



ROBERTS CREEK
WATER DISTRICT

2019-2020 BUDGET



ROBERTS CREEK WATER DISTRICT

2019-2020

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Plant Superintendent**

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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	3,080
	<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

2019-20 BUDGET

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ROBERTS CREEK WATER DISTRICT

BUDGET MESSAGE for 2019-2020 FISCAL YEAR

I am pleased to present the annual budget for Roberts Creek Water District (The District) for the 2019-2020 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 The 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 adopted revised water service rates effective December of the 2017-2018 fiscal year; these rates are projected to sustain District operations through at least the 2020-2021 fiscal year.

Office management has been in the process of migrating the office's utility billing management to a new platform, which should be fully implemented at the beginning of the 2019-2020 fiscal year. The new platform will increase office efficiency, provide greater data security, and improve customer notifications through email and an automated phone system.

With the expected retirement of an office staff employee, management intends to hire a part-time office staff employee. It has been discussed with Green Sanitary District management that the new part-time employee could be shared between the two districts, thus working full-time and earning full benefits. The Districts could then share in the costs of that employee's benefits.

Office improvements for the 2019-20 budget year include replacing carpet and District office signage. Replacement of the District office's computer equipment will also be required in order to maintain efficiency and data security.

The District plans to construct a new water storage reservoir (referred to as the "town tank") along Hwy 99 near Shady. The new reservoir will allow for improved water quality in that area of the District and ensure that customers in that area are not without water in the event of a main line break. As an added benefit, the town tank will provide for better fire protection.

In light of the February 2019 winter storm event, we have assessed that certain improvements should be made to increase our disaster preparedness. First, a power transfer switch is to be installed at the water treatment plant. The transfer switch will allow for a generator to run the plant in the event of a power failure. Second, the redundant backup system that will accompany the new MIOX system at the water treatment plant will ensure disinfection process continuity in the event of a system failure. Lastly, we plan to establish an intertie with Umpqua Basin Water Association. The intertie will provide for additional water resources between The District and UBWA in the event of an emergency.

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 email 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

David M Campos, CPA
Budget Officer



BUDGET USER ASSISTANCE for the 2019-20 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.

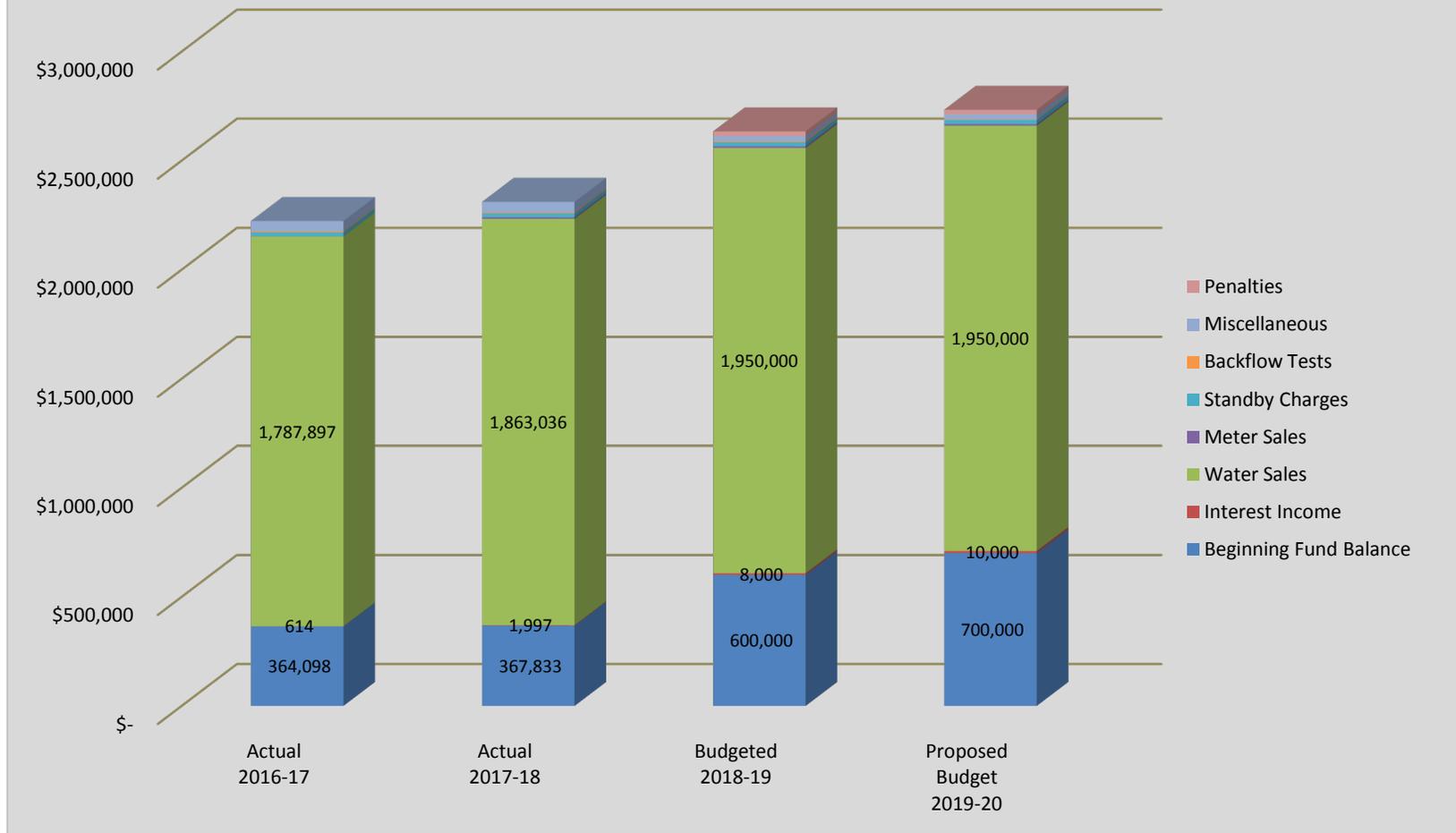
Oregon's Local Budget Law is a group of statutes that require local governments to prepare and adopt annual or biennial budgets following a very specific process.

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.

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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.

Interest Earned: The District maintains its General Fund reserves in the Oregon Local Government Investment Pool. The LGIP is currently paying 2.75% 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 12 meter services. Currently, 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 Receipts: 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 Charges: This is revenue generated from standby fire service. It represents approximately 30 customers and over 320 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.

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.

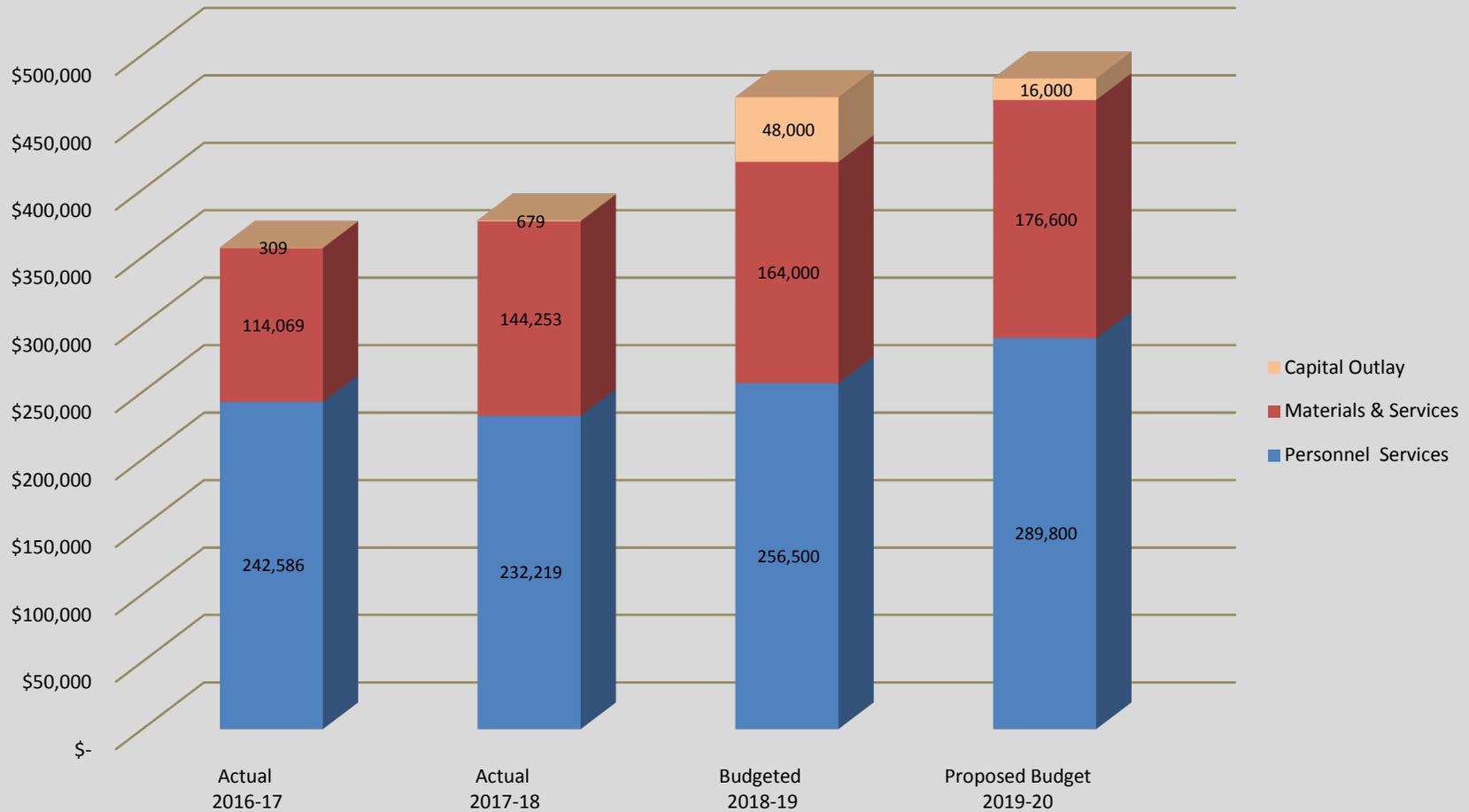
Penalties and other service charges: Fees related to water sales, such as late notification fees, door hanger fees, activation fees, reconnect fees. These fees were previously record as miscellaneous income, which was rather inefficient for tracking water related service fees.

GENERAL FUND RESOURCES - LB-20

ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA							2019-20 BUDGET		
Second Actual Preceding 2016-17	First Actual Preceding 2017-18	ADOPTED BUDGET 2018-19	RESOURCE DESCRIPTION				Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
349,591	367,833	600,000	1	Net Working Capital (Modified Accrual Basis)			700,000	700,000	700,000
614	1,997	8,000	2	Interest Earned			10,000	10,000	10,000
4,452	4,090	4,500	3	Backflow Test Receipts			2,500	2,500	2,500
1,340,093	1,463,036	1,550,000	4	Water Sales			1,550,000	1,550,000	1,550,000
440,000	400,000	400,000	5	Water Sales Transferred to Plant Upgrade			400,000	400,000	400,000
7,400	7,000	7,500	6	Meter Sales			6,000	6,000	6,000
18,535	18,606	19,000	7	Standby Charges			19,000	19,000	19,000
44,126	48,035	23,000	8	Miscellaneous			23,000	23,000	23,000
12,005	-	50,000	9	Special Intergov't. Surcharge Revenue (Lines)			50,000	50,000	50,000
17,664	-	50,000	10	Special Intergov't. Surcharge Revenue (Tank)			50,000	50,000	50,000
	-	22,000	11	Penalties & Other Water Service Charges			21,000	21,000	21,000
			12						
			13						
			14						
			15						
2,234,480	2,310,597	2,734,000	16	Total Resources, Except Taxes to be Levied			2,831,500	2,831,500	2,831,500
			17	Taxes Necessary to Balance Budget			-	-	-
			18	Taxes Collected in Year Levied			-	-	-
2,234,480	2,310,597	2,734,000	19	TOTAL RESOURCES			2,831,500	2,831,500	2,831,500

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 increases. The Office Manager position reflects the salary for the Office Manager, David Campos. We intend on hiring an additional part-time Office Assistant in anticipation of the retirement of one of the current Office Assistants.

Insurance: The District provides health/dental/visions benefits for employees, along with disability, limited life insurance, and an HRA Veba account. For the 2019-20 fiscal year, health insurance premiums through SDIS are expected to increase by 6%.

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 2019-20, the State Unemployment Tax rate for the District is 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 & Co. 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 in recent years.

Elections: Payment is made to Douglas County for our portion of the costs of the public election wherein we have candidates running for election for re-election to the Board of Commissioners. There are no elected positions set to expire in 2020.

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 has decreased in recent years due to the 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. We have budgeted for additional legal consultation in 2019-20 to determine feasibility of a merger with Green Sanitary District.

Dues & Subscriptions: Dues & Subscriptions reflects administrative portions of District annual association dues, the annual fee for our utility management software, professional association dues for the Office Manager, local newspaper subscription, and other software subscription fees. The annual cost of the new utility management software will include off-site managed backups and unlimited software upgrades.

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 District website.

Merchant Service Fees: This is the monthly fee we pay to process debit/credit cards and ACH drafts 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 has reduced the postage requirements. 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. The service contract renewal price is .73 cents per meter read, with a contract expiration date of June 2021.

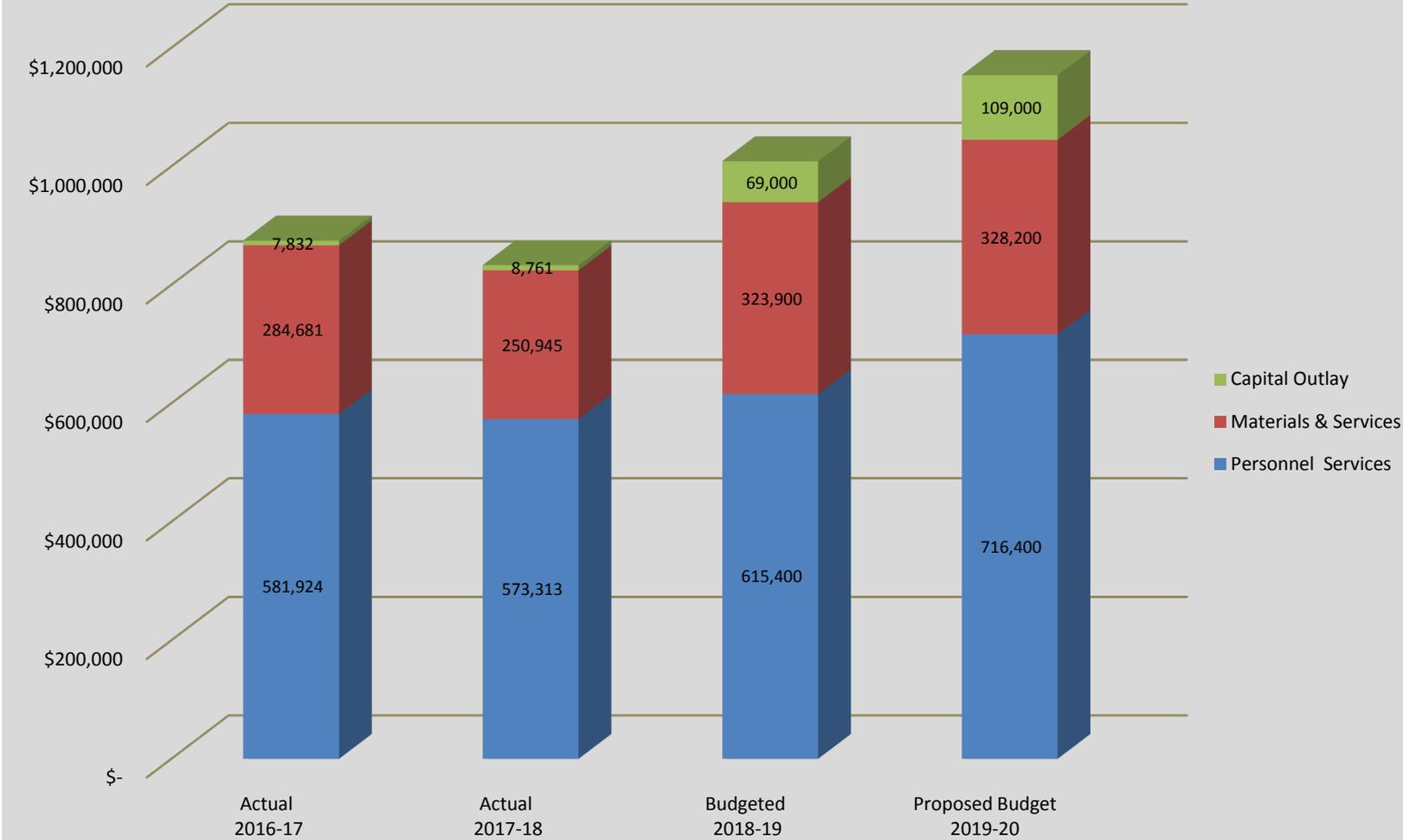
Office Equipment: For the 2019-20 fiscal year, we plan on replacing three (3) computer workstations and peripherals and adding an additional workstation. We also plan on purchasing ergonomic equipment to properly enable the office desks to be used as stand-up desks.

Office Improvement: We 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			2019-20 BUDGET				
Second Actual Preceding 2016-17	First Actual Preceding 2017-18	ADOPTED BUDGET 2018-19	EXPENDITURE DESCRIPTION		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1	Personnel Services / Office (# employees)			
80,372	67,094	71,000	2	Office Manager (1)	75,000	75,000	75,000
71,981	70,777	76,000	3	Office Assistants (2 + 1 New)	98,000	98,000	98,000
-	-	10,000	4	Part-time fill-in person (1)	-	-	-
11,696	10,590	12,000	5	Social Security & Medicare (4)	13,500	13,500	13,500
257	242	500	6	Workmen's Compensation (4)	300	300	300
56,484	61,188	65,000	7	Insurance (4) (medical + VEBA + life/LTD/STD)	79,000	79,000	79,000
6,216	-	-	8	Insurance HRA/HSA reimbursements (4)	-	-	-
5,965	1,539	2,000	9	Unemployment Compensation (4)	300	300	300
16,414	16,473	18,000	10	Retirement (4)	20,700	20,700	20,700
(6,799)	4,316	2,000	11	Vacation and Compensation Time (4)	3,000	3,000	3,000
242,586	232,219	256,500	12	TOTAL PERSONNEL SERVICES	289,800	289,800	289,800
			13	Materials & Services			
8,750	8,750	9,200	14	Auditing	10,000	10,000	10,000
1,396	-	1,000	15	Elections	1,000	1,000	1,000
5,851	3,262	5,000	16	Supplies	4,000	4,000	4,000
2,064	1,898	3,000	17	Telephone & Internet	3,000	3,000	3,000
2,951	2,640	3,500	18	Electricity & Gas	3,500	3,500	3,500
295	852	3,000	19	Legal Fees	10,000	10,000	10,000
-	7,298	8,000	20	Dues & Subscriptions	10,000	10,000	10,000
30,572	33,570	35,000	21	Property Insurance	31,000	31,000	31,000
8,659	8,659	10,500	22	Liability & Auto Insurance	16,500	16,500	16,500
3,299	5,851	4,000	23	R & M Office	4,000	4,000	4,000
-	2	2,000	24	Bank Charges	2,000	2,000	2,000
-	22,725	21,000	25	Billing Costs	21,500	21,500	21,500
6,843	9,286	9,500	26	Merchant Service fees	12,000	12,000	12,000
-	1,325	1,600	27	Online Bill-Pay Fees / Web Portal	2,000	2,000	2,000
-	2,600	2,600	28	Website	2,600	2,600	2,600
314	308	800	29	Budgeting	800	800	800
2,438	1,837	3,500	30	Miscellaneous	3,500	3,500	3,500
7	279	500	31	Advertising	500	500	500
10,832	1,984	3,100	32	Postage	2,000	2,000	2,000
2,465	2,600	3,200	33	Administrative (Board of Commissioners)	3,200	3,200	3,200
1,587	2,294	7,000	34	Education	6,000	6,000	6,000
25,746	26,233	27,000	35	Contract Services	27,500	27,500	27,500
114,069	144,253	164,000	36	TOTAL MATERIALS & SERVICES	176,600	176,600	176,600
			37	Capital Outlay			
309	679	30,000	38	Office Equipment	9,000	9,000	9,000
-	-	18,000	39	Office Improvement	7,000	7,000	7,000
309	679	48,000	40	TOTAL CAPITAL OUTLAY	16,000	16,000	16,000
356,964	377,151	468,500	41	SUB-TOTAL EXPENDITURES	482,400	482,400	482,400
356,964	377,151	468,500	42	SUBTOTAL EXPENDITURES THIS PAGE	482,400	482,400	482,400

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. We plan on adding an additional full-time utility worker by the beginning of the 2019-20 year.

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 Veba account. For the 2019-20 fiscal year, health insurance premiums through SDIS are expected to increase by 6%.

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: In addition to phone and internet services at the Treatment Plant and Shop, crew members receive a phone stipend for their personal phone usage in lieu of providing District-issued phones.

Electricity & Gas: Although rate increases are not expected, the 2019-20 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 five 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, and for training of a new crew employee.

Miox System: MIOX is an on-site chlorine generation system used in the disinfection process. The existing MIOX system is failing and will be replaced with an upgraded system in 2019-20.

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			2019-20 BUDGET				
Second Actual Preceding 2016-17	First Actual Preceding 2017-18	ADOPTED BUDGET 2018-19	EXPENDITURE DESCRIPTION		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1	Personnel Services / Plant (# employees)			
79,126	82,720	85,000	2	Superintendent (1)	87,000	87,000	87,000
272,188	279,064	298,000	3	Service Crew (5 + 1 New)	354,000	354,000	354,000
27,047	27,618	29,500	4	Social Security & Medicare (7)	33,800	33,800	33,800
6,727	8,205	8,000	5	Workmen's Compensation (7)	9,500	9,500	9,500
129,908	131,439	143,000	6	Insurance (7) (medical + VEBA + life/LTD)	175,100	175,100	175,100
4,422	-	-	7	Insurance HRA or HSA (7)	-	-	-
13,771	3,986	3,900	8	Unemployment (7)	2,000	2,000	2,000
41,320	42,234	46,000	9	Retirement (7)	52,000	52,000	52,000
7,415	(1,953)	2,000	10	Vacation and Compensation Time (7)	3,000	3,000	3,000
581,924	573,313	615,400	11	TOTAL PERSONNEL SERVICES	716,400	716,400	716,400
			12	Material & Services			
1,680	684	3,000	13	Freight	3,000	3,000	3,000
2,808	1,568	3,000	14	Tools	3,000	3,000	3,000
2,810	3,188	4,000	15	Supplies & Operations Items	4,000	4,000	4,000
4,239	3,914	5,700	16	Telephone & Communications	5,700	5,700	5,700
122,660	112,061	130,000	17	Electricity & Gas	130,000	130,000	130,000
11,318	5,248	5,500	18	Fees & Dues	6,000	6,000	6,000
7,140	7,516	10,000	19	Fuel	10,000	10,000	10,000
16,445	4,506	12,000	20	Equipment & Vehicle Maintenance	12,000	12,000	12,000
36,729	24,631	35,000	21	R & M Field	35,000	35,000	35,000
22,089	17,335	35,000	22	R & M Plant	35,000	35,000	35,000
35,841	37,445	40,000	23	Chemicals	40,000	40,000	40,000
6,952	6,997	8,500	24	Water Samples	8,500	8,500	8,500
1,383	6,810	7,000	25	Education	10,000	10,000	10,000
2,373	171	4,000	26	Miox System	2,000	2,000	2,000
333	199	2,000	27	Miscellaneous	2,000	2,000	2,000
-	-	1,000	28	Engineering	1,000	1,000	1,000
1,314	1,372	2,000	29	New Connection Materials	2,000	2,000	2,000
2,175	2,175	6,000	30	Summer Stored Water Fee	6,000	6,000	6,000
-	-	1,500	31	Emergency Inter-tie	1,500	1,500	1,500
2,512	3,947	-	32	Inventory Adjustment	5,000	5,000	5,000
3,202	2,950	3,700	33	Backflow Testing / Non Compliance Testing	3,500	3,500	3,500
678	8,228	5,000	34	Reservoir Maintenance	3,000	3,000	3,000
284,681	250,945	323,900	35	TOTAL MATERIALS & SERVICES	328,200	328,200	328,200
866,605	824,258	939,300	36	SUB-TOTAL EXPENDITURES	1,044,600	1,044,600	1,044,600
866,605	824,258	939,300	37	SUBTOTAL EXPENDITURES THIS PAGE	1,044,600	1,044,600	1,044,600

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 replace several of the computer workstations at the water treatment plant.

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. As the membranes are reaching the end of their useful life, we anticipate replacing a greater number of them (39) in 2019-20

Transferred to Capital Project Fund: This year's budget projects a \$240,000 transfer to Capital Projects from the General Fund at \$60,000 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: The Special Public Works Fund Loan was paid off in 2018-19.

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.

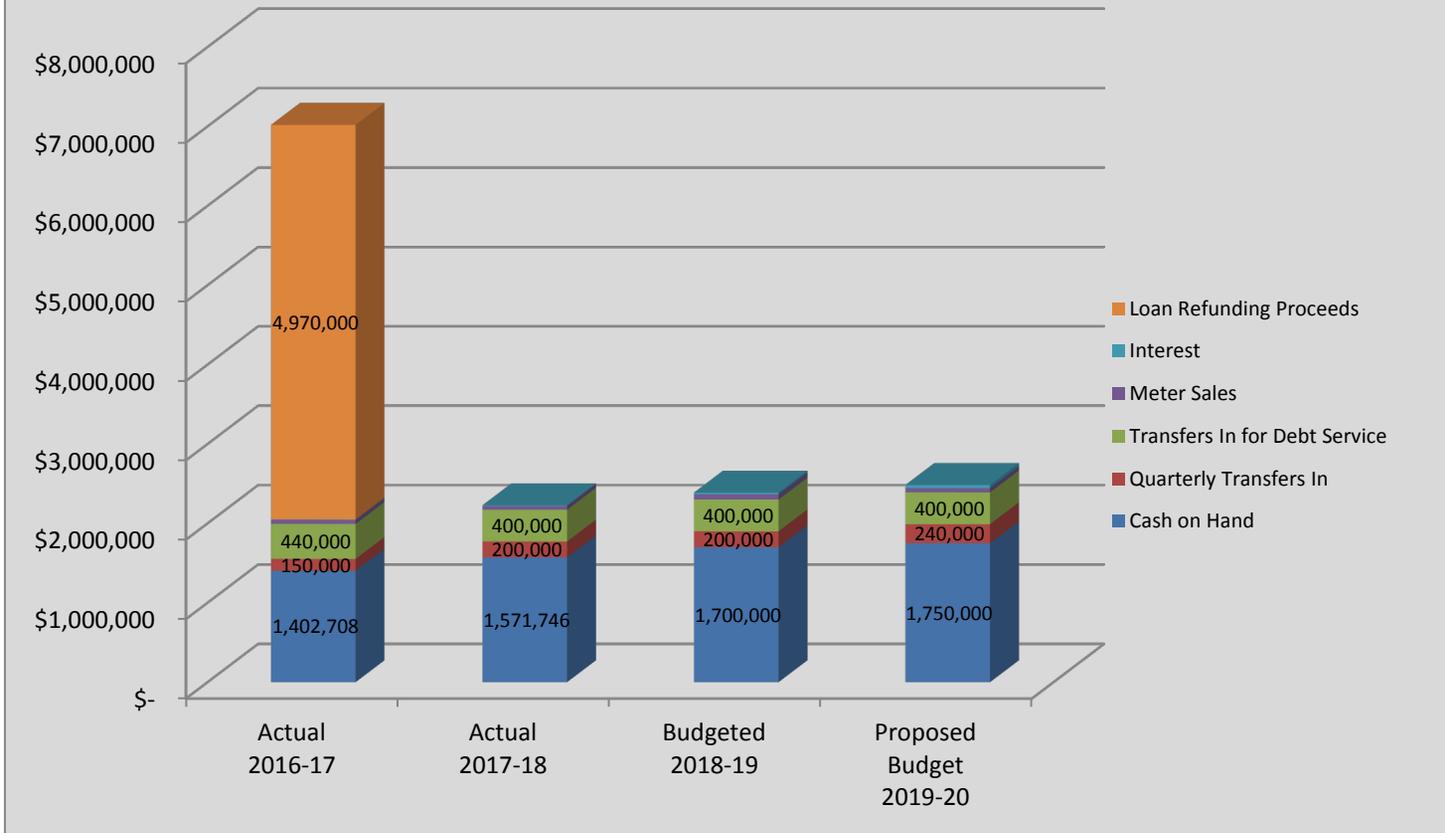
Intergovernmental Agreement Payment: The amount collected under Special Surcharge Revenue (Tank) will be paid, as it is received, to Douglas County as repayment for its portion of the cost of the installation of the tank.

GENERAL FUND - OPERATIONS EXPENDITURES - FORM LB-31

ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			EXPENDITURE DESCRIPTION	2019-20 BUDGET		
Second Actual Preceding 2016-17	First Actual Preceding 2017-18	ADOPTED BUDGET 2018-19		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
			1 Capital Outlay			
594	827	3,000	2 Meter Installations	3,000	3,000	3,000
-	1,936	50,000	3 Replace Lines (non-capital projects)	50,000	50,000	50,000
2,695	387	8,000	4 Equipment Purchases	18,000	18,000	18,000
-	-	-	5 Vehicle Purchases	-	-	-
0	-	4,000	6 Repair River Intake	-	-	-
3,680	5,225	10,000	7 Replace Filter Membranes	35,000	35,000	35,000
863	386	3,000	8 Safety Equipment	3,000	3,000	3,000
7,832	8,761	78,000	9 TOTAL CAPITAL OUTLAY	109,000	109,000	109,000
874,437	833,019	1,017,300	10 TOTAL OPERATING DEPARTMENT	1,153,600	1,153,600	1,153,600
			11 Transferred to Other Funds			
150,000	200,000	200,000	12 Capital Projects Fund (quarterly transfers)	240,000	240,000	240,000
440,000	400,000	400,000	13 Rate Transfers (monthly) to Upgrade Loan Payment	400,000	400,000	400,000
-	-	75,000	14 General Operating Contingency	75,000	75,000	75,000
22,854	26,156	29,791	15 Deferred Loan - Principal (Business Oregon)	paid off	paid off	paid off
4,728	3,357	1,788	16 Deferred Loan - Interest (Business Oregon)	paid off	paid off	paid off
-	-	50,000	17 Reserve for Repayment (Lines)	50,000	50,000	50,000
17,664	-	50,000	18 Intergovernmental Agmt. Payment (Tank)	50,000	50,000	50,000
635,246	629,513	806,579	19 TOTAL DEBT SERVICE & TRANSFERS	815,000	815,000	815,000
1,866,647	1,839,683	2,292,379	20 SUB-TOTAL EXPENDITURES	2,451,000	2,451,000	2,451,000
367,833	470,914	441,621	21 Unappropriated Fund Balance	380,500	380,500	380,500
2,234,480	2,310,597	2,734,000	22 TOTAL ADMINISTRATIVE & OPERATING	2,831,500	2,831,500	2,831,500

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 12 meter services for 2019-20. The charge for a 5/8 x 3/4" meter service is currently \$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.

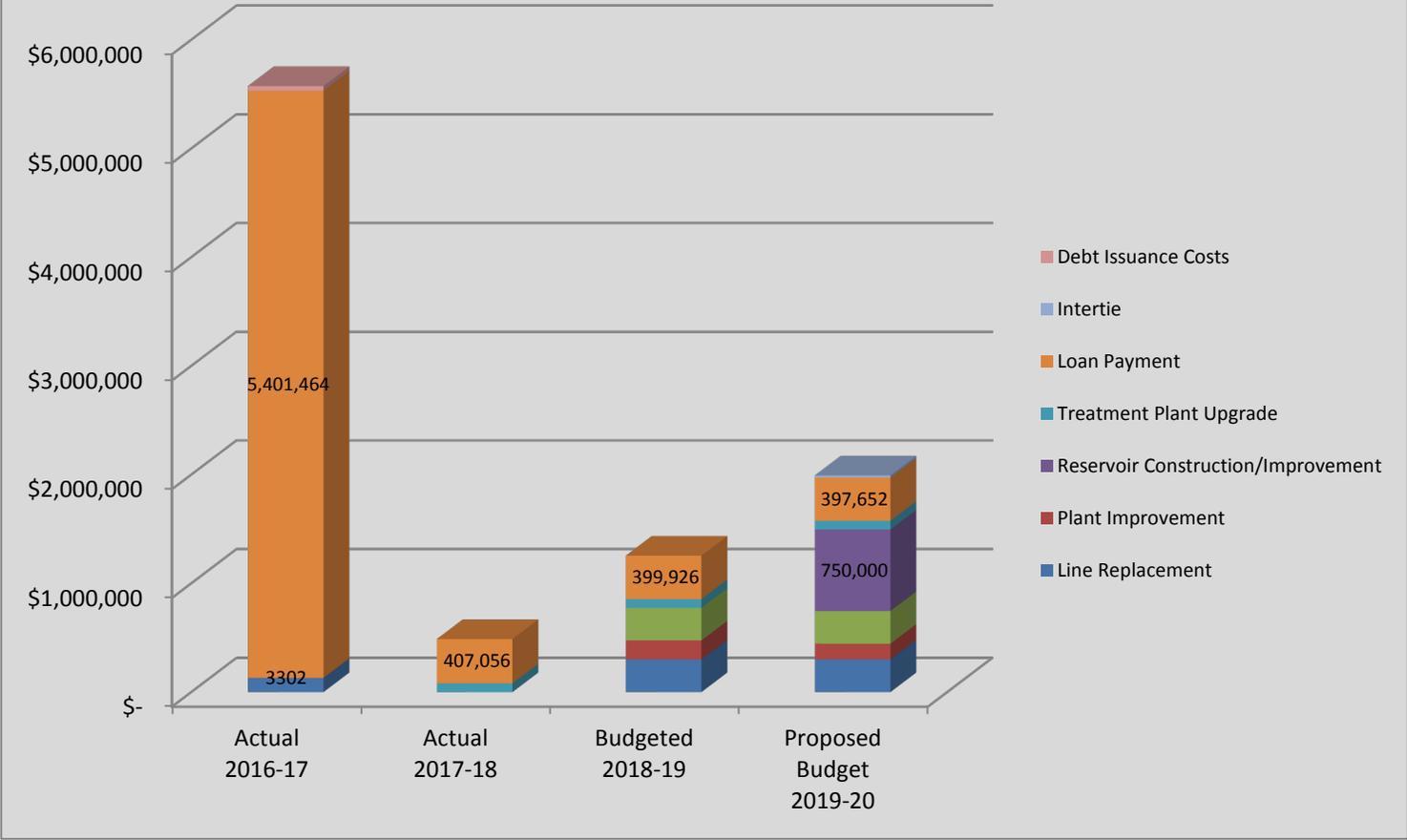
Interest: The Oregon LGIP is currently paying 2.75% interest. The reserve for capital projects improvements is currently \$1,295,000 and the reserve for debt service is \$540,000.

Transfers from other Funds: General Fund transfers of \$60,000 quarterly will yield \$240,000 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			2019-20 BUDGET				
Second Actual Preceding 2016-17	First Actual Preceding 2017-18	ADOPTED BUDGET 2018-19	RESOURCE DESCRIPTION		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
1,402,708	1,571,746	1,700,000	1	Net Working Capital (Modified Accrual Basis)	1,750,000	1,750,000	1,750,000
			2				
			3				
			4				
			5	OTHER RESOURCES			
53,971	48,748	67,000	6	Meter Sales (SDC Portion)	54,000	54,000	54,000
2,133	7,517	20,000	7	Interest	40,000	40,000	40,000
			8	Transferred from Other Funds			
150,000	200,000	200,000	9	General Fund (from quarterly transfer)	240,000	240,000	240,000
440,000	400,000	400,000	10	General Fund for Loan Payment (from rates)	400,000	400,000	400,000
			-	11 Reimbursement	-	-	-
			-	12 Grant / Loan Proceeds: Town Tank	750,000	750,000	750,000
			-	13 Miscellaneous Income	-	-	-
497,000			-	14 Loan Refunding Proceeds			
			15				
			16				
			17				
			18				
			19				
			20				
7,018,812	2,228,011	2,387,000	21	SUBTOTAL RESOURCES	3,234,000	3,234,000	3,234,000
			22	Taxes Necessary to Balance Budget	-	-	-
			23	Taxes Collected in Year Levied	-	-	-
7,018,812	2,228,011	2,387,000	24	TOTAL RESOURCES	3,234,000	3,234,000	3,234,000

Capital Projects Fund Expenditures



CAPITAL PROJECTS FUND EXPENDITURES

Line Replacement: Expenditures budgeted for the replacement of aging water distribution lines or re-routing water lines when necessary.

Plant Improvement: Continued programming and telecommunications work between plant and reservoirs. The 2019-20 plant improvement projects include; the installation of a transfer switch to allow for a generator hookup in the event of an emergency, replacing three subsonic meters with Mag meters for post-treated / pre-distribution water, and replacing the MIOX system, including a redundant backup system.

Miscellaneous: Currently, only the minimal transaction fees associated with the State Pool reserve funds transfers are charged to miscellaneous expense.

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 Construction & Improvement: No capital maintenance to the reservoirs is planned for 2019-20; however we do plan to construct a new additional water reservoir tank off of Old Hwy 99 near Shady. The estimated project costs total \$1,500,000.

Treatment Plant Upgrade: No upgrades to the water treatment are planned for 2019-20, however we budget for potential outlay in the event any upgrades to the plant becoming necessary

Intertie: We plan to complete an intertie with Umpqua Basin Water Association, which will allow for additional water resources for both agencies in the event of an emergency.

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 2019-20 total \$397,652, of which \$290,000 is allocated to principal \$107,652 is allocated to interest.

Debt Issuance Costs: These costs were incurred in connection with the plant upgrade loan refunding agreement. This line will drop off in the 2020-21 budget.

CAPITAL PROJECTS FUND EXPENDITURES - FORM LB-31

ROBERTS CREEK WATER DISTRICT

HISTORICAL DATA			EXPENDITURE DESCRIPTION	2019-20 BUDGET		
Second Actual Preceding 2016-17	First Actual Preceding 2017-18	ADOPTED BUDGET 2018-19		Proposed by Budget Officer	APPROVED BY BUDGET COMMITTEE	ADOPTED BY BOARD
-	-	300,000	1 Capital Outlay			
-	-	175,000	2 Line Replacement	300,000	300,000	300,000
-	9	2,000	3 Plant Improvements	145,000	145,000	145,000
-	-	300,000	4 Miscellaneous	2,000	2,000	2,000
-	-	2,000	5 For Future Requirements	300,000	300,000	300,000
3,302	-	-	6 Water Rights Acquisition	2,000	2,000	2,000
-	80,486	80,000	7 Reservoir Construction & Improvement	1,500,000	1,500,000	1,500,000
-	-	-	8 Treatment Plant Upgrade	80,000	80,000	80,000
-	-	-	9 Intertie	20,000	20,000	20,000
			10 Debt Service			
5,401,464	407,056	399,926	11 Loan Payment - Plant Upgrade	397,652	397,652	397,652
42,300	-	-	12 Debt Issuance Costs	-	-	-
5,447,066	487,551	1,258,926	13 SUBTOTAL EXPENDITURES	2,746,652	2,746,652	2,746,652
1,571,746	1,740,460	1,128,074	14 Unappropriated Funds Balance	487,348	487,348	487,348
7,018,812	2,228,011	2,387,000	15 TOTAL CAPITAL EXPENDITURES	3,234,000	3,234,000	3,234,000

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