

OCEANSIDE WATER DISTRICT

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OCEANSIDE WATER DISTRICT

FISCAL YEAR 2024-2025

BUDGET COMMITTEE MEETING AGENDA

TUESDAY, MAY 21, 2024, AT 1:00 P.M.

BARBARA BENNETT COMMUNITY CENTER

1. Call the meeting to order.
2. Self-Introduction of Budget Committee Members.
3. Election of Budget Committee Chairperson.
4. Elect Budget Committee Secretary.
5. Review of Budget Message.
6. Review of “Proposed” Budget for Fiscal Year 2024-2025. Answer questions/concerns from Committee and/or public.
7. Approval of Fiscal Year 2024-2025 Proposed Budget.
8. Adjournment of Budget Committee Meeting.

2024 – 2025

BUDGET MESSAGE

Based on our projection for the year ending June 30, 2024, (Document A) we are projecting operating Income of \$118,382 after deducting Capital Reserve Income (SDC Fees) Of \$34,667. Our loan agreement with the Infrastructure Finance Authority of Oregon requires that we have sufficient operating income in an amount to cover our loan obligations of \$243,516, which leaves us with a shortfall of (\$125,178). Failure to comply with the loan terms could result in an increase in our interest rate from 1% to 3%. This would result in our annual interest expense going from \$51,165 to \$153,496.

To come into compliance, the budget calls for a rate increase across the board in an average amount of 14% or for a single-family home, an increase of \$10.00 per month.

Financial Highlights from the 2022-2023 Audit

- The District's total assets decreased by \$196,462 (or 2%) during the fiscal year that ended June 30, 2023, principally due to depreciation of \$278,234.
- The District's total net position decreased by \$4,422 in 2022-23.
- Operating revenues increased by \$13,830 (or 2%) in 2022-23, from the previous year.
- Operating expenses increased by \$90,119 (or 21%) in 2022-23, from the previous year.
- For the past several years, management has been tracking General Fund Income and Expenses, as well as its other funds, to make sure that there is sufficient revenue after expenses to cover our annual debt service. Since depreciation is not an out-of-pocket expense, we exclude that in our calculation, interest income is also included, and interest expense is excluded as it is included in our annual payment of \$243,561. System Development Charges cannot be used to cover operating expenses, but they can be used to acquire capital assets, instead of using General Operating Funds, so they are included in our calculation.
- In 2019, the Adjusted Net Operating Income was \$233,653, and Debt Service Requirement was \$243,561, leaving a negative margin (\$9,908).
- For 2020, the Adjusted Net Operating Income was \$273,763, which was sufficient to cover the Annual Debt Service of \$243,562, leaving a margin of \$30,201. This margin

was the result of a water rate increase effective July 1, 2019, which added additional income of approximately \$50,000, annually.

- For 2021, the Adjusted Net Operating Income was \$279,402, which was sufficient to cover the Annual Debt Service of \$243,562, leaving a margin of \$35,841.
- For 2022, the Adjusted Net Operating Income was \$263,817, which was sufficient to cover the Annual Debt Service of \$243,516, leaving a margin of \$20,361.
- For 2023, the Adjusted Net Operating Income was \$170,907, which is not sufficient to cover the Annual Debt Service of \$243,516, leaving a shortfall of (\$72,609).
- Projected for 2024, Adjusted Net Operating Income was \$118,383, which is not sufficient to cover the Annual Debt Service of \$243,516, leaving a shortfall of (\$125,178). So, a rate increase will be required to bring us into compliance with our loan agreement effective July 1, 2024.
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Summary of Funds on Hand as of April 30, 2023, & 2024

<u>Unrestricted Funds</u>	<u>April 30, 2024,</u>	<u>April 30, 2023</u>	
General Fund	\$140,857	\$249,400	For Operating Expenses
Membrane Replacement	\$72,190	\$59,088	For Water Treatment Repairs
Infrastructure	<u>\$91,242</u>	<u>\$108,490</u>	Infrastructure Repairs& Upgrades
Total Operating Funds	\$319,939	\$465,992	
 <u>Restricted Funds</u>			
Debt Service	\$314,230	\$342,971	Restricted to debt payments.
Capital Reserve	<u>\$280,829</u>	<u>\$213,606</u>	Can't be used for operating expenses.
Total Restricted Funds	\$595,070	\$468,250	
Total	\$916,061	\$973,55	

What this shows is that our General Fund Account, which is used to pay operating costs, has \$146,053, less than last year at the end of April. If we look back to April 30, 2021, General Fund had \$317,398, so the difference increases to \$81,244 over a 2-year span.

In the 24-25 budget, our proposed rate increase of 14% would add an additional \$105,492 to Operating Income. See Rate Chart.

RATE CHART

For a number of reasons which I have outlined, we are once again proposing a rate increase of 14% across the board, which for a single-family home amounts to an increase of \$10.00 per month.

We currently have 867 customers of which 777 are single-family homes and they make up 90% of our customer base.

Oceanside Water District Rate Chart

Rates 2019-2020			Overage Fees \$2.92 per 1000 gallons over allocation				
Rate Code	Annual Amount	Quarterly	Monthly	# of Account	Total	Gallons Per Qtr.	% Increase
100	\$ 780.00	\$ 195.00	\$ 65.00	754	\$588,120.00	\$ 15,000.00	8%
110	\$ 1,560.00	\$ 390.00	\$ 130.00	20	\$ 31,200.00	\$ 30,000.00	8%
120	\$ 2,340.00	\$ 585.00	\$ 195.00	3	\$ 7,020.00	\$ 45,000.00	8%
130	\$ 1,824.00	\$ 456.00	\$ 152.00	1	\$ 1,824.00	\$ 35,000.00	9%
135	\$ 3,120.00	\$ 780.00	\$ 260.00	1	\$ 3,120.00	\$ 60,000.00	8%
140	\$ 1,296.00	\$ 324.00	\$ 108.00	1	\$ 1,296.00	\$ 25,000.00	8%
150	\$ 9,096.00	\$ 2,274.00	\$ 758.00	0	\$ -	\$ 175,000.00	8%
160	\$ 6,504.00	\$ 1,626.00	\$ 542.00	1	\$ 6,504.00	\$ 125,000.00	8%
170	\$ 5,460.00	\$ 1,365.00	\$ 455.00	1	\$ 5,460.00	\$ 105,000.00	8%
180	\$ 8,580.00	\$ 2,145.00	\$ 715.00	1	\$ 8,580.00	\$ 165,000.00	8%
190	\$ 3,900.00	\$ 975.00	\$ 325.00	1	\$ 3,900.00	\$ 75,000.00	8%
210	\$ 3,636.00	\$ 909.00	\$ 303.00	1	\$ 3,636.00	\$ 70,000.00	8%
500	\$ 3,120.00	\$ 780.00	\$ 260.00	2	\$ 6,240.00	\$ 60,000.00	8%
			Total	787	\$666,900.00		

Rates 2020-2021			Overage Fees \$2.92 per 1000 gallons over allocation				
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.	% Increase
100	\$ 780.00	\$ 195.00	\$ 65.00	755	\$588,900.00	15,000.00	0.0%
110	\$ 1,560.00	\$ 390.00	\$ 130.00	20	\$ 31,200.00	30,000.00	0.0%
120	\$ 2,340.00	\$ 585.00	\$ 195.00	3	\$ 7,020.00	45,000.00	0.0%
130	\$ 1,824.00	\$ 456.00	\$ 152.00	1	\$ 1,824.00	35,000.00	0.0%
135	\$ 3,120.00	\$ 780.00	\$ 260.00	1	\$ 3,120.00	60,000.00	0.0%
140	\$ 1,296.00	\$ 324.00	\$ 108.00	1	\$ 1,296.00	25,000.00	0.0%
150	\$ 9,096.00	\$ 2,274.00	\$ 758.00	0	\$ -	175,000.00	0.0%
160	\$ 6,504.00	\$ 1,626.00	\$ 542.00	1	\$ 6,504.00	125,000.00	0.0%
170	\$ 5,460.00	\$ 1,365.00	\$ 455.00	1	\$ 5,460.00	105,000.00	0.0%
180	\$ 8,580.00	\$ 2,145.00	\$ 715.00	1	\$ 8,580.00	165,000.00	0.0%
190	\$ 3,900.00	\$ 975.00	\$ 325.00	1	\$ 3,900.00	75,000.00	0.0%
210	\$ 3,636.00	\$ 909.00	\$ 303.00	1	\$ 3,636.00	70,000.00	0.0%
500	\$ 3,120.00	\$ 780.00	\$ 260.00	2	\$ 6,240.00	60,000.00	0.0%
			Total	788	\$667,680.00		

Rates 2021-2022			Overage Fees \$2.92 per 1000 gallons over allocation				
Rate Code	Annual Amount	Quarterly	Monthly	# of Account	Total	Gallons Per Qtr.	% Increase
100	\$ 780.00	\$ 195.00	\$ 65.00	757	\$590,460.00	15,000.00	0.0%
110	\$ 1,560.00	\$ 390.00	\$ 130.00	20	\$ 31,200.00	30,000.00	0.0%
120	\$ 2,340.00	\$ 585.00	\$ 195.00	3	\$ 7,020.00	45,000.00	0.0%
130	\$ 1,824.00	\$ 456.00	\$ 152.00	1	\$ 1,824.00	35,000.00	0.0%
135	\$ 3,120.00	\$ 780.00	\$ 260.00	1	\$ 3,120.00	60,000.00	0.0%
140	\$ 1,296.00	\$ 324.00	\$ 108.00	1	\$ 1,296.00	25,000.00	0.0%
150	\$ 9,096.00	\$ 2,274.00	\$ 758.00	0	\$ -	175,000.00	0.0%
160	\$ 6,504.00	\$ 1,626.00	\$ 542.00	1	\$ 6,504.00	125,000.00	0.0%
170	\$ 5,460.00	\$ 1,365.00	\$ 455.00	1	\$ 5,460.00	105,000.00	0.0%
180	\$ 8,580.00	\$ 2,145.00	\$ 715.00	1	\$ 8,580.00	165,000.00	0.0%
190	\$ 3,900.00	\$ 975.00	\$ 325.00	1	\$ 3,900.00	75,000.00	0.0%
210	\$ 3,636.00	\$ 909.00	\$ 303.00	1	\$ 3,636.00	70,000.00	0.0%
500	\$ 3,120.00	\$ 780.00	\$ 260.00	2	\$ 6,240.00	60,000.00	0.0%
			Total	790	\$669,240.00		

Rates 2022-2023			Overage Fees \$2.92 per 1000 gallons over allocation				
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.	% Increase
100	\$ 780.00	\$ 195.00	\$ 65.00	766	\$597,480.00	15,000.00	0.0%
110	\$ 1,560.00	\$ 390.00	\$ 130.00	20	\$ 31,200.00	30,000.00	0.0%
120	\$ 2,340.00	\$ 585.00	\$ 195.00	3	\$ 7,020.00	45,000.00	0.0%
130	\$ 1,824.00	\$ 456.00	\$ 152.00	1	\$ 1,824.00	35,000.00	0.0%
135	\$ 3,120.00	\$ 780.00	\$ 260.00	1	\$ 3,120.00	60,000.00	0.0%
140	\$ 1,296.00	\$ 324.00	\$ 108.00	1	\$ 1,296.00	25,000.00	0.0%
150	\$ 9,096.00	\$ 2,274.00	\$ 758.00	0	\$ -	175,000.00	0.0%
160	\$ 6,504.00	\$ 1,626.00	\$ 542.00	1	\$ 6,504.00	125,000.00	0.0%
170	\$ 5,460.00	\$ 1,365.00	\$ 455.00	1	\$ 5,460.00	105,000.00	0.0%
180	\$ 8,580.00	\$ 2,145.00	\$ 715.00	1	\$ 8,580.00	165,000.00	0.0%
190	\$ 3,900.00	\$ 975.00	\$ 325.00	1	\$ 3,900.00	75,000.00	0.0%
210	\$ 3,636.00	\$ 909.00	\$ 303.00	1	\$ 3,636.00	70,000.00	0.0%
500	\$ 3,120.00	\$ 780.00	\$ 260.00	2	\$ 6,240.00	60,000.00	0.0%
			Total	799	\$676,260.00		

Rates 2023-2024			Overage Fees \$3.15 per 1000 gallons over allocation				
Rate Code	Annual Amount	Quarterly	Monthly	# of Account	Total	Gallons Per Qtr.	% Increase
100	\$ 840.00	\$ 210.00	\$ 70.00	777	\$652,680.00	15,000.00	7.7%
110	\$ 1,680.00	\$ 420.00	\$ 140.00	21	\$ 35,280.00	30,000.00	7.7%
120	\$ 2,520.00	\$ 630.00	\$ 210.00	3	\$ 7,560.00	45,000.00	7.7%
130	\$ 1,968.00	\$ 492.00	\$ 164.00	1	\$ 1,968.00	35,000.00	7.9%
135	\$ 3,360.00	\$ 840.00	\$ 280.00	1	\$ 3,360.00	60,000.00	7.7%
140	\$ 1,392.00	\$ 348.00	\$ 116.00	1	\$ 1,392.00	25,000.00	7.4%
150	\$ 9,792.00	\$ 2,448.00	\$ 816.00	0	\$ -	175,000.00	7.7%
160	\$ 7,008.00	\$ 1,752.00	\$ 584.00	1	\$ 7,008.00	125,000.00	7.7%
170	\$ 5,880.00	\$ 1,470.00	\$ 490.00	1	\$ 5,880.00	105,000.00	7.7%
180	\$ 9,240.00	\$ 2,310.00	\$ 770.00	1	\$ 9,240.00	165,000.00	7.7%
190	\$ 4,200.00	\$ 1,050.00	\$ 350.00	1	\$ 4,200.00	75,000.00	7.7%
210	\$ 3,912.00	\$ 978.00	\$ 326.00	1	\$ 3,912.00	70,000.00	7.6%
500	\$ 3,360.00	\$ 840.00	\$ 280.00	2	\$ 6,720.00	60,000.00	7.7%
			Total	811	\$739,200.00		

\$10.00 per month increase

Rates 2024-2025			Overage Fees \$3.15 per 1000 gallons over allocation				
Rate Code	Annual Amount	Quarterly	Monthly	# of Accounts	Total	Gallons Per Qtr.	% Increase
100	\$ 960.00	\$ 240.00	\$ 80.00	777	\$745,920.00	15,000.00	14.0%
110	\$ 1,920.00	\$ 480.00	\$ 160.00	21	\$ 40,219.20	30,000.00	14.0%
120	\$ 2,880.00	\$ 720.00	\$ 240.00	3	\$ 8,618.40	45,000.00	14.0%
130	\$ 2,244.00	\$ 561.00	\$ 187.00	1	\$ 2,243.52	35,000.00	14.0%
135	\$ 3,828.00	\$ 957.00	\$ 319.00	1	\$ 3,830.40	60,000.00	14.0%
140	\$ 1,596.00	\$ 399.00	\$ 133.00	1	\$ 1,586.88	25,000.00	14.0%
150	\$ 11,172.00	\$ 2,793.00	\$ 931.00	0	\$ -	175,000.00	14.0%
160	\$ 7,992.00	\$ 1,998.00	\$ 666.00	1	\$ 7,989.12	125,000.00	14.0%
170	\$ 6,708.00	\$ 1,677.00	\$ 559.00	1	\$ 6,703.20	105,000.00	14.0%
180	\$ 10,536.00	\$ 2,634.00	\$ 878.00	1	\$ 10,533.60	165,000.00	14.0%
190	\$ 4,788.00	\$ 1,197.00	\$ 399.00	1	\$ 4,788.00	75,000.00	14.0%
210	\$ 4,464.00	\$ 1,116.00	\$ 372.00	1	\$ 4,459.68	70,000.00	14.0%
500	\$ 3,828.00	\$ 957.00	\$ 319.00	2	\$ 7,660.80	60,000.00	14.0%
			Total	811	\$844,552.80		

OCEANSIDE WATER DISTRICT

DOCUMENT A

PROJECTED PROFIT AND LOSS

July 2023 – June 2024

Document A is an internal Profit & Loss statement for the 12 months ending June 30, 2024. The 4th Quarter is projected based on the 3rd Quarter, with some adjustments.

In document A, we are projecting an operating loss for the current year ending June 30, 2024, of (\$87,678) line 105, after covering debt service, of \$243,561 (line 104), but that doesn't include Capital Reserve income of \$34,667, line 102, that cannot be used to cover overhead expenses. Capital Reserve can only be used to purchase Capital Assets.

For the year ending June 2024, Personal Services (line 44) is up by about \$76,994, or about 25% over the previous year. principally due to inflation.

As to Materials and Services, for the fiscal year ending June 2024, we are projecting an increase over the previous year of \$121,756, line 98. This is a 43% increase over the previous year.

In total, our operating expenses are up 25.21% over the previous year.

Oceanside Water District

Profit and Loss

July 1, 2023 - March 31, 2024, Actual, April 1, 2024 to June 30, 2024 Projected

	Jul - Sep, 2023	Oct - Dec, 2023	Jan - Mar, 2024	Apr - June 2024 Projected	Total
Income					
1-4000 General Fund Income					
1-4003 Water Service	149,668.39	110,096.11	152,393.76	152,393.76	564,552.02
1-4004 Labor & Materials	1,880.38	1,527.00	1,527.00	1,527.00	6,461.38
1-4005 Miscellaneous Income, New Account Fees	1,222.00	350.00	490.00	490.00	2,552.00
1-4006 Water Overages	1,946.46	6,705.56	3,205.12	3,205.12	15,062.26
1-4007 General Fund LGIP Interest Income	1,049.78	1,292.54	802.12	802.12	3,946.56
1-4008 Customer Related Late Fees, Interest & Penalties	589.30	731.03	495.49	495.49	2,311.31
Total 1-4000 General Fund Income	\$ 156,356.31	\$ 120,702.24	\$ 158,913.49	\$ 158,913.49	\$ 594,885.53
3-4000 Capital Reserve Fund					
3-4006 System Development Charges	25,301.00	0.00	0.00	8,799.00	34,100.00
3-4007 Capital Reserve Fund Interest	2,351.81	3,040.65	1,986.95	1,986.95	9,366.36
Total 3-4000 Capital Reserve Fund	\$ 27,652.81	\$ 3,040.65	\$ 1,986.95	\$ 10,785.95	\$ 43,466.36
4-4000 Debt Service Fund					
4-4003 Debt Service Fund Income	60,891.00	60,891.00	40,594.00	40,594.00	202,970.00
4-4007 Interest Income	4,069.42	2,791.91	1,312.09	1,312.09	9,485.51
Total 4-4000 Debt Service Fund	\$ 64,960.42	\$ 63,682.91	\$ 41,906.09	\$ 41,906.09	\$ 212,455.51
6-4000 Membrane Replacement Fund					
6-4003 Membrane Replacement Fund	2,550.00	2,550.00	2,550.00	2,550.00	10,200.00
6-4007 Interest Income	601.87	859.15	553.69	553.69	2,568.40
Total 6-4000 Membrane Replacement Fund	\$ 3,151.87	\$ 3,409.15	\$ 3,103.69	\$ 3,103.69	\$ 12,768.40
9-4000 Future Plant Replacement Fund					
9-4007 Interest	1,142.66	1,473.71	834.33	834.33	4,285.03
Total 9-4000 Future Plant Replacement Fund	\$ 1,142.66	\$ 1,473.71	\$ 834.33	\$ 834.33	\$ 4,285.03
Total Income	\$ 253,264.07	\$ 192,308.66	\$ 206,744.55	\$ 215,543.55	\$ 867,860.83
Gross Profit	\$ 253,264.07	\$ 192,308.66	\$ 206,744.55	\$ 215,543.55	\$ 867,860.83
Expenses					
1-5000 General Fund Expenses					
1-5100 Personal Services					
5102 District Manager	11,329.27	11,477.37	11,436.23	11,436.23	45,679.10
5103 Plant Operator WN	12,029.00	11,960.00	11,661.00	11,661.00	47,311.00
5104 Office Manager	11,571.00	10,354.00	10,416.00	10,416.00	42,757.00
5107 Plant Manager CA	18,616.00	16,182.00	16,120.00	16,120.00	67,038.00
5108 Plant Operator Trainee PW	10,293.14	10,042.56	10,042.56	10,042.56	40,420.82
5109 Payroll Taxes	5,352.89	4,905.58	5,122.59	5,122.59	20,503.65
5111-2 SDIS Medical Coverage	18,544.35	19,864.53	20,524.62	20,524.62	79,458.12
5113 Workmen's Compensation Insurance	0.00	-703.39	0.00	0.00	-703.39
5115 Deferred Compensation	7,360.60	6,901.91	6,861.09	6,861.09	27,984.69
Total 1-5100 Personal Services	\$ 95,096.25	\$ 90,984.56	\$ 92,184.09	\$ 92,184.09	\$ 370,448.99

1-5200 Materials & Services					
5203 Commissioner's Expense	0.00	596.43	252.90	200.00	1,049.33
5210 Office Expense					
5210-1 Office Supplies	1,030.17	329.34	1,740.00	1,750.00	4,849.51
5210-10 Internet Security Expense	12,171.62	17,027.06	8,842.50	9,000.00	47,041.18
5210-2 Bank Fees	649.97	353.95	605.64	605.64	2,215.20
5210-3 Billing Software	683.98	705.82	695.82	695.82	2,781.44
5210-4 Accounting Software	627.08	1,068.54	808.89	808.89	3,313.40
5210-5 Office fixtures & Equipment	0.00	207.20	985.00	985.00	2,177.20
5210-6 Legal Notices	206.15	158.10	162.75	162.75	689.75
5210-7 Travel	0.00	0.00	227.94	227.94	455.88
Total 5210 Office Expense	\$ 15,368.97	\$ 19,850.01	\$ 14,068.54	\$ 14,236.04	\$ 63,523.56
5221 Postage	418.71	703.04	727.27	750.00	2,599.02
5223 Elections & Publications	121.13	0.00	0.00	200.00	321.13
5224 Dues & Memberships	0.00	1,896.55	412.00	500.00	2,808.55
5225 General Liability / Property Insurance	0.00	-149.00	24,841.00	0.00	24,692.00
5226 Bond Insurance	164.00	0.00	0.00	0.00	164.00
5227 Professional Fees					
5227-2 Audit & Filing Fees	12,460.00	0.00	6,440.00	0.00	18,900.00
Total 5227 Professional Fees	\$ 12,460.00	\$ 0.00	\$ 6,440.00	\$ 0.00	\$ 18,900.00
5230 Training / School (Employees / Board Members)	91.42	140.00	3,701.58	1,300.00	5,233.00
5240 Repair & Maintenance System					
5240-1 System R & M OWD	6,681.00	3,534.19	21,563.00	11,000.00	42,778.19
5240-2 System R & M Cape Meares	2,190.66	16.60	2.10	10,000.00	12,209.36
Total 5240 Repair & Maintenance System	\$ 8,871.66	\$ 3,550.79	\$ 21,565.10	\$ 21,000.00	\$ 54,987.55
5241 Repair & Maintenance Plant					
5241-1 Plant R & M OWD	6,461.22	5,749.05	6,204.09	6,000.00	24,414.36
5241-2 R & M Plant Cape Meares	3,476.06	6,833.09	8,848.00	7,000.00	26,157.15
Total 5241 Repair & Maintenance Plant	\$ 9,937.28	\$ 12,582.14	\$ 15,052.09	\$ 13,000.00	\$ 50,571.51
5242 Plant Supplies		27.08	428.46	250.00	705.54
5243 Chemicals					
5243-1 Chemicals Oceanside	3,081.62	3,993.11	3,183.09	3,183.09	13,440.91
5243-2 Chemicals Cape Meares	3,081.60	3,748.20	3,183.07	3,183.07	13,195.94
Total 5243 Chemicals	\$ 6,163.22	\$ 7,741.31	\$ 6,366.16	\$ 6,366.16	\$ 26,636.85
5245 Water Testing					
5245-2 Water Testing OWD		915.00	530.00	600.00	2,045.00
5245-3 Water Testing Cape Meares		915.00	530.00	600.00	2,045.00
Total 5245 Water Testing	\$ 0.00	\$ 1,830.00	\$ 1,060.00	\$ 1,200.00	\$ 4,090.00
5246 Small Tools	1,923.57	3,076.35	0.00	1,250.00	6,249.92
5247 Boots, Safety Ware, Uniforms	996.44	196.59	0.00	1,000.00	2,193.03
5251 Telephone / Cellphone /Internet	2,528.00	3,011.61	2,661.19	2,661.19	10,861.99
5252 Electricity					
5252-1 Electricity OWD	2,977.46	2,516.79	2,252.15	2,252.15	9,998.55
5252-2 Electricity Cape Meares	535.82	927.69	1,242.41	1,242.41	3,948.33
Total 5252 Electricity	\$ 3,513.28	\$ 3,444.48	\$ 3,494.56	\$ 3,494.56	\$ 13,946.88
5254 Generator Repair & Maintenance					
5254-1 Fuel		-86.63	562.13		475.50
5254-2 Generator Service & Repair		182.02			182.02
Total 5254 Generator Repair & Maintenance	\$ 0.00	\$ 95.39	\$ 562.13	\$ 0.00	\$ 657.52
5260 Vehicle Repair & Maintenance					
5260-1 Fuel	1,271.41	1,696.59	1,022.24	1,271.41	5,261.65
5260-2 Vehicle Service & Repairs	552.97	56.79		2,000.00	2,609.76
Total 5260 Vehicle Repair & Maintenance	\$ 1,824.38	\$ 1,753.38	\$ 1,022.24	\$ 3,271.41	\$ 7,871.41
Total 1-5200 Materials & Services	\$ 64,382.06	\$ 60,346.15	\$ 102,655.22	\$ 70,679.36	\$ 298,062.79
Total 1-5000 General Fund Expenses	\$ 159,478.31	\$ 151,330.71	\$ 194,839.31	\$ 162,863.45	\$ 668,511.78
Total Expenses	\$ 159,478.31	\$ 151,330.71	\$ 194,839.31	\$ 162,863.45	\$ 668,511.78
Net Operating Income	\$ 93,785.76	\$ 40,977.95	\$ 11,905.24	\$ 52,680.10	\$ 199,349.05
Less Capital Reserve Income	\$ 27,652.81	\$ 3,040.65	\$ 1,986.95	\$ 10,785.95	\$ 43,466.36
Net Income	\$ 66,132.95	\$ 37,937.30	\$ 9,918.29	\$ 41,894.15	\$ 155,882.69
					\$ 243,561.00
					\$ (87,678.31)

OVERHEAD STUDY WITH COMPARISONS

Document B is a 2-year summary of key operating figures for the years ending June 2022 and 2023, lines 5 – 15, for Oceanside Water District

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

Using financial information on file with the Secretary of State and in the case of Arch Cape, their website, I have ranked ourselves in comparison to the 4 water districts listed above, to compare Salaries and Benefits, Materials and Services, Total Operating Expenses, and Net Operating Profit for the year ending June 2023.

Line 36, column B, shows that for Salaries and Benefits, we are ranked the lowest at 42.96% of Income with Neskowin being the highest at 68.5%.

As for Materials & Services, columns D & E, line 36, we are ranked 2nd at 33.44% with Neskowin the lowest at 20.8%.

In the case of Total Operating Expenses, we are ranked lowest at 76.3% just below Netarts at 89.3%, columns G & H, lines 31 – 36, and finally, for Net Operating Profit we are also ranked the lowest at 23.7%, just behind Neskowin at 10.7%, columns J & K, lines 31 – 36.

Columns F & G, line 14 shows the amount of the monthly water service payment that goes to service debt, about 33.8%. So, for example, \$23.70 of the \$80 monthly water rate goes to debt service.

		Operating Overhead Study 2023									
Overhead Study											
Income and Expense											
Oceanside Water District		2021			2022			2023			
Income	Annually	Monthly Dwelling Units	%	Annually	Monthly Per Dwelling Units	%	Annually	Monthly Dwelling Units	%		
Water Sales	\$ 686,087	\$ 66.71	98.55%	\$ 694,675	\$ 67.55	98.19%	\$ 701,735	\$ 68.24	97.31%		
Fees, Labor, Interest (excludes Capital Reserve Income)	\$ 10,086	\$ 0.98	1.45%	\$ 12,805	\$ 1.25	1.81%	\$ 19,364	\$ 1.88	2.69%		
Total Income	\$ 696,173	\$ 67.69	100.00%	\$ 707,480	\$ 68.79	100.00%	\$ 721,099	\$ 70.12	100.00%		
Operating Expenses											
Salaries & Benefits	\$ 280,890	\$ 27.31	40.35%	\$ 282,394	\$ 27.46	39.92%	\$ 309,764	\$ 30.12	42.96%		
Materials & Services	\$ 135,881	\$ 13.21	19.52%	\$ 163,807	\$ 15.93	23.15%	\$ 240,428	\$ 23.38	33.34%		
Total Operating Expenses	\$ 416,771	\$ 40.53	59.87%	\$ 446,201	\$ 43.39	63.07%	\$ 550,192	\$ 53.50	76.30%		
Net Operating Profit	\$ 279,402	\$ 27.17	40.13%	\$ 261,279	\$ 25.41	36.93%	\$ 170,907	\$ 16.62	23.70%		
Debt Service	\$ 243,561	\$ 23.68	34.99%	\$ 243,764	\$ 23.70	34.46%	\$ 243,764	\$ 23.70	33.80%		
Remaining Operating Income	\$ 35,841	\$ 3.49	5.15%	\$ 17,515	\$ 1.70	2.48%	\$ (72,857)	\$ (7.08)	-10.10%		
Water District Comparisons											
	Netarts Water 2023	%	Neskowin Water 2023	%	Arch Cape Water 2023	%	Fairview Water District 2023 Budget	%	Oceanside 2023	%	
Water Sales	\$ 696,532	99.19%	\$ 537,047	88.61%	\$ 344,817	96.25%	\$ 510,000	99.13%	\$ 701,735	97.31%	
Fees, Labor, Interest, Property Taxes	\$ 5,675	0.81%	\$ 69,012	11.39%	\$ 13,440	3.75%	\$ 4,500	0.87%	\$ 19,364	2.69%	
Total Income	\$ 702,207	100.00%	\$ 606,059	100.00%	\$ 358,257	100.00%	\$ 514,500	100.00%	\$ 721,099	100.00%	
Operating Expenses											
Salaries & Benefits	\$ 435,824	62.06%	\$ 415,175	68.50%	\$ 208,319	58.15%	\$ 275,500	53.55%	\$ 309,764	42.96%	
Materials & Services	\$ 239,518	34.11%	\$ 126,045	20.80%	\$ 164,268	45.85%	\$ 197,450	38.38%	\$ 240,428	33.34%	
Total Operating Expenses	\$ 675,342	96.17%	\$ 541,220	89.30%	\$ 372,587	104.00%	\$ 472,950	91.92%	\$ 550,192	76.30%	
Net Operating Profit	\$ 26,865	3.83%	\$ 64,839	10.70%	\$ (14,330)	-4.00%	\$ 41,550	8.08%	\$ 170,907	23.70%	
Debt Service Due In 1 Year	\$ -	0.00%	\$ 74,135	12.23%	\$ 20,772	5.80%			\$ 243,764	33.80%	
Remaining Operating Income	\$ 26,865	3.83%	\$ (9,296)	-1.53%	\$ (35,102)	-9.80%			\$ (72,857)	-10.10%	
Water Rate Per Qtr., 15,000 gallons	\$ 167		\$ 186		\$ 184		\$154 Avg		\$ 195		
SDC Fee Income	\$ 162,910		\$ 147,907		\$ 11,726		\$ 3,562		\$ 117,208		
Number of Water Hook Ups	1060		744		295		781		799		
2023 RANKING	Salaries & Benefits			Materials & Services			Total Operating Expense			Net Operating Profit Before Debt	
	Neskowin	68.50%		Arch Cape	45.85%		Arch Cape	104.00%		Arch Cape	-4.00%
	Netarts Water	62.06%		Fairview Water	38.38%		Netarts	96.17%		Netarts	3.83%
	Arch Cape	58.15%		Netarts	34.11%		Fairview Water	91.92%		Fairview Water	8.08%
	Fairview Water	53.55%		Oceanside	33.44%		Neskowin.	89.30%		Neskowin.	10.70%
	Oceanside	42.96%		Neskowin.	20.80%		Oceanside	76.30%		Oceanside	23.70%

BUDGET FORMS

General Fund Resources, Form #1

This form is a summary of historical and projected sources of income for the General Fund and includes an estimate of General Funds on hand as of July 1, 2024, plus interest and Operating Revenue for the year.

Total Operating Revenue, \$891,000, (line 14) is projected to be about 13% higher than last year's budget principally due to the rate increase and Other Labor and Materials, which comes from our June 2024 projection.

Form 1 also does not include Capital Reserve Fund income of \$34,667 (System Development Income and Interest) which can't be used to cover operating expenses and is reported on Form 6

GENERAL FUND

1

RESOURCES

FORM

LB-20

OCEANSIDE WATER DISTRICT

Historical Data			RESOURCE DESCRIPTION	OCEANSIDE WATER DISTRICT Budget for Next Year 2024-2025			
Actual		Adopted Budget This Year 2023 - 2024		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
Second Preceding year 2021-2022	First Preceding Year 2022-2023						
330,020	347,535	318,000		1 Available cash on hand* (cash basis)	200,000		
			2				2
			3				3
915	5,129	4,300	4 Interest, Late Fees & Penalties	6,000			4
			5 Transferred IN, from other funds				5
			6 Operating Revenue				6
694,675	701,735	739,200	7 Water Service (With 14% Rate Increase)	850,000			7
3,950		4,648	8 Miscellaneous Income	5,000			8
7,940	14,235	14,400	9 Labor & Materials	15,000			9
0		9,600	10 Water Overages	15,000			10
			11				11
			12				12
			13				13
707,480	721,099	772,148	14 Total Operating Revenue	891,000	-	-	14
			15				15
			16				16
			17				17
			18				18
			19				19
			20				20
			21				21
			22				22
			23				23
			24				24
			25				25
			26				26
			27				27
			28				28
1,037,500	1,068,634	1,090,148	29 Total Resources	1,091,000	-	-	29
		-	30				30
			31				31
1,037,500	1,068,634	1,090,148	32 TOTAL RESOURCES	1,091,000	-	-	32

REQUIREMENTS SUMMARY

Form #2

This chart shows the projected demands on Operating Revenue and Cash on Hand as detailed on Chart 1 and carried over to Chart 2 on line 35.

Personal Services:	Line 3	\$455,700
Materials and Services:	Line 8	\$383,500
General Operating Contingencies:	Line 12	\$30,000
General Fund Capital Outlay:	Line 16	\$0
Interfund Transfers:	Line 27	\$370,200

Of Interfund Transfers in the amount of \$370,200, only Debt Service in the amount of \$243,561, Lines 23-24, are fixed, all the other transfers are done as needed, we can transfer less but never more.

FORM
LB-30

REQUIREMENTS SUMMARY

2

OCEANSIDE WATER DISTRICT

Historical Data			REQUIREMENTS DESCRIPTION	Budget for Next Year 2024-2025					
Actual		Adopted Budget This Year 2023 - 2024		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body			
Second Preceding year 2021-2022	First Preceding Year 2022-2023								
			PERSONNEL SERVICES						
1			1			1			
2			2			2			
3	282,394	309,764	453,500	3	TOTAL PERSONNEL SERVICES	455,700	0	0	3
4	3	4	5.0	4	Total Full-Time Equivalent (FTE)	6.0	6.0	6.0	4
			MATERIALS AND SERVICES						
5			5						5
6			6						6
7			7						7
8	163,807	240,428	289,250	8	TOTAL MATERIALS AND SERVICES	383,500	0	0	8
			General Operating Contingencies						
10	0	0	30,000	10	To be allocated as needed between the Personal Services	30,000	0		10
11	0	0		11	and the Materials & Services accounts				11
12	0	0	30,000	12	Total Contingencies	30,000	0	0	12
			CAPITAL OUTLAY GENERAL FUND						
14			14						14
15	0	0	30,000	15	Capital Outlay General Fund	0	0	0	15
16	0	0	30,000	16	TOTAL CAPITAL OUTLAY	0	0	0	16
			INTERFUND TRANSFERS						
18			18		Transfer To				18
19			19		Infrastructure Upgrades, System replacement				19
20			100,000	20	And Water Source Development Fund	60,000	0		20
21	10,200	10,200	10,200	21	Membrane Module Replacement Fund	10,200	0		21
			Transfer to Debt Service Fund						
23	233,564	243,564		23	IFA Water Waste Water Loan \$35,871 a yr. beg 12/15				23
24			248,000	24	IFA Safe Drinking Water Loan \$207,690 a yr. beg 12/17	300,000			24
25	0	0		25		0	0		25
26			11,230	26	Transfer to other funds as needed	0			26
27	243,764	253,764	369,430	27	TOTAL INTERFUND TRANSFERS	370,200	0	0	27
29			29						29
30	689,965	803,956	1,172,180	30	REQUIREMENTS	1,239,400	0	0	30
31	347,535	264,678	-82,032	31	UNAPPROPRIATED ENDING FUND BALANCE	-148,400	0	0	31
32	1,037,500	1,068,634	1,090,148	32	TOTAL REQUIREMENTS	1,091,000	0	0	32
34			34		UNAPPROPRIATED ENDING FUND BALANCE				34
35	1,037,500	1,068,634	1,090,148	35	TOTAL RESOURCES	1,091,000	0	0	35

Capital Outlay & Contingencies

Form #3

General Operating Contingencies \$30,000 is shown on (line 23) and will be allocated as needed between Personal Services and Material & Services, but it cannot exceed 10% of the budget provision for that area. General Operating Contingencies have been in the Budget for close to 10 years and we have yet to use them.

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

Historical Data				EXPENDITURE DESCRIPTION	Budget for Next Year 2023-2024					
Actual		Adopted Budget This Year 2022 - 2023			Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body			
Second Preceding year 2020-2021	First Preceding Year 2021-2022									
1	0	0	30,000		1	Capital Outlay General Fund Account			0	1
2				2	To include but not limited to parts for customer hook ups			2		
3				3	and installation, office equipment, equipment involved			3		
4				4	in the treatment or transmission of water and any other			4		
5				5	capital assets required for the water district to function.			5		
6				6				6		
7				7				7		
8				8				8		
9	0	0	30,000	9	Total Capital Outlay		0	-	-	9
10				10					10	
11				11					11	
12				12					12	
13				13					13	
14				14					14	
15				15					15	
16				16					16	
17				17					17	
18				18					18	
19				19					19	
20				20					20	
21				21					21	
22				22	General Operating Contingencies				22	
23	0	0	30,000	23	To be allocated as needed between the Personal Services		30,000			23
24				24	and the Materials & Services accounts					24
25	0	0	30,000	25	Total Contingencies		30,000	-	-	25
26				26						26
27				27						27
28				28						28
29				29						29
30				30						30
31				31						31
32				32						32
33				33						33
34	0	0	60,000	34	Total		30,000	-	0	34

Personal Services

Form #4

We are proposing a Personal Services Budget of \$455,700, which is up from \$453,500 in the prior year's budget or 0.4%.

Per our policy, we provide medical and dental coverage (line 9) for our employees and their families, if any. We have also budgeted insurance coverage for an additional employee and any change in an employee's personal circumstance should the need arise. Medical and Dental coverage is contracted through Special Districts Insurance Services.

Workers Compensation Insurance, line 10, is also through SDIS and has a component that is hard to estimate due to the dividend which is based on the groups' loss ratio from prior years. For example, in July 2021, we paid \$13,732, and in September 2021, we received a dividend of \$8,766. In 2022, we paid \$15,562, and received a dividend of \$4,391, in March of 2023. We have budgeted \$14,000 for the 24-25 years.

The water district pays into a 457 Retirement Plan 12% of an employee's wages (line 11). The district has no unpaid obligation regarding this plan, unlike those Districts that participate in PERS. Our projected expense for the current year is about \$27,984, and we have \$34,000 in the budget for the coming year.

As explained earlier, in exhibit B, when compared to 4 other water districts, our Salaries and Benefits expense remains below the districts that we surveyed by some 7.5% to 15.4%.

**DETAILED REQUIREMENTS
PERSONNEL SERVICES**

4

**FORM
LB-31**

GENERAL FUND

OCEANSIDE WATER DISTRICT

OCEANSIDE WATER DISTRICT

Historical Data			REQUIREMENTS DESCRIPTION	Number of Employees	Budget for Next Year 2024-2025			
Actual		Adopted Budget This Year 2023 - 2024			Range*	Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body
Second Preceding year 2021-2022	First Preceding Year 2022-2023							
1			1 PERSONNEL SERVICES				1	
2	64,807	68,145	2 5102 District Mgr. (DN)	1	45,700		2	
3	29,045	0	3 5105 Plant Operator (JH)	0	0		3	
4	0	4462	4 5103 Plant Operator (WN)	1	52,000		4	
5	30,349	33,152	5 5104 Office Manager (JJ)	1	45,000		5	
6	48,779	61,555	6 5107 Senior Plant Operator (CA)	1	74,000		6	
7	13568	36,956	7 5108 Plant Operator Trainee (PW)	1	45,000		7	
8	15,952	17,090	8 5109 Payroll Tax & Unemployment Tax		23,000		8	
9	53,442	61,701	9 5111 Employee/Family Medical Insurance		96,000		9	
10	4,967	3,391	10 5113 Workmen's Compensation		14,000		10	
11	21,486	23,312	11 5115 Deferred Compensation		32,000		11	
12	0	0	12 5112 Vacation & Comp Time Estimated Accrual		8,000		12	
13			13 5116 Office Clerk	1	15,000		13	
14			14 Employee Incentives		6,000		14	
15			15				15	
16			16				16	
17			17				17	
18			18				18	
19			19				19	
20			20				20	
21			21				21	
22			22				22	
23			23				23	
24			24				24	
25			25				25	
26			26				26	
27			27				27	
28			28				28	
29			29				29	
30			30				30	
31			31				31	
32	282,394	309,764	32 TOTAL PERSONNEL SERVICES		455,700	0	0 32	
33			33				33	

Materials and Services

Form #5

We are budgeting a 12% increase over the current year's budget in this area and based on our projection, this increase is largely centered in the following areas:

Office Expense, (line 5) ended June 2023 at \$68,869, we are projecting June 2024 at \$63,524, and we have budgeted \$70,000, up from last year's budget of \$40,000. This increase is largely due to increasing our internet security hardware, software, and monitoring, which is now required by state and federal agencies.

General Liability Insurance, (line 9) ended June 2023, at \$20,403, we budget \$22,000, for 2023-2024 and are budgeting \$30,000, for 2024-2025. Our insurance carrier is projecting a 18-22% increase in rates for our general liability insurance.

Professional Services, (line 10), includes accountants, attorneys, and engineers, and we ended the 2022-2023 year at \$18,251, and projected ending 2023-2024 year at \$18,900, and have budgeted \$50,000, for the last 3 budget years.

Plant Supplies and chemicals (line 15) has seen a major increase in chemical costs. For the year ending June 2023, we expensed \$17,371 and we are projecting \$26,637 for the year ending June 2024, and are budgeting \$30,000, for 24-25.

DETAILED REQUIREMENTS

FORM

MATERIALS AND SERVICES

5

LB-31

GENERAL FUND

OCEANSIDE WATER DISTRICT

Historical Data				REQUIREMENTS DESCRIPTION	Budget for Next Year 2024-2025			
Actual		Adopted Budget This Year 2023 - 2024			Proposed by Budget Officer	Approved by Budget Committee	Adopted by Governing Body	
Second Preceding year 2021-2022	First Preceding Year 2022-2023							
1			1	MATERIALS & SERVICES				1
2		-	2		-			2
3		-	3		-			3
4	850	850	1,500	4 5119 Commissioner's Expense	1,500			4
5	28,963	68,869	40,000	5 5220 Office Expense	70,000			5
6	1,359	1,467	1,750	6 5221 Postage	3,000			6
7	100		1,500	7 5223 Elections & Publications	500			7
8	2,955	2,384	4,000	8 5224 Dues & Memberships	3,000			8
9	18,649	20,403	22,000	9 5225 General Liability / Property / Bond Insurance	30,000			9
10	17,292	18,251	50,000	10 Professional Services	50,000			10
11	1,438	627	3,000	11 5230 Training / School (Employees/Board Members)	6,000			11
12	1,675	7,779	8,000	12 5232 Misc. Exp., Water System Survey	8,000			12
13	0	1717	-	13 5233 Water Management Conservation Plan	0			13
14	40,286	60,191	60,000	14 Repair & Maintenance	100,000			14
15	8,511	17,371	22,000	15 Plant Supplies & Chemicals	30,000			15
16	2,804	6,396	10,000	16 5245 Water Studies & Testing	10,000			16
17	1,344	518	2,000	17 5246 Small Tools	10,000			17
18	9,258	9,776	12,000	18 5251 Telephone / Cellphones / Internet / Telemetry	12,000			18
19	13,664	13,239	17,000	19 5252 Electricity	15,000			19
20	7,652	8,939	10,000	20 5260 Vehicle Repair & Maintenance	10,000			20
21	0	0	10,000	21 5270 Renewal of Water Rights	10,000			21
22	191	-	500	22 5253 Trash Service / Porta Potty	500			22
23	4,905	231	10,000	23 5254-2 Generator Repair & Maintenance	10,000			23
24	1,911	1,420	4,000	24 5247 Boots, Safety Ware, Uniforms	4,000			24
25				25				25
26				26				26
27				27				27
28				28				28
29				29				29
30				30				30
31				31				31
32				32				32
33				33				33
34	163,807	240,428	289,250	34 TOTAL MATERIALS & SERVICES	383,500	-		0 34

Capital Reserve Fund

Form #6

This budget sheet shows that we project to have cash on hand, line 1, \$272,000 as of July 1, 2024. The source of capital for this account, line 6, comes mainly from System Development Fees, which is currently \$8,798 (for a ¾ inch residential single-family home) and we have projected receiving 4 SDC's in the coming budget year for a total of \$34,000.

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

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

FORM LB-11								# 6			
				RESERVE FUND				Year this reserve fund will be reviewed to be continued or abolished.			
This fund is authorized and established by resolution number				RESOURCES AND REQUIREMENTS				Date can not be more than 10 years after establishment.			
15-1 on March 17, 2015 for Capital Improvements, to include but not				OCEANSIDE WATER DISTRICT				Review Year: 2033			
limited to: System Improvement & Expansion; Vehicle purchases.				CAPITAL RESERVE FUND							
								OCEANSIDE WATER DISTRICT			
Historical Data				DESCRIPTION				Budget for Next Year 2024-2025			
Actual			Adopted Budget	RESOURCES AND REQUIREMENTS				Proposed By	Approved By	Adopted By	
Second Preceding year 2021-2022	First Preceding Year 2022-2023	This Year 2023 - 2024	This Year 2023 - 2024					Budget Officer	Budget Committee	Governing Body	
				RESOURCES							
1	91,623	119,350	213,000	1	Cash on hand			272,000			1
2				2							2
3				3							3
4	440	4,440	3,300	4	Interest			9,400			4
5				5							5
6	68,533	112,768	34,352	6	SYSTEM DEVELOPMENT CHARGES (SDC'S) \$8,798 SFR			34,000			6
7				7	as of April 1, 2024						7
8				8							8
9	160,596	236,558	250,652	9	Total Resources			315,400	0	0	9
10				10							10
11				11							11
12	160,596	236,558	250,652	12	TOTAL RESOURCES			315,400	0	0	12
13					REQUIREMENTS						13
14					FUTURE EXPENDITURES						14
15											15
16	41,246	14,869	250,652	16	Capital Outlay, including but not limited to vehicles, vac trailer,			315,400			16
17				17	Plant Sound Proofing, Water Source Development, Water Rights						17
18				18	Water Treatment Equipment and other Capital Asset Purchases						18
19				19							19
20				20							20
21				21							21
22				22							22
23				23							23
24				24							24
25				25							25
26	41,246	14,869	250,652	26	TOTAL EXPENSES			315,400	0	0	26
27				27							27
28											28
29	119,350	221,689	0	29	RESERVED FOR FUTURE EXPENDITURE			0	0	0	29
30	160,596	236,558	250,652	30	TOTAL REQUIREMENTS			315,400	0	0	30

Infrastructure Upgrades, System Replacement

And Water Source Development Fund

Form #7

This account has been used for our construction projects over the last 8 years and most recently distribution upgrades in both Cape Meares and Oceanside. The principal use of these funds now is to develop our water rights on Baughman Creek to have it as a backup source for Short Creek.

We are also planning several projects that are needed in our system. Last year the plant clear well level sensor failed and flooded the office building causing extensive damage. To prevent this from reoccurring, we are having an overflow bypass engineered and built that will divert the excess flow to our clear well drain line and away from the building.

Our main distribution line for Oceanside has three isolation valves that have failed in the open position. While this isn't an immediate threat to our distribution system, it has and will cause problems isolating leaks and repairing them. We are planning to replace these valves and install a pressure reducing valve (PRV) at the same time. The PRV will help reduce excessive pressure on Pacific street.

Due to new regulation parameters set upon us by the state, we are now in the process of upgrading our control systems and software for both plants. After Westech finishes the upgrades, TAG will be programming our computers to pull the new data from the system for our monthly reports.

We have also had three of our main distribution flow meters fail and are in the process of obtaining new meters for installation.

In the budget, we have allocated up to \$60,000 to be transferred into this account, should it be necessary.

FORM					RESERVE FUND		# 7				
LB-11					RESOURCES AND REQUIREMENTS		Year this reserve fund will be reviewed to be continued or abolished.				
This fund is authorized and established by resolution					OCEANSIDE WATER DISTRICT		Date can not be more than 10 years after establishment.				
19-02 on April 16, 2019 for the following specified purpose:					INFRASTRUCTURE UPGRADES, SYSTEM REPLACERMENT		Review Year: 2029				
For the purpose of Infrastructure Upgrades, System Replacement and Water Source Development					AND WATER SOURCE DEVELOPMENT FUND						
							OCEANSIDE WATER DISTRICT				
Historical Data							Budget for Next Year 2024-2025				
Actual		Adopted Budget		This Year		DESCRIPTION		Proposed By		Approved By	Adopted By
Second Preceding year	First Preceding	2023 - 2024	2023 - 2024	RESOURCES AND REQUIREMENTS		Budget Officer	Budget Committee	Governing Body			
2021-2022	Year 2022-2023										
					RESOURCES						
1	147,880	148,473	108,000	1	Cash on hand	91,000				1	
2				2	Working Capital (accrual basis)					2	
3				3	Reimbursements					3	
4	593	3,107	2,300	4	Interest	4,300				4	
5	0	0	60,000	5	Transferred IN, from other funds	60,000				5	
6			0	6	Additional Transfers as needed		0	0	0	6	
7	-	-		7						7	
8				8						8	
9				9						9	
10				10						10	
11				11						11	
12	148,473	151,580	170,300	12	TOTAL RESOURCES	155,300	0	0	0	12	
					13		13				
14	0	0	170,300	14	INFRASTRUCTURE UPGRADES, SYSTEM REPLACEMENT, WATER SOURCE DEVELOPMENT AND MAJOR REPAIRS, TO NAME JUST A FEW OF THIS FUNDS	155,300	0	0	0	14	
15			-	15						15	
16				16						16	
17				17						17	
18				18	If needed funds can be transferred to general account					18	
19				19						19	
20				20						20	
21				21						21	
22				22						22	
23				23						23	
24				24						24	
25	0	0	0	25	Transfer to Other Funds	0	0	0	0	25	
26				26						26	
27				27						27	
					28		28				
29	148,473	151,580	0	29	RESERVED FOR FUTURE EXPENDITURE	0	0	0	0	29	
30	148,473	151,580	170,300	30	TOTAL REQUIREMENTS	155,300	0	0	0	30	

Debt Service Fund

Form #8

We have been paying on the IFA Water Wastewater loan, line 14, for several years. This loan, in the original amount of \$790,000, along with a grant of \$125,000, was used to develop the Cape Meares Water Reservoir site location and the 220,000-gallon reservoir. The balance on the loan is currently \$465,190.

The IFA Safe Drinking Water Loan, line 15, in the original amount of \$5,360,000, along with a Forgiveness Loan in the amount of \$930,000, plus our matching funds of \$827,000, was used to upgrade the water treatment and distribution systems in both Oceanside and Cape Meares. This loan has a balance of \$4,074,137, and the \$930,000, has formerly been forgiven.

Our loan agreement with IFA requires that we maintain an operating profit of 1.2 times the annual payments, which are \$243,560 per year. This would require operating profits of approximately \$298,000. To waive this requirement, we need to maintain an amount equal to 1 annual payment in reserve in Debt Service Account. In addition, our Net Operating Income after the deduction of Capital Reserve Income must at least be equal to the annual loan payments of \$243,562. The current balance in this account is currently \$342,308, and we currently add to it \$20,297 each month. Our loan payments come due at the end of December each year.

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

FORM
LB-35

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

OCEANSIDE WATER DISTRICT

	Historical Data			DESCRIPTION OF RESOURCES AND REQUIREMENTS	Budget for Next Year 2024-2025			
	Actual		Adopted Budget This Year 2023 - 2024		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2021-2022	First Preceding Year 2022-2023						
				Resources				
1	226,227	218,063	383,000	1 Beginning Cash on Hand (Cash Basis)	398,000			1
2				2				2
3				3				3
4	1,787	7,747	5,600	4 Interest	10,000			4
5	233,564	243,564	243,562	5 Transferred from Other Funds	300,000			5
6				6				6
7	461,578	469,374	632,162	7 Total Resources	708,000	0	0	7
8				8				8
9				9				9
10	461,578	469,374	632,162	10 TOTAL RESOURCES	708,000	0	0	10
11				11 Requirements				11
12				12 Principal & Interest Payments				12
13				13 LOAN Budgeted Payment Date				13
14			35,872	14 IFA Water Waste Water Loan \$36M a yr. beg 12/14 for 25 yrs.	35,872			14
15			207,690	15 IFA Safe Drinking Water Loan \$212M a yr. beg 12/17 for 29 yrs.	207,690			15
16				16 Additional Loan Reserve				16
17	243,515	243,563	243,562	17 Total Principal & Interest	243,562	0	0	17
18				18				18
19				19 Reserve for future loan payments \$243,562				19
20				20 Reserve Required for Wavier of Operating Profit of 1.2 X Debt Service				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29				29				29
30	218,063	225,811	388,600	30 total Ending Fund Balance Reserved For Current & Future Payments	464,438	-	-	30
31				31				31
32				32				32
33	461,578	469,374	632,162	33 TOTAL REQUIREMENTS	708,000	0	0	33

Membrane Module Replacement Fund

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

Form #9

Both new filtration plants require membrane filter cartridges. These cartridges are guaranteed for 5 years and have a partial guarantee for the next 2 years. After 7 years, the full replacement cost is on us. The anticipated life of the cartridges is 8-10 years. We are currently coming up to the end of the service life of the filter cartridges and are currently seeing an approximate 20% reduction in production output. It is estimated that the full replacement cost of the membrane filters in the future would be in the range of \$80,000 if purchased from the plant manufacturer.

Membrane Module Replacement Fund

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

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

OCEANSIDE WATER DISTRICT

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Next Year 2024-2025			
	Actual		Adopted Budget This Year 2023 - 2024		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding year 2021-2022	First Preceding Year 2022-2023						
				RESOURCES				
1	47,043	45,312	66,000	1 Cash on hand	75,000			1
2	0	0	0	2 Grants	0			2
3	218	1,489	1,100	3 Interest	2,600			3
4	10,200	10,200	10,200	4 Transferred IN, from other funds	10,200			4
5				5				5
6				6				6
7				7				7
8				8				8
9	57,461	57,001	77,300	9 Total Resources	87,800	0	0	9
10				10				10
11				11				11
12	57,461	57,001	77,300	12 TOTAL RESOURCES	87,800	0	0	12
13				13 REQUIREMENTS				13
14				14 FUTURE EXPENDITURES				14
15				15				15
16	12,149	258	77,300	16 Membrane Module Replacement, to include :	87,800			16
17				17 All Supporting Equipment, Repair And Replacement Parts				17
18				18 Used From The Water Diversion Point Through To Storage				18
19				19 If necessary funds can be transferred to general account				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26	12,149	258	77,300	26 TOTAL EXPENSES	87,800	0	0	26
27				27				27
28				28				28
29	45,312	56,743	0	29 RESERVED FOR FUTURE EXPENDITURE	0	0		29
30	57,461	57,001	77,300	30 TOTAL REQUIREMENTS	87,800	0	0	30