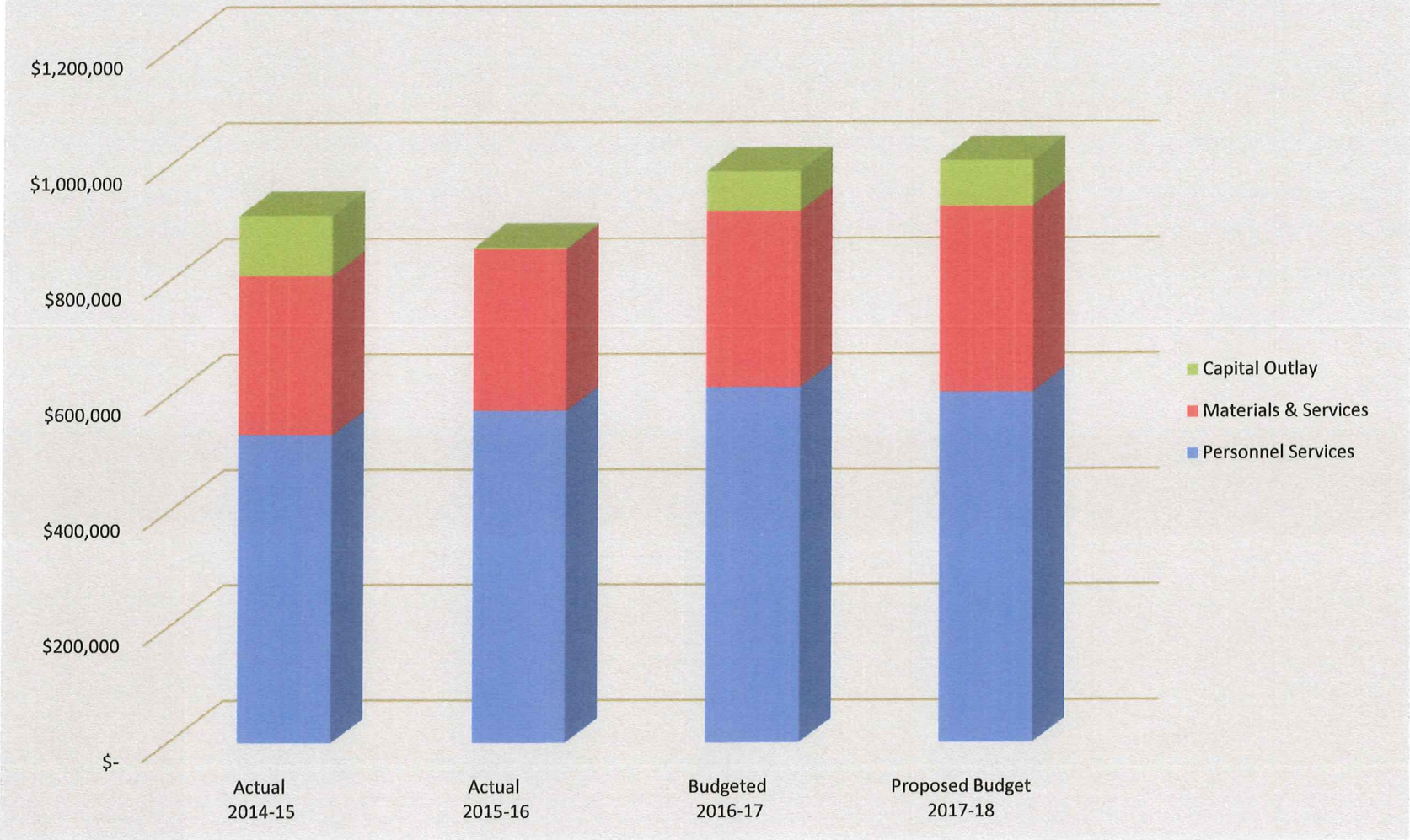
- **Bank Charges:** We are currently not charged monthly analysis fees; however that can change upon annual review by Umpqua Bank.
- **Billing Costs (NEW) and OBP Fees (NEW):** These budget line items represent the costs associated with using BMS Technologies for statement producing/mailling services and online bill-pay. The *Online Bill-pay* line will help track the extent of online payment use and paperless billing registration.
- **Website (NEW):** The new *Website* budget line represents the monthly cost of the new website to be launched in the 2017-18 fiscal year.
- **Debit/Credit Processing Fees:** This is the monthly fee we pay to process debit/credit cards for water payments. In the 2017-18 fiscal year the District will use a new merchant services processor that will charge lower transaction fees. Although budgeted fees for 2016-17 are \$5,000, the projected actual for 2016-17 will be approximately \$6,500.
- **Budgeting:** These dollars are generally attributed to the cost of publishing the required public notices associated with the Budget.
- **Miscellaneous:** This category covers those items for which there is no other applicable designation of expenditure. This can include costs for quarterly employee luncheons at the office, staff meetings, Board meetings and incidental unexpected expenditures as they arise.
- **Advertising:** This generally includes project bid advertising in the newspapers. On occasion we also advertise for open employment positions.
- **Postage:** The use of BMS Technologies for producing/mailling monthly billing statements will drastically reduce the postage required. Monthly bulk rate postage associated with billings averaged \$875. Past-due notices will also be mailed through BMS technologies.
- **Administrative Services:** This provides the Board of Commissioners a per-meeting compensation for their hours of service each year.
- **Education:** Represents Office Manager and/or Board Members' costs of attending annual conferences such as SDAO or OAWU, including lodging and mileage. It will also include the cost of continuing professional education related to performing the duties of the Office Manager.
- **Contract Services:** This outsourced meter-reading service contract with Metereaders LLC is on biennial renewal program (expires June 2017). The renewal for the 2017-19 period includes an increase from .70 to .71 cents per meter.
- **Office Equipment:** The office does not anticipate any major equipment or program purchases at this time; however, maintenance and updating of our existing equipment is followed closely to ensure we get the longest life from what we have.
- **Office Improvement:** The office building roof will need to be replaced in the 2017-18 fiscal year. We also plan to replace the flooring in the front office work area and kitchen area.

# GENERAL FUND - ADMINISTRATIVE EXPENDITURES - FORM LB-31

## ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			2017-18 BUDGET				
Second Actual Preceding 2014-15	First Actual Preceding 2015-16	ADOPTED BUDGET 2016-17	EXPENDITURE DESCRIPTION		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1	<i>Personnel Services / Office (# employees)</i>			
67,368	73,076	73,500	2	Office Manager (1)	66,000		
71,415	68,073	79,500	3	Office Assistants (2)	83,000		
-	-	2,000	4	Part-time fill-in person (1)	2,000		
10,825	10,798	12,000	5	Social Security & Medicare (3)	11,500		
322	108	500	6	Workmen's Compensation (3)	500		
41,709	44,301	54,000	7	Insurance (3) (medical + VEBA + life/LTD)	65,000		
9,238	6,431	6,000	8	Insurance HRA/HSA reimbursements (3)	-		
2,006	7,548	6,100	9	Unemployment Compensation (3)	2,000		
16,667	16,935	18,500	10	Retirement (3)	18,500		
21	2,124	2,000	11	Vacation and Compensation Time (3)	2,000		
<b>219,571</b>	<b>229,394</b>	<b>254,100</b>	12	<b>TOTAL PERSONNEL SERVICES</b>	<b>250,500</b>	-	-
			13	<i>Materials &amp; Services</i>			
11,150	11,450	11,750	14	Auditing	9,200		
862	-	1,500	15	Elections	-		
7,044	7,131	6,000	16	Supplies	5,000		
2,768	2,430	4,000	17	Telephone & Internet	3,000		
2,623	2,588	3,000	18	Electricity & Gas	3,500		
225	-	5,000	19	Legal Fees	3,000		
-	-	-	20	Dues & Subscriptions	8,000		
32,858	30,980	34,000	21	Property Insurance	34,000		
8,727	9,640	10,000	22	Liability & Auto Insurance	10,000		
2,969	2,525	8,000	23	R & M Office	4,000		
-	-	2,000	24	Bank Charges	2,000		
-	-	-	25	Billing Costs	23,000		
2,975	4,755	5,500	26	Debit/credit card fees	4,500		
-	-	-	27	Online Bill-Pay Fees	1,000		
-	-	-	28	Website	2,600		
314	263	375	29	Budgeting	400		
3,590	4,045	5,000	30	Miscellaneous	3,000		
890	310	500	31	Advertising	500		
11,469	15,340	17,000	32	Postage	2,500		
2,556	3,100	3,200	33	Administrative (Board of Commissioners)	3,200		
-	-	2,000	34	Education	7,000		
25,354	25,703	28,000	35	Contract Services	26,500		
<b>116,374</b>	<b>120,260</b>	<b>146,825</b>	36	<b>TOTAL MATERIALS &amp; SERVICES</b>	<b>155,900</b>	-	-
			37	<i>Capital Outlay</i>			
775	-	1,000	38	Office Equipment	1,000		
-	6,270	5,000	39	Office Improvement	12,000		
<b>775</b>	<b>6,270</b>	<b>6,000</b>	40	<b>TOTAL CAPITAL OUTLAY</b>	<b>13,000</b>	-	-
<b>336,720</b>	<b>355,924</b>	<b>406,925</b>	41	<b>SUB-TOTAL EXPENDITURES</b>	<b>419,400</b>	-	-
<b>336,720</b>	<b>355,924</b>	<b>406,925</b>	42	<b>SUBTOTAL EXPENDITURES THIS PAGE</b>	<b>419,400</b>	-	-

# General Fund Operations Expenditures





# GENERAL FUND OPERATIONS EXPENDITURES

- **Staff:** This amount in the Operations Budget allows for cost of living and merit increases, plus overtime, on-call and call-out time for the crew. No addition of personnel is anticipated.
- **Medicare, Social Security, Unemployment, Workers' Compensation:** See description for same line under Administrative Expenditures.
- **Insurance:** In 2016-17, the District switched health insurance coverage from PacificSource to SDIS (administered by Regence). The new plan includes vision, dental and alternative care benefits. In addition to health insurance, the District contributes annual to a VEBA (Voluntary Employee Benefit Association) on behalf of each employee. Also included in Insurance expenditures are premiums for STD, LTD, AD&D, and limited life Insurance benefits for District employees. For 2017-18 the SDIS plan premiums will increase by 1.5%.
- **Retirement:** The District currently deposits an amount equal to 12% of an employee's base pay into a SEP IRA at Edward Jones Company. The deposits are made on a quarterly basis and asset distribution within the IRA is at the employee's discretion.
- **Freight & Fuel:** We do not anticipate any substantial changes in these costs charged for mailing and delivery of parts and commodities.
- **Supplies & Operations Items:** This includes general plant supplies, crew uniforms and general operational necessities.
- **Telephone and Internet:** Our phone/fax system was antiquated and this past year we changed over to VOIP (Voice Over Internet Phone). Not only do we save money each month, but we are not charged for service/equipment calls as we were with a regular carrier.
- **Electricity & Gas:** Although rate increases are not expected, the 2017-18 budget provides for any potential utility rate increases.
- **Fees & Dues:** These include the State's One-Calls (pre-digs), membership dues to UBOS, OAWU, and AWWA. There are also several annual fees & permits to the County and State such as Filter Backwash Fee, Hazardous Substance Fee, Water System Survey fee, cross-connection & asbestos certification fees that are paid from this category. Several dues that are primarily or partially admin-related have been re-classified for 2017-18.
- **Equipment Maintenance:** This category covers all maintenance, tires, upkeep, oil, parts and labor associated with keeping all District vehicles and equipment in good working order. We plan to replace the tires on the VacTron and one of the backhoes, and purchase skid steer tracks in 2017-18.
- **R&M Field:** This includes items such as rock, asphalt, pipe, fittings, maintenance items, materials and costs associated with the repair, replacement and upkeep of various aspects of the District's water system, including the pump station at The Highlands. This budget line will now include new connections material. Budgeted expenditures have increased to accommodate new construction.
- **R&M Plant:** This category covers monthly sewer fees from Green Sanitary, quarterly maintenance fee for the sewer tie-in at Rising River RV Park, purchasing items like fencing, and for parts and supplies for repairing/maintaining all equipment, pumps and operations at the plant.

## GENERAL FUND OPERATIONS EXPENDITURES (cont')

- **Chemicals:** Chemical usage adjustment seems to have stabilized and we anticipate using less chemicals than last year, plus we are currently well-stocked as this fiscal year draws to a close.
- **Water Samples:** This fee is paid to Umpqua Research in Myrtle Creek. Fees are paid monthly but vary from year to year based on which test samples are required by the State at particular intervals.
- **Education:** This category includes the costs for out-of-town seminars, meals & lodging, local and online classes, as well as those that may become necessary to fulfill certification requirements for the superintendent and crew such as asbestos handling and traffic flagging.
- **Miox System:** The system is now 5 years old and may require normal maintenance and/or a new cell if the existing one fails. MIOX supplies just enough chlorine to the District's water to provide testing of residual chlorine in order to comply with State guidelines.
- **Miscellaneous:** This line item covers those expenditures not designated by other line items in the budget such as annual property taxes on the Plant/Carnes properties and occasional employee luncheons.
- **Engineering:** Most engineering services are included in the project cost itself. However, there are, from time to time, small projects such as monitoring the erosion and slope on the hillside below the main tank that require outside engineering services.
- **Summer-Stored Water:** In 2015 we locked in a 10-yr.annual reservation fee of \$2,175 which is collected through Douglas County on behalf of Lookingglass-Olalla Water District.
- **Emergency Intertie:** Ongoing maintenance such as painting and adding rock is needed at pump sites.
- **Compliance Fees & CCR Report:** This line item is eliminated for the 2017-18 budget as the District will not be mailing out the annual water quality report to customers. Instead, customers will be provided with a direct URL link to the report on the District website. Paper copies of the report will still be available upon request.
- **Backflow Testing:** The District orders backflow tests to be done for customers who have been notified of, but do not comply with, the State's annual testing requirement. The District's cost for the testing, plus an administrative fee, is added to the customer's bill or invoiced to the property owner. In return, this category tracks those payments made to certified testers for performing non-compliant testing at District's request.
- **Reservoir Maintenance:** It is planned to have the tanks cleaned by divers in the next fiscal year.

# GENERAL FUND - OPERATIONS EXPENDITURES - FORM LB-31

## ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			2017-18 BUDGET			
Second Actual Preceding 2014-15	First Actual Preceding 2015-16	ADOPTED BUDGET 2016-17	EXPENDITURE DESCRIPTION	Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1 <i>Personnel Services / Plant (# employees)</i>			
73,093	76,347	79,000	2 Superintendent (1)	84,000		
256,510	267,261	280,000	3 Service Crew (5)	292,000		
25,196	26,078	28,000	4 Social Security & Medicare (6)	29,000		
7,233	6,800	13,000	5 Workmen's Compensation (6)	8,000		
127,925	140,634	157,000	6 Insurance (6) <i>(medical + VEBA + life/LTD)</i>	143,000		
included above	included above	included above	7 Insurance HRA or HSA (6)	-		
3,166	18,011	14,500	8 Unemployment (6)	5,000		
38,398	39,905	41,500	9 Retirement (6)	44,000		
2,043	(79)	2,000	10 Vacation and Compensation Time (6)	2,000		
<b>533,564</b>	<b>574,957</b>	<b>615,000</b>	<b>11 TOTAL PERSONNEL SERVICES</b>	<b>607,000</b>	-	-
			12 <i>Material &amp; Services</i>			
1,527	1,682	3,000	13 Freight	3,000		
2,094	1,572	2,500	14 Tools	3,000		
2,027	4,821	4,000	15 Supplies & Operations Items	4,000		
6,394	6,060	6,400	16 Telephone & Communications	4,000		
110,086	112,488	120,000	17 Electricity & Gas	130,000		
12,475	7,484	10,000	18 Fees & Dues	4,000		
11,472	6,716	10,000	19 Fuel	10,000		
8,161	4,824	10,000	20 Equipment & Vehicle Maintenance	12,000		
19,250	21,484	25,000	21 R & M Field	35,000		
20,821	35,014	35,000	22 R & M Plant	35,000		
57,698	35,956	40,000	23 Chemicals	40,000		
7,152	8,424	8,500	24 Water Samples	8,500		
1,720	4,015	5,000	25 Education	5,000		
-	2,779	4,000	26 Miox System	4,000		
1,889	1,744	2,000	27 Miscellaneous	2,000		
857	-	1,000	28 Engineering	1,000		
1,103	212	2,000	29 New Connection Materials	-		
2,175	5,036	6,000	30 Summer Stored Water Fee	6,000		
2,525	-	1,500	31 Emergency Inter-tie	1,500		
3,003	9,894	-	32 Inventory Adjustment	-		
1,596	1,250	1,300	33 Compliance Fees / CCR Report	-		
1,360	2,670	3,500	34 Backflow Testing / Non Compliance Testing	3,700		
716	6,000	4,000	32 Reservoir Maintenance	10,000		
<b>276,101</b>	<b>280,125</b>	<b>304,700</b>	<b>35 TOTAL MATERIALS &amp; SERVICES</b>	<b>321,700</b>	-	-
<b>809,665</b>	<b>855,082</b>	<b>919,700</b>	<b>36 SUB-TOTAL EXPENDITURES</b>	<b>928,700</b>	-	-
<b>809,665</b>	<b>855,082</b>	<b>919,700</b>	<b>37 SUBTOTAL EXPENDITURES THIS PAGE</b>	<b>928,700</b>	-	-

# GENERAL FUND CAPITAL OUTLAY EXPENDITURES

- **Meter Installations:** This line item is the cost to the District for the actual meter portion of the installation of a service.
- **Line Replacement:** Smaller line improvements done by the service crew are budgeted in the General Fund allowing inventory to be tracked more efficiently.
- **Equipment Purchase:** We plan to purchase a mole machine for boring under roads, etc. The District also would like to purchase a GIS mapping device. The device will save significant funds in the long run.
- **Vehicle Purchase:** No vehicle purchases are anticipated.
- **Repair River Intake:** No major repairs are anticipated for this next year.
- **Replace Filter Membranes:** This covers the cost of maintaining and replacing the filter membranes.
- **Transferred to Capital Project Fund:** This year's budget projects a \$200,000 transfer to Capital Projects from the General Fund at \$50,000 per quarter. These funds are then available for capital expenditure.
- **Rate Transfers to Plant Upgrade:** These funds are transferred from the General Fund to pay the annual Plant Upgrade Loan payment.
- **General Operating Contingency:** When placed in this category (as opposed to Unappropriated Funds Balance) this money can be used in the event of an emergency or unanticipated expense.
- **Debt Service:** Loan Payments are made to the State:

	<u>Orig. Balance</u>	<u>Date Acquired</u>	<u>Int. Rate</u>	<u>Annual Payment 12/1</u>	<u>Balance after Pmt</u>	<u>Final Payment</u>
Deferred Loan	\$ 175,000	Aug. 1994	6.0%	\$ 29,513	\$ 29,791	Dec. 2018

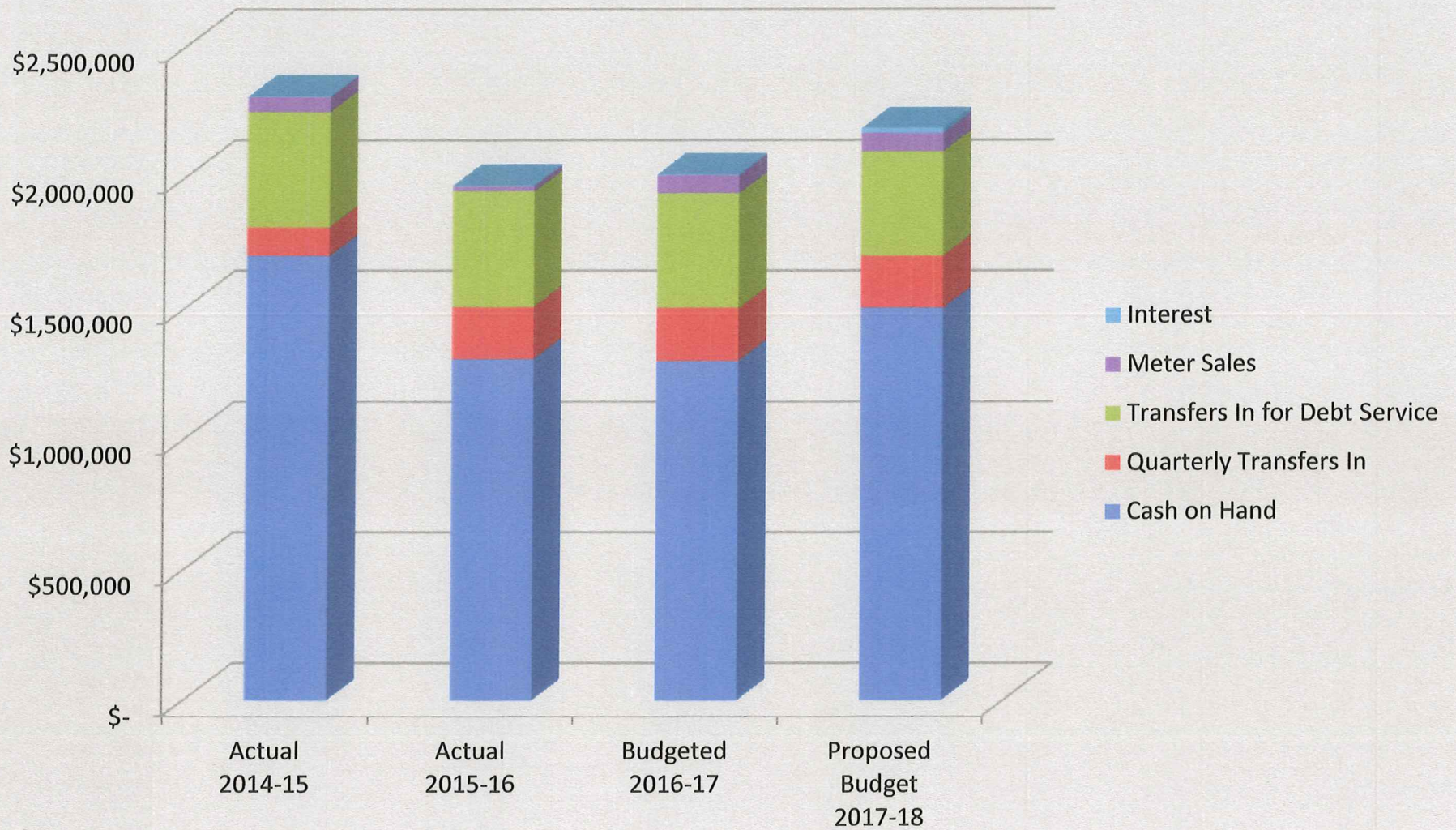
- **Reserve for Repayment (Lines):** This is money collected under Special Surcharge Revenue (Lines). The District has accumulated \$53,000 in this account. It can be applied to the loans or used at the direction of the Board.
- **Intergovernmental Agreement Payment:** The amount collected under Special Surcharge Revenue (Tank) will be paid, as it is received, to Douglas County as repayment for its portion of the cost of the installation of the tank.

# GENERAL FUND - OPERATIONS EXPENDITURES - FORM LB-31

## ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			EXPENDITURE DESCRIPTION	2017-18 BUDGET		
Second Actual Preceding 2014-15	First Actual Preceding 2015-16	ADOPTED BUDGET 2016-17		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1 <i>Capital Outlay</i>			
478	114	3,000	2 Meter Installations	3,000		
48,005	-	50,000	3 Replace Lines (non-capital projects)	50,000		
-	-	3,000	4 Equipment Purchases	8,000		
43,855	-	-	5 Vehicle Purchases	-		
11,168	1,343	4,000	6 Repair River Intake	4,000		
-	-	6,000	7 Replace Filter Membranes	10,000		
-	230	3,000	8 Safety Equipment	3,000		
<b>103,506</b>	<b>1,687</b>	<b>69,000</b>	9 <b>TOTAL CAPITAL OUTLAY</b>	<b>78,000</b>	-	-
<b>913,171</b>	<b>856,769</b>	<b>988,700</b>	10 <b>TOTAL OPERATING DEPARTMENT</b>	<b>1,006,700</b>	-	-
			11 <i>Transferred to Other Funds</i>			
70,000	200,000	200,000	12 Capital Projects Fund (quarterly transfers)	200,000		
480,000	440,000	440,000	13 Rate Transfers (monthly) to Upgrade Loan Payment	400,000		
-	-	73,000	14 General Operating Contingency	75,000		
59,183	-	paid off	15 Loan Payment - Principal (Business Oregon)	paid off	paid off	paid off
3,433	-	paid off	16 Loan Payment - Interest (Business Oregon)	paid off	paid off	paid off
17,143	19,858	22,854	17 Deferred Loan - Principal (Business Oregon)	26,156		
6,948	5,920	4,729	18 Deferred Loan - Interest (Business Oregon)	3,357		
-	-	50,000	19 Reserve for Repayment (Lines)	50,000		
-	-	50,000	20 Intergovernmental Agmt. Payment (Tank)	50,000		
<b>636,707</b>	<b>665,778</b>	<b>840,583</b>	21 <b>TOTAL DEBT SERVICE &amp; TRANSFERS</b>	<b>804,513</b>	-	-
<b>1,905,802</b>	<b>1,878,471</b>	<b>2,236,208</b>	22 <b>SUB-TOTAL EXPENDITURES</b>	<b>2,230,613</b>	-	-
403,302	364,098	114,392	23 Unappropriated Fund Balance	127,387		
<b>2,309,104</b>	<b>2,242,569</b>	<b>2,350,600</b>	24 <b>TOTAL ADMINISTRATIVE &amp; OPERATING</b>	<b>2,358,000</b>	-	-

## Capital Projects Fund Resources



## CAPITAL PROJECTS FUND RESOURCES

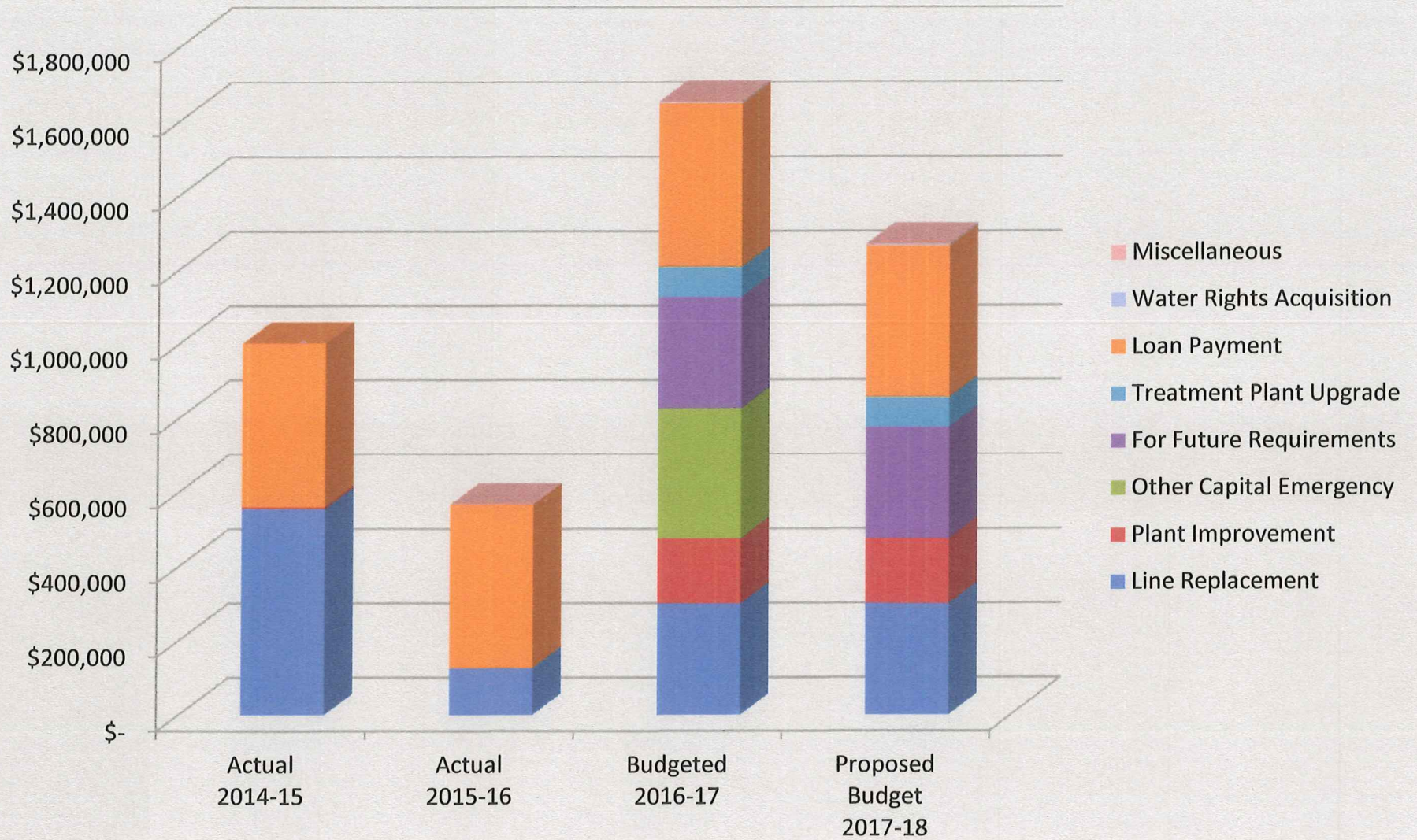
- **Available Cash on Hand:** This is the actual cash (working capital) available projected for July 1.
- **Meter Sales:** This amount is based on the estimated sale of 20 meter services. The current charge for a 5/8 x 3/4" meter service is \$3,982, a \$500 meter portion of which is deposited into the General Fund to cover the cost of installation, with the remaining \$3482 going to Systems Development Charges. This category can include the sale of larger commercial meters at greater fee rates. Revenue derived from the impact of New development must be spent on Master Plan system improvements that increase the District's capacity to provide services.
- **Interest:** As stated in the General Fund Resources, funds in the Money Market Account will be moved to the Oregon Local Government Investment Pool. Umpqua Bank is currently paying 0.15% interest whereas the LGIP is paying 1.3%. The Capital Projects Fund portion of money market funds is approximately \$1,389,000.
- **Transfers from other Funds:** General Fund transfers of \$50,000 quarterly will yield \$200,000 into Capital Projects, and monthly General Fund transfers of rates to Plant Upgrade will yield \$400,000 to be utilized for the plant upgrade loan payment.

**CAPITAL PROJECTS FUND RESOURCES - FORM LB-20**  
**ROBERTS CREEK WATER DISTRICT**

HISTORICAL DATA			2017-18 BUDGET				
Second Actual Preceding 2014-15	First Actual Preceding 2015-16	ADOPTED BUDGET 2016-17	RESOURCE DESCRIPTION		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
1,700,684	1,306,320	1,300,000	1	Available Cash on Hand (Cash Basis)	1,500,000		
			2				
			3				
			4				
			5	<b>OTHER RESOURCES</b>			
55,712	20,892	69,000	6	Meter Sales (SDC Portion)	69,000		
2,376	1,969	2,000	7	Interest	18,000		
			8	<i>Transferred from Other Funds</i>			
110,000	200,000	200,000	9	General Fund (from quarterly transfer)	200,000		
440,000	440,000	440,000	10	General Fund for Loan Payment (from rates)	400,000		
			11	Reimbursement	-		
			12	Loan Proceeds: Plant Upgrade	-		
-	-	-	13	Miscellaneous Income	-		
			14				
			15				
			16				
			17				
			18				
			19				
			20				
<b>2,308,772</b>	<b>1,969,181</b>	<b>2,011,000</b>	21	<b>SUBTOTAL RESOURCES</b>	<b>2,187,000</b>	-	-
			22	Taxes Necessary to Balance Budget	-		
			23	Taxes Collected in Year Levied	-		
<b>2,308,772</b>	<b>1,969,181</b>	<b>2,011,000</b>	24	<b>TOTAL RESOURCES</b>	<b>2,187,000</b>	-	-



## Capital Projects Fund Expenditures



## CAPITAL PROJECTS FUND EXPENDITURES

**Line Replacement:** If time allows, we would like to bore underneath Hwy 99 near Shady as part of a future reservoir project.

**Plant Improvement:** Continued programming and telecommunications work between plant and reservoirs. We will also replace the roof over the chemical room.

**Other Capital Emergencies:** No funds are allocated to this account. Per Oregon Local Budget Law, if expenditures are not planned to be spent, they may not be appropriated for. With the exception of operating contingencies, such placeholders may not be used in budgeting. In the event of an emergency, funds may be appropriated by resolution or supplemental budget.

**For Future Requirements:** The District could utilize these funds in the event of unanticipated expenditures.

**Water Rights Acquisition:** There are no pending or anticipated water rights acquisitions, but we are ever vigilant should opportunities arise.

**Reservoir Maintenance:** We are still in the process of installing a control valve that allows us to set preference as to which tank will control the plant at any given time.

**Carnes Road Site:** No improvements are anticipated at this time.

**Treatment Plant Upgrade:** We plan to replace the PVC piping with stainless steel due to ongoing problems with the existing piping.

**Loan Payment - Plant Upgrade:** The treatment plant upgrade loan had an original balance of \$5,975,289 and interest rate of 4%. In February 2017, the District closed on a loan refunding agreement for the remaining balance of \$4,970,000. The new note is held by JP Morgan Chase and retains the original maturity date of December 2031. Interest at 2.53% is paid semi-annually and principal payments are made annually. Debt service payments for 2017-18 total \$407,136.

## CAPITAL PROJECTS FUND EXPENDITURES - FORM LB-31

### ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			EXPENDITURE DESCRIPTION	2017-18 BUDGET		
Second Actual Preceding 2014-15	First Actual Preceding 2015-16	ADOPTED BUDGET 2016-17		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	APPROVED BY BOARD
555,110	127,021	300,000	1 <i>Capital Outlay</i>			
6,023	-	175,000	2 Line Replacement	300,000		
-	-	-	3 Plant Improvements	175,000		
-	-	-	4 Master Plan Update	-		
-	-	350,000	5 Other Capital Emergency	-		
-	-	2,000	6 Miscellaneous	2,000		
-	-	300,000	7 For Future Requirements	300,000		
-	-	2,000	8 Water Rights Acquisition	2,000		
1,867	-	150,000	9 Reservoir Improvement & Maintenance	-		
-	-	-	10 Carnes Road Site	-		
-	-	80,000	11 Treatment Plant Upgrade	80,000		
439,452	439,452	440,000	12 Loan Payment - Plant Upgrade	407,136		
			13			
			14			
			15			
			16			
<b>1,002,452</b>	<b>566,473</b>	<b>1,799,000</b>	17 <b>SUBTOTAL EXPENDITURES</b>	<b>1,266,136</b>	-	
1,306,320	1,402,708	212,000	18 Unappropriated Funds Balance	920,864		
<b>2,308,772</b>	<b>1,969,181</b>	<b>2,011,000</b>	19 <b>TOTAL CAPITAL EXPENDITURES</b>	<b>2,187,000</b>	-	