

ROBERTS CREEK WATER DISTRICT

2018-2019 BUDGET





ROBERTS CREEK WATER DISTRICT

2018-2019

BOARD OF COMMISSIONERS

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CAROLYN WHITE
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BUDGET COMMITTEE

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STAFF

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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.

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

2018-19 BUDGET

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BUDGET MESSAGE for 2018-2019 FISCAL YEAR

I am pleased to present the annual budget for Roberts Creek Water District for the 2018-2019 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.

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 recently adopted revised water service rates- the first rate increase since October 2009. The new rates went into effect in December of the 2017-2018 fiscal year, and are projected to sustain District operations through at least the 2020-2021 fiscal year.

Effective July 1, 2018, system development charge (SDC) fees will increase, as adopted by Resolution R-2018-03-01. Upon evaluation of the current system development charge fees, it was determined that the enacting ordinance provided for periodic inflationary adjustments of the SDC's based on the regional Construction Cost Index. An SDC increase of \$1,039 per EDU will be a catch-up of several years of inflation without adjustment to the fee level.

For the 2018-2019 fiscal year, office management intends on migrating the office's utility billing management to a new platform. The current Springbrook program is outdated, has very limited reporting and analysis capabilities, and offers minimal support from the provider, Accela. Accela has been unresponsive in requests for an updated version of the District's current software. In conjunction with the migration to a new utility billing platform, management intends on transitioning a great deal of the office's reporting files to an electronic filing system. This will help reduce printing and storage costs, and reduce audit turn-around time; as most of the files requested by auditors must be converted to electronic format.

In the upcoming budget year, management would also like to make some much needed improvements to the office building, such as replacing the roof and flooring in the front office and kitchen area.

By the end of the 2017-2018 budget year, the District plans to have a water treatment plant piping upgrade project completed and funded. Should the project spill over (no pun intended) into the 2018-2019 budget year, management has provided for the project cost in the Capital Projects Fund budget.

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.

I would like to thank Plant Superintendent Alan Paulson for his assistance in the preparation of this budget and for his partnership in managing the everyday operations of the District. I would like to thank office staff for their continuous support and assistance to management in ensuring the office runs smoothly. I also would like to thank the members of the Budget Committee for their continuing support, fiscal prudence and thoughtful analysis of the issues facing the District. I look forward to working with all of you to review the budget plan and discuss any suggestions or alternative approaches and issues. Please do not hesitate to contact me at 541-679-6451 or e-mail me at 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 and at our District office at 4336 Old Hwy 99 S in Roseburg, OR.

Respectfully Submitted,

David M Campos, CPA
Budget Officer



BUDGET USER ASSISTANCE for the 2018-19 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.

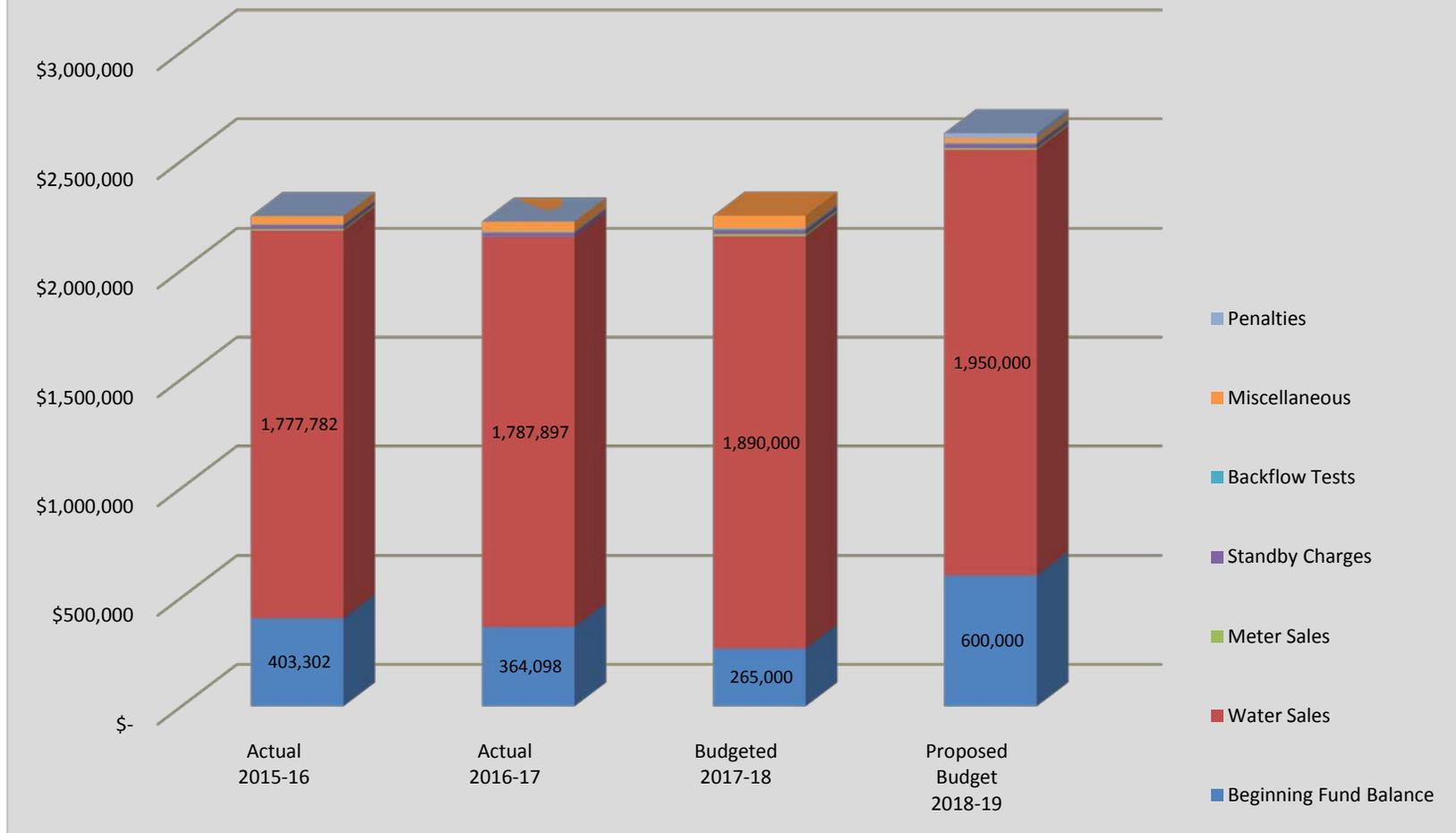
Preparing a budget allows a local government to look at its fiscal requirements while considering the funds available to meet those needs. In Oregon, all local governments must plan a budget that contains equal resources and requirements...in other words, a balanced budget. A local government cannot 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

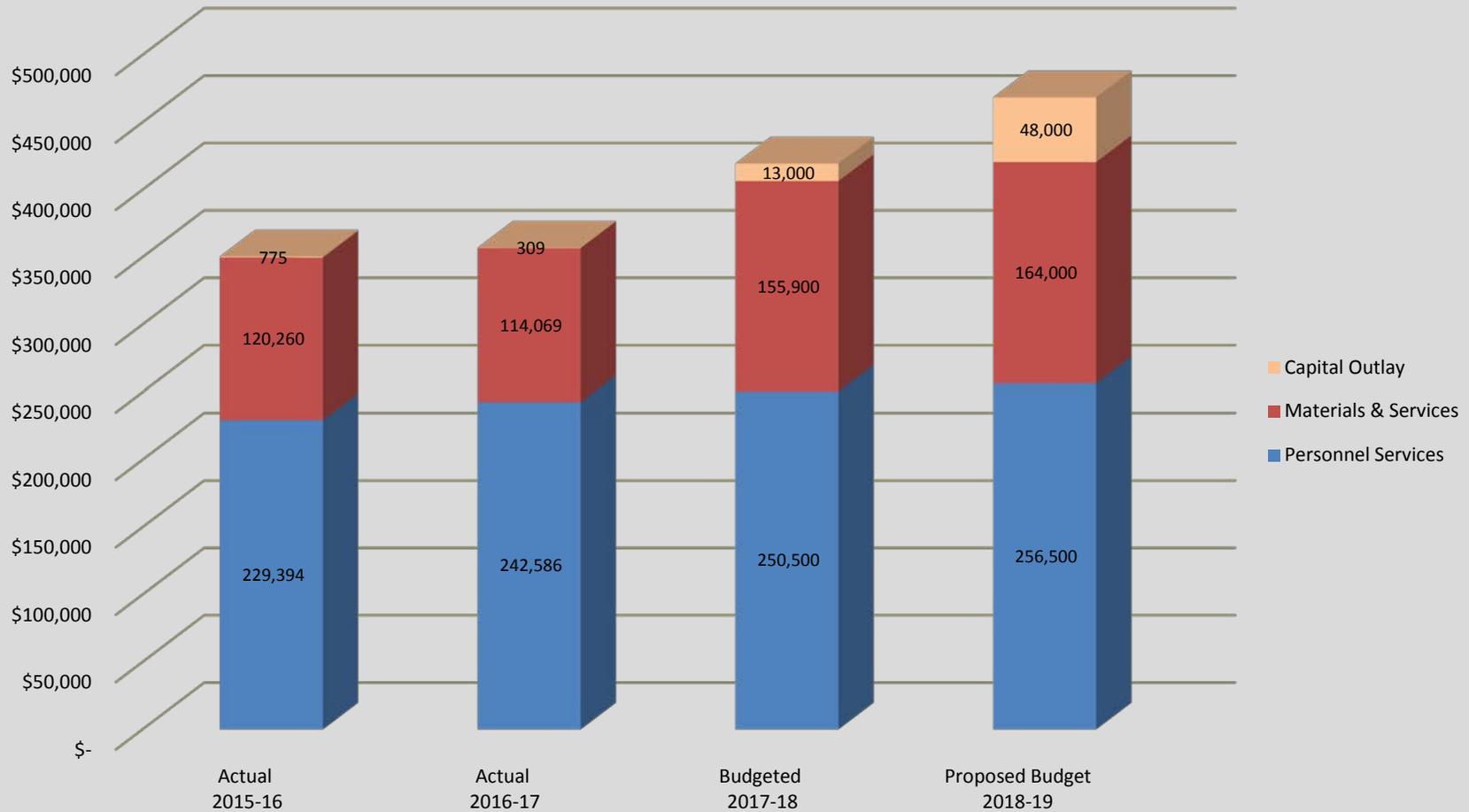
- **Net Working Capital:** is the actual cash available projected for July 1st. It includes the sum of the checking accounts, savings accounts and investment accounts minus estimated expenses and service deposits on hand. The substantial increase from the current budget is due to a very conservative estimate for the 2017-18 year, whereas the 2018-19 working capital reflects a more accurate beginning balance.
- **Interest Earned:** The District will maintains its General Fund reserves in the Oregon Local Government Investment Pool. The LGIP is currently paying 2.1% interest.
- **Water Sales to Plant Upgrade:** A portion of revenues generated from water sales is designated to make the annual treatment plant upgrade loan (recently refinanced) payment of approximately \$400,000.
- **Meter Sales:** This amount is based on the sale of 15 meter services. Effective 7/1/18, the charge for a 5/8 x 3/4" meter service is \$5,021, a \$500 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 maintain and/or 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 of other revenues not directly related to water sales. It includes funds received on accounts sent for collection, the \$2,825 lease fee received annually for the freeway sign erected on our Carnes Rd. property, refunds, reimbursements and unforeseen income such as the SDAO longevity credit and insurance premium refunds. 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. For the 2018-19 fiscal year, miscellaneous income will no longer include fees associated with water sales, such as late notification fees, reconnect fees, activation fees, etc. Those fees will be recorded in the penalties line item.
- **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.
- **Penalties and other service charges:** Fees related to water sales, such as late notification fees, door hanger fees, activation fees, reconnect fees. These fees were previously record as miscellaneous income, which was rather inefficient for tracking water related service fees.

GENERAL FUND RESOURCES - LB-20

ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA							2018-19 BUDGET		
Second Actual Preceding 2015-16	First Actual Preceding 2016-17	ADOPTED BUDGET 2017-18	RESOURCE DESCRIPTION				Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
364,098	349,591	300,000	1	Net Working Capital (Modified Accrual Basis)			600,000		
572	614	4,000	2	Interest Earned			8,000		
4,425	4,452	5,000	3	Backflow Test Receipts			4,500		
1,347,897	1,340,093	1,475,000	4	Water Sales			1,550,000		
440,000	440,000	400,000	5	Water Sales Transferred to Plant Upgrade			400,000		
500	7,400	10,000	6	Meter Sales			7,500		
18,558	18,535	19,000	7	Standby Charges			19,000		
47,019	44,126	45,000	8	Miscellaneous			23,000		
4,993	12,005	50,000	9	Special Intergov't. Surcharge Revenue (Lines)			50,000		
-	17,664	50,000	10	Special Intergov't. Surcharge Revenue (Tank)			50,000		
			11	Penalties & Other Water Service Charges			22,000		
			12						
			13						
			14						
			15						
2,228,062	2,234,480	2,358,000	16	Total Resources, Except Taxes to be Levied			2,734,000		
			17	Taxes Necessary to Balance Budget			-		
			18	Taxes Collected in Year Levied			-		
2,228,062	2,234,480	2,358,000	19	TOTAL RESOURCES			2,734,000		

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 Office Manager, David Campos. One Office Assistant will be reducing her hours, so we have budgeted for additional part-time help should the need arise.
- **Insurance:** The District provides health/dental/visions benefits for employees, along with disability, limited life insurance, and an HRA Veba account. For the 2018-19 fiscal year, health insurance premiums through SDIS are expected to stay flat.
- **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 2018-19, the State Unemployment Tax rate for the District will decrease from 1.1% to 0.1%
- **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. With the Office Manager drafting the financial statements and related notes internally, rather than having the audit firm draft the financials as in years past, the audit fee has decreased recently.
- **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 two elected positions set to expire in 2019.
- **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 3rd party mailing services that the District now uses. This has eliminated the purchase of billing cardstock and bill-cutting services. Our copier lease costs have also decreased.
- **Telephone & Internet:** The District utilizes a phone/fax system through a VOIP provider and internet services through Douglas Fast Net.
- **Legal Fees:** This represents consultation for District legal matters, such as landlord/tenant issues, governing documents and public contracting laws.
- **Dues & Subscriptions:** Dues & Subscriptions reflects administrative portions of District annual association dues, the annual fee for our Utility Billing software, professional association dues for the Office Manager, local newspaper subscription, and payroll subscription fees
- **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')

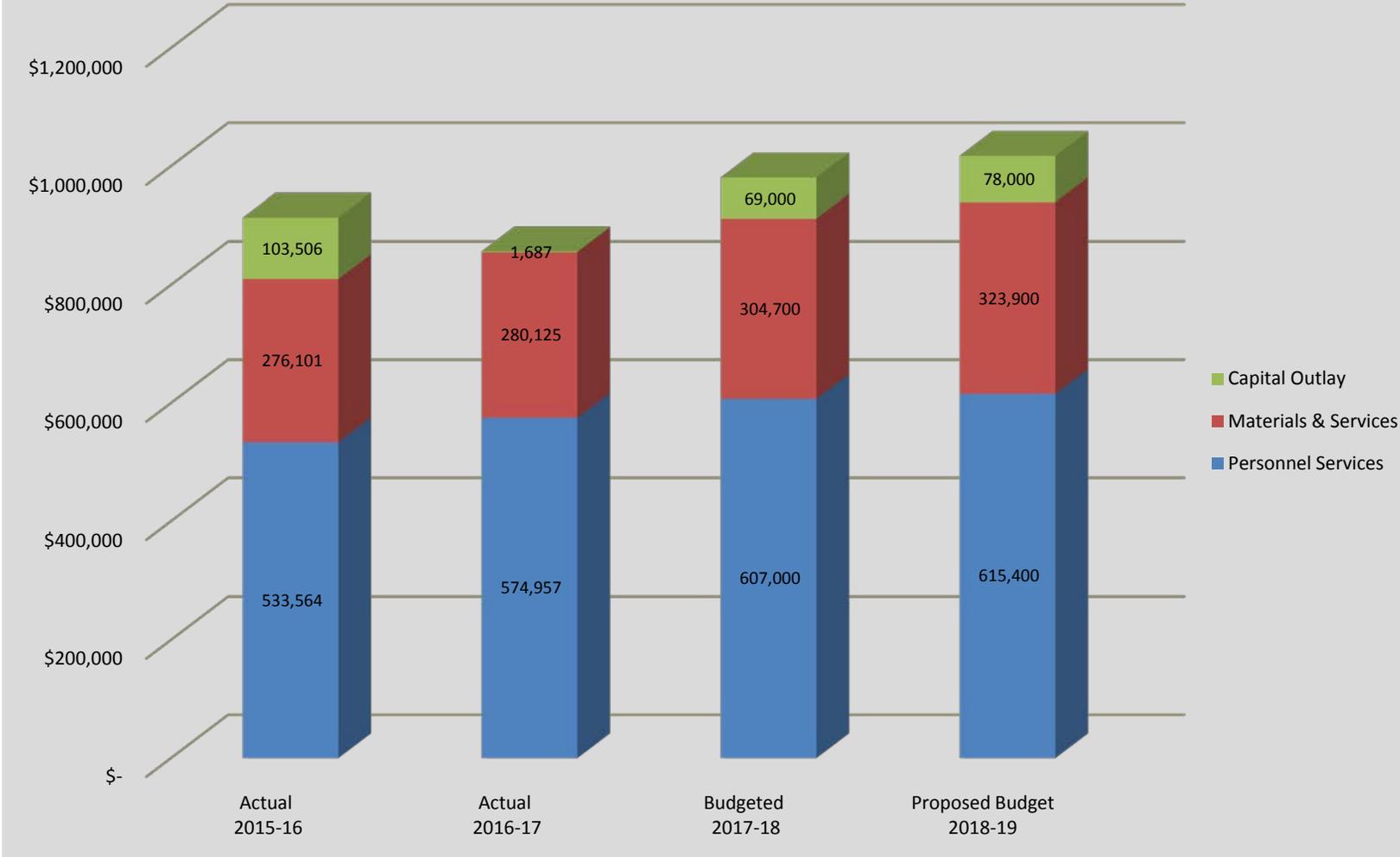
- **Bank Charges:** We are currently not charged monthly analysis fees; however that can change upon annual review by Umpqua Bank. Transaction fees for the LGIP accounts are also recorded in bank charges.
- **Billing Costs and OBP Fees:** These budget line items represent the costs associated with using 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. As more customers enroll in paperless billing, these costs will continue to decrease.
- **Website:** Represents the monthly cost of the new website 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. Although the rates The District now pays for processing bank card transactions and ACH draws is lower with the new provider, the number of transactions processed by bank card/ACH has tripled. This is due to the number of customers using the online bill-pay option through our website.
- **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 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. The majority of postage is used for past-due notices, backflow test reminder letters, and disbursement check mailings.
- **Administrative Services:** This provides the Board of Commissioners a per-meeting compensation for their hours of service each year.
- **Education:** Represents Office Staff 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 2019). The current service contract price is .71 cents per meter read.
- **Office Equipment:** Management plans on utilizing a new utility billing management program, and the upfront costs could be over \$20,000. Any other computer equipment and peripherals are recorded under office equipment.
- **Office Improvement:** The office building roof will need to be replaced in the 2018-19 fiscal year. We also plan to replace the flooring in the front office work area and kitchen area, and have new signage installed near the road to increase District office visibility to customers.

GENERAL FUND - ADMINISTRATIVE EXPENDITURES - FORM LB-31

ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			2018-19 BUDGET			
Second Actual Preceding 2015-16	First Actual Preceding 2016-17	ADOPTED BUDGET 2017-18	EXPENDITURE DESCRIPTION	Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1 Personnel Services / Office (# employees)			
73,076	80,372	66,000	2 Office Manager (1)	71,000		
68,073	71,981	83,000	3 Office Assistants (2)	76,000		
-	-	2,000	4 Part-time fill-in person (1)	10,000		
10,798	11,696	11,500	5 Social Security & Medicare (3)	12,000		
108	257	500	6 Workmen's Compensation (3)	500		
44,301	56,484	65,000	7 Insurance (3) (medical + VEBA + life/LTD/STD)	65,000		
6,431	6,216	-	8 Insurance HRA/HSA reimbursements (3)	-		
7,548	5,965	2,000	9 Unemployment Compensation (3)	2,000		
16,935	16,414	18,500	10 Retirement (3)	18,000		
2,124	(6,799)	2,000	11 Vacation and Compensation Time (3)	2,000		
229,394	242,586	250,500	12 TOTAL PERSONNEL SERVICES	256,500		
			13 Materials & Services			
11,450	8,750	9,200	14 Auditing	9,200		
-	1,396	-	15 Elections	1,000		
7,131	5,851	5,000	16 Supplies	5,000		
2,430	2,064	3,000	17 Telephone & Internet	3,000		
2,588	2,951	3,500	18 Electricity & Gas	3,500		
-	295	3,000	19 Legal Fees	3,000		
-	-	8,000	20 Dues & Subscriptions	8,000		
30,980	30,572	34,000	21 Property Insurance	35,000		
9,640	8,659	10,000	22 Liability & Auto Insurance	10,500		
2,525	3,299	4,000	23 R & M Office	4,000		
-	-	2,000	24 Bank Charges	2,000		
-	-	23,000	25 Billing Costs	21,000		
4,755	6,843	4,500	26 Debit/credit card fees	9,500		
-	-	1,000	27 Online Bill-Pay Fees	1,600		
-	-	2,600	28 Website	2,600		
263	314	400	29 Budgeting	800		
4,045	2,438	3,000	30 Miscellaneous	3,500		
310	7	500	31 Advertising	500		
15,340	10,832	2,500	32 Postage	3,100		
3,100	2,465	3,200	33 Administrative (Board of Commissioners)	3,200		
-	1,587	7,000	34 Education	7,000		
25,703	25,746	26,500	35 Contract Services	27,000		
120,260	114,069	155,900	36 TOTAL MATERIALS & SERVICES	164,000		
			37 Capital Outlay			
775	309	1,000	38 Office Equipment	30,000		
-	-	12,000	39 Office Improvement	18,000		
775	309	13,000	40 TOTAL CAPITAL OUTLAY	48,000		
350,429	356,964	419,400	41 SUB-TOTAL EXPENDITURES	468,500		
350,429	356,964	419,400	42 SUBTOTAL EXPENDITURES THIS PAGE	468,500		

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.
- **Social Security/FICA, Unemployment, and Workers' Compensation:** See description for same line under Administrative Expenditures.
- **Insurance:** The District provides health/dental/visions benefits for employees, along with disability, limited life insurance, and an HRA Vebea account. For the 2018-19 fiscal year, health insurance premiums through SDIS are expected to stay flat.
- **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:** Subject to Board approval, management has considered giving crew members a phone stipend for their personal phone usage in lieu of providing District-issued phones.
- **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.
- **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. Several District service trucks have been in service for approximately four years, and will require maintenance.
- **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.
- **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.
- **Chemicals:** Although our filter and UV treatment process provides for minimal chemical treatment, we still utilize some food-grade chemicals and minerals such as aluminum chlorohydrate (ACH), salt, phosphoric acid, citric acid and calcium theosulfate in the treatment and disinfection processes. Plant staff has done a great job of dialing in chemical utilization to a point where costs are fairly predictable, although periods of inclement weather could result in unexpected spikes in chemical requirements.

GENERAL FUND OPERATIONS EXPENDITURES (cont')

- **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. Crew education has been increased to allow for additional travel to out-of-area classes and conferences
- **Miox System:** The system is now 8 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.
- **New Connections Material:** Costs associated with installing new service connections for water service, such as valves and traffic boxes. These costs were included in the R & M - Field budget in 2017-18, but it is more appropriate to segregate these costs in order to match them with meter sales. This will also help management determine when meter install fees would need to be revised.
- **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 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:** We plan on performing some maintenance work on the tank roads to ensure their structural integrity.

GENERAL FUND - OPERATIONS EXPENDITURES - FORM LB-31

ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			2018-19 BUDGET			
Second Actual Preceding 2015-16	First Actual Preceding 2016-17	ADOPTED BUDGET 2017-18	EXPENDITURE DESCRIPTION	Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1 Personnel Services / Plant (# employees)			
76,347	79,126	84,000	2 Superintendent (1)	85,000		
267,261	272,188	292,000	3 Service Crew (5)	298,000		
26,078	27,047	29,000	4 Social Security & Medicare (6)	29,500		
6,800	6,727	8,000	5 Workmen's Compensation (6)	8,000		
123,491	129,908	143,000	6 Insurance (6) (medical + VEBA + life/LTD)	143,000		
17,143	4,422	-	7 Insurance HRA or HSA (6)	-		
18,011	13,771	5,000	8 Unemployment (6)	3,900		
39,905	41,320	44,000	9 Retirement (6)	46,000		
(79)	7,415	2,000	10 Vacation and Compensation Time (6)	2,000		
574,957	581,924	607,000	11 TOTAL PERSONNEL SERVICES	615,400		
			12 Material & Services			
1,682	1,680	3,000	13 Freight	3,000		
1,572	2,808	3,000	14 Tools	3,000		
4,821	2,810	4,000	15 Supplies & Operations Items	4,000		
6,060	4,239	4,000	16 Telephone & Communications	5,700		
112,488	122,660	130,000	17 Electricity & Gas	130,000		
7,484	11,318	4,000	18 Fees & Dues	5,500		
6,716	7,140	10,000	19 Fuel	10,000		
4,824	16,445	12,000	20 Equipment & Vehicle Maintenance	12,000		
21,484	36,729	35,000	21 R & M Field	35,000		
35,014	22,089	35,000	22 R & M Plant	35,000		
35,956	35,841	40,000	23 Chemicals	40,000		
8,424	6,952	8,500	24 Water Samples	8,500		
4,015	1,383	5,000	25 Education	7,000		
2,779	2,373	4,000	26 Miox System	4,000		
1,744	333	2,000	27 Miscellaneous	2,000		
-	-	1,000	28 Engineering	1,000		
212	1,314	-	29 New Connection Materials	2,000		
5,036	2,175	6,000	30 Summer Stored Water Fee	6,000		
-	-	1,500	31 Emergency Inter-tie	1,500		
9,894	2,512	-	32 Inventory Adjustment	-		
1,250	-	-	33 Compliance Fees / CCR Report	-		
2,670	3,202	3,700	34 Backflow Testing / Non Compliance Testing	3,700		
6,000	678	10,000	35 Reservoir Maintenance	5,000		
280,125	284,681	321,700	36 TOTAL MATERIALS & SERVICES	323,900		
855,082	866,605	928,700	37 SUB-TOTAL EXPENDITURES	939,300		
855,082	866,605	928,700	38 SUBTOTAL EXPENDITURES THIS PAGE	939,300		

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 forks for the backhoe.
- **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. The budgeted transfer has recently decreased due to the savings from refinancing the original treatment plant upgrade loan.
- **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%	\$ 31,578	\$ 0	Dec. 2018

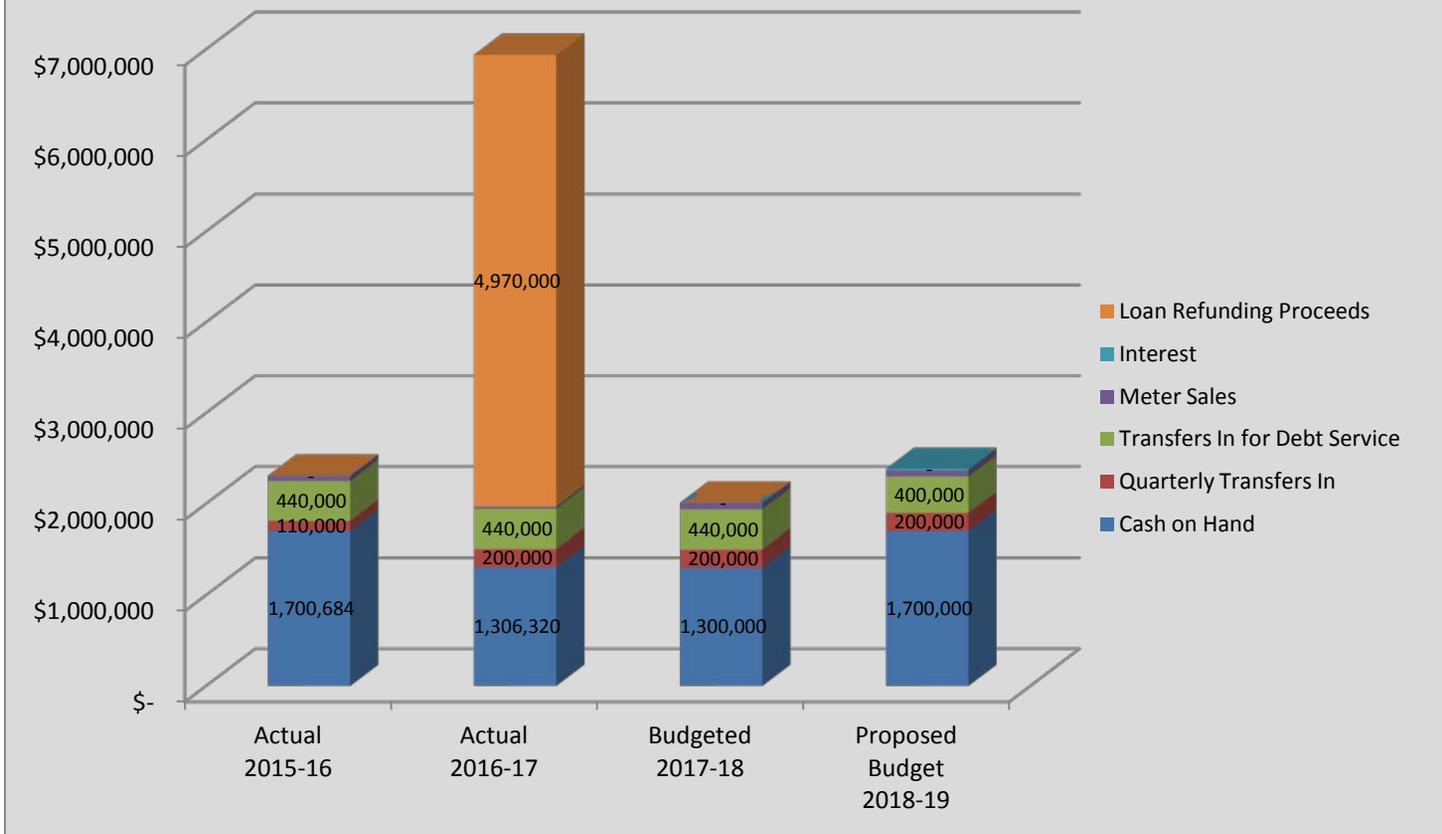
- **Reserve for Repayment (Lines):** This is money collected under Special Surcharge Revenue (Lines). The District has accumulated \$65,000 in this account. It can be applied to the loans or used at the direction of the Board.
- **Intergovernmental Agreement Payment:** The amount collected under Special Surcharge Revenue (Tank) will be paid, as it is received, to Douglas County as repayment for it portion of the cost of the installation of the tank.

GENERAL FUND - OPERATIONS EXPENDITURES - FORM LB-31

ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			2018-19 BUDGET			
Second Actual Preceding 2015-16	First Actual Preceding 2016-17	ADOPTED BUDGET 2017-18	EXPENDITURE DESCRIPTION	Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1 Capital Outlay			
114	594	3,000	2 Meter Installations	3,000		
-	-	50,000	3 Replace Lines (non-capital projects)	50,000		
-	2,695	8,000	4 Equipment Purchases	8,000		
-	-	-	5 Vehicle Purchases	-		
1,343	-	4,000	6 Repair River Intake	4,000		
-	3,680	10,000	7 Replace Filter Membranes	10,000		
230	863	3,000	8 Safety Equipment	3,000		
1,687	7,832	69,000	9 TOTAL CAPITAL OUTLAY	78,000		
856,769	874,437	988,700	10 TOTAL OPERATING DEPARTMENT	1,017,300		
			11 Transferred to Other Funds			
200,000	150,000	200,000	12 Capital Projects Fund (quarterly transfers)	200,000		
440,000	440,000	400,000	13 Rate Transfers (monthly) to Upgrade Loan Payment	400,000		
-	-	75,000	14 General Operating Contingency	75,000		
-	-	paid off	15 Loan Payment - Principal (Business Oregon)	paid off	paid off	paid off
-	-	paid off	16 Loan Payment - Interest (Business Oregon)	paid off	paid off	paid off
19,858	22,854	26,156	17 Deferred Loan - Principal (Business Oregon)	29,791		
5,920	4,728	3,357	18 Deferred Loan - Interest (Business Oregon)	1,788		
-	-	50,000	19 Reserve for Repayment (Lines)	50,000		
-	17,664	50,000	20 Intergovernmental Agmt. Payment (Tank)	50,000		
665,778	635,246	804,513	21 TOTAL DEBT SERVICE & TRANSFERS	806,579		
1,878,471	1,866,647	2,230,613	22 SUB-TOTAL EXPENDITURES	2,292,379		
349,591	367,833	127,387	23 Unappropriated Fund Balance	441,621		
2,228,062	2,234,480	2,358,000	24 TOTAL ADMINISTRATIVE & OPERATING	2,734,000		

Capital Projects Fund Resources



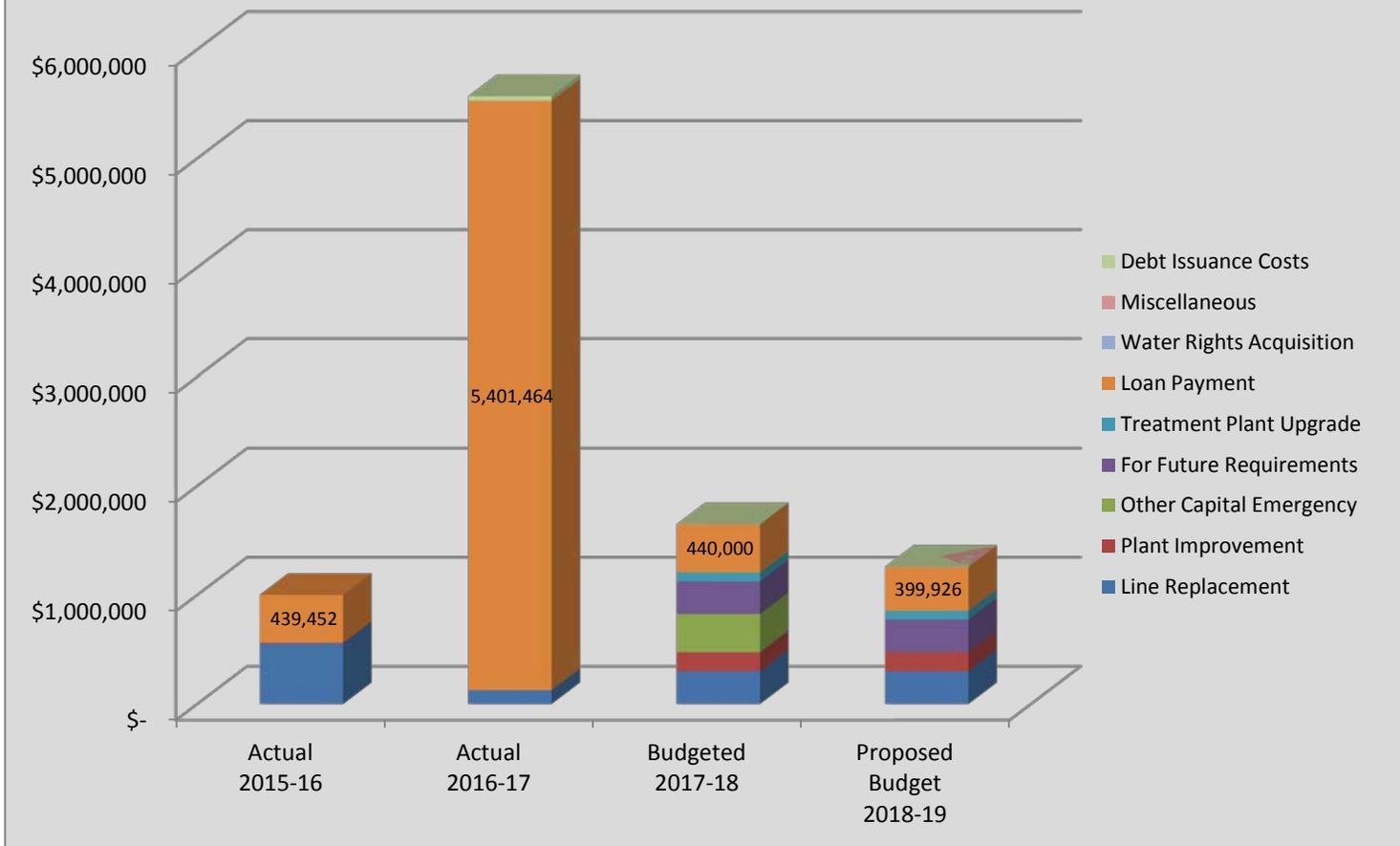
CAPITAL PROJECTS FUND RESOURCES

- **Net Working Capital:** This is the actual cash (working capital) available projected for July 1.
- **Meter Sales:** This amount represents the system development charge (SDC) portion of new connections and is based on the estimated sale of 15 meter services for 2018-19. The charge for a 5/8 x 3/4" meter service will increase July 1, 2018, from \$3,982 to \$5,021, a \$500 portion of which is deposited into the General Fund to cover the cost of installation, with the remaining \$4,521 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:** The Oregon LGIP is currently paying 2.1% interest. The reserve for capital projects improvements is currently \$1,065,000 and the reserve for debt service is \$571,081.
- **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			RESOURCE DESCRIPTION	2018-19 BUDGET		
Second Actual Preceding 2015-16	First Actual Preceding 2016-17	ADOPTED BUDGET 2017-18		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
1,306,320	1,402,708	1,500,000	1 Net Working Capital (Modified Accrual Basis)	1,700,000		
			2			
			3			
			4			
			5 OTHER RESOURCES			
20,892	53,971	69,000	6 Meter Sales (SDC Portion)	67,000		
1,969	2,133	18,000	7 Interest	20,000		
			8 Transferred from Other Funds			
200,000	150,000	200,000	9 General Fund (from quarterly transfer)	200,000		
440,000	440,000	400,000	10 General Fund for Loan Payment (from rates)	400,000		
			- 11 Reimbursement	-		
			- 12 Loan Proceeds: Plant Upgrade	-		
-	-	-	- 13 Miscellaneous Income	-		
	4,970,000		14 Loan Refunding Proceeds			
			15			
			16			
			17			
			18			
			19			
			20			
1,969,181	7,018,812	2,187,000	21 SUBTOTAL RESOURCES	2,387,000		
			22 Taxes Necessary to Balance Budget	-		
			23 Taxes Collected in Year Levied	-		
1,969,181	7,018,812	2,187,000	24 TOTAL RESOURCES	2,387,000		

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.

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: There is no planned capital improvement or maintenance to the reservoirs.

Treatment Plant Upgrade: The backwash system of the water treatment plant will undergo a piping upgrade near the end of the 2017-18 year. Should the project completion date fall in the 2018-19 fiscal year, we have budgeted for the project costs again.

Loan Payment - Plant Upgrade: The treatment plant upgrade refunding note is held by JP Morgan Chase and has a maturity date of December 2031. Interest at 2.53% is paid semi-annually and principal payments are made annually. Debt service payments for 2018-19 total \$399,926, of which \$285,000 is allocated to principal and the remainder to interest.

CAPITAL PROJECTS FUND EXPENDITURES - FORM LB-31

ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			2018-19 BUDGET			
Second Actual Preceding 2015-16	First Actual Preceding 2016-17	ADOPTED BUDGET 2017-18	EXPENDITURE DESCRIPTION	Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	APPROVED BY BOARD
127,021	-	300,000	1 Capital Outlay	1,700,000		
-	-	175,000	2 Line Replacement	300,000		
-	-	2,000	3 Plant Improvements	175,000		
-	-	300,000	4 Miscellaneous	2,000		
-	-	2,000	5 For Future Requirements	300,000		
-	-	80,000	6 Water Rights Acquisition	2,000		
-	3,302	-	7 Reservoir Improvement & Maintenance	-		
-	-	407,136	8 Treatment Plant Upgrade	80,000		
439,452	5,401,464	407,136	9 Debt Service			
-	42,300	-	10 Loan Payment - Plant Upgrade	399,926		
		-	11 Debt Issuance Costs	-		
		-	12			
566,473	5,447,066	1,266,136	13 SUBTOTAL EXPENDITURES	1,258,926		
1,402,708	1,571,746	920,864	14 Unappropriated Funds Balance	1,128,074		
1,969,181	7,018,812	2,187,000	15 TOTAL CAPITAL EXPENDITURES	2,387,000		

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