

Explanation of Revenue and Expenses

Proposed Budget for Fiscal Year 2024-25

RESOURCES

1. Net Working Capital/ Cash Carryover: This is an estimate of the cash the District will have on hand as of June 30, 2024. This carryover is projected at: \$770,865

2. Rate Revenue Total: \$1,011,400

3. Water Sales: This projects sales of water consumption at our current rates: \$630,000

4. Base Rate: The base rate is charged on all active accounts each billing cycle based on the size of the meter at the property: \$370,000

5. Service Connections: We estimate the installation of several new connections to our water system: \$10,000

6. Variable Base Rate: This additional base rate is charged to customers who live outside of our property tax boundary: \$1,400

7. Other \$240,000

8. Deposits: Our customers submit a deposit when opening an account. The amount is based on the size of their meter. When/if the customer moves out of the District, their final bill is assessed against the deposit and any excess refunded, or the remaining balance is billed: \$5,000

9. Interest: Interest earned on the money in our bank accounts, most of this revenue comes from our LGIP (Local Government Investment Pool) savings account: \$25,000

10. Miscellaneous: This line item is used when the District receives revenue from backflow testing, sale of surplus items, dividends, or gets a refund on insurance: \$6,000

11. Taxes: The District's permanent property tax rate is \$0.5781 per \$1,000 of assessed value. This amount is estimated by the Multnomah County Assessor's assessed value October 2023: \$204,000

12. Grant Revenue \$30,400

13. Grant – U.P: This grant was received in 2015 at \$10,000 to encourage water conservation. The District currently gives customers a \$100 credit each time they replace their old toilet with a high efficiency toilet. This is not money coming into the District this Fiscal Year, so it has a matching expense line for the same amount: \$7,400

14. Grant – Intern: This line item is the reimbursable amount anticipated from the SDAO (Special Districts Association of Oregon) Internship Program grant: \$3,000

15. ASR Feasibility Study Grant: We will apply for a Business Oregon Technical Assistance grant. If we are awarded the grant, we will hire an engineering firm to assess one of two locations for a potential Aquifer Storage and Recovery (ASR) well: 20,000

16. SDIS Security Grant: This grant was awarded in Fiscal Year 2022-23: \$0

17. DWSPF (Watershed) Grant: This grant was awarded in Fiscal Year 2023-24: \$0

TOTAL RESOURCES: \$2,052,665

EXPENDITURES

PERSONNEL SERVICES – \$687,724

The Personnel Services category provides funding for District employees' wages, benefits, and payroll taxes. Expenditures comply with District policies, as well as federal, state and local laws.

1. Salaried Positions \$155,000

2. District Manager: Salary for the current District Manager: \$95,000

3. DRC (Direct Responsible Charge): The person who is Direct Responsible Charge (DRC) is accountable for decisions relating to treatment processes, water quality, and water quantity that may affect public health. Salary for a half time Field Superintendent/DRC: \$60,000

NOTE: Hydra Engineering currently charges \$100/day to be DRC. They also provide advice and education to Corbett Water District employees. Hydra Engineering's combined bill is typically approximately 5,000 a month. This option is listed in Materials and Services because Hydra Engineering is a contractor.

– **or** – one District Manager who has the certifications required to also be DRC: \$155,000

4. Field Crew \$191,740

5. Utility Worker I: We currently have two Utility I workers in training. We do not anticipate hiring any more full time Utility Workers in this Fiscal Year: \$133,000

6. Utility Worker II: We do not anticipate hiring a Utility Worker II in this Fiscal Year: \$0

7. Utility Worker III: We do not anticipate hiring a Utility Worker III in this Fiscal Year: \$0

8. Temporary Field Worker: We would like to hire two temporary summer helpers to assist our Utility Workers with the increased workload that inevitably comes with better weather: \$30,240

9. Overtime: Overtime pay is for unforeseen emergencies that may arise that require District staff to work additional hours over the regular 40 hours per week work schedule: \$13,500

10. On-Call Pay: One Utility Worker remains on-call after hours at all times. It is budgeted at \$250 per week plus 8 extra weeks for extreme events where more than one person is on-call: \$15,000

11. Office Crew \$120,350

12. District Clerk: We currently have one District Clerk who is scheduled for 32 hours per week: \$60,000

13. Assistant District Clerks: We have two part-time Assistant Clerks whose combined hours are currently 37 hours per week: \$50,000

14. Temporary Office Worker: This person will be hired as a summer intern to enter data into and help develop the database for Geographic Information System (GIS) creation: \$10,350

15. Benefits \$158,934

16. Cost of Living: This wage increase is for hourly employees, typically given at the beginning of the Fiscal Year. It is meant to keep wages in line with the rate of inflation (February 2024 CPI-West inflation rate is 3.2%): \$9,987

17. Health Insurance: Our insurance agent provided choices of different levels of coverage under the Special Districts Insurance Services (SDIS) umbrella (we are required to use Regence Blue Cross under SDIS). I am requesting the Board to increase coverage of employee families from 50/50% employee/District to 100% paid by the District. (or 25/75% – see Health Insurance Comparison Table) \$87,775

18. Life AD&D / Disability Insurance: Currently each employee is given life and short-term disability insurance. I would like to drop Disability Insurance, because Paid Leave Oregon will fill this need for employees (saving the district \$800 a year): \$1,092

19. Pension: The Employer contribution for the Public Employees Retirement System (PERS). The current contribution rate is 22.15%. These rates are recalculated by PERS every two years; the next recalculation is for the Fiscal Year 2025-26: \$50,000

20. VEBA Benefit: The Voluntary Employees' Beneficiary Association (VEBA) plan is a type of tax-exempt trust used by its members and eligible dependents to pay for eligible medical expenses. This is a low-cost way for employees to save for unexpected medical costs. The District currently pays \$100 per month, but this amount reflects a raise to \$120 per employee per month: \$10,080

21. Taxes and Insurance \$61,700

22. Social Security & Medicare: This covers the employer cost of Medicare and Social Security. It is based on employee wages, overtime and on-call pay. Proposed budget for this line item is \$38,000

23. Unemployment: Employees who have left District service may be eligible to collect unemployment benefits. Current unemployment benefits last 26 weeks, at a maximum weekly amount of \$812. We would only pay this amount if someone left the District and qualified for unemployment: \$17,500

25. Worker's Comp: This covers Workers Compensation insurance for employees, and the employer portion of the Oregon Workers' Benefit Fund tax. Insurance policy period runs from July 1 through June 30 of each year: \$6,200

MATERIALS AND SERVICES – \$728,286

The Materials and Services category covers the costs of consumables and repairs to existing assets.

1. Customer \$5,800

2. Bank Fees: Includes all fees associated with banking: \$3,500

3. Cross Connection: This is for the annual Oregon Health Authority cross connection fee and backflow tests and certification: \$2,300

4. Elections: Two District Commissioners will be elected in the May 2025 special election. The fees associated with the election will be paid in summer of 2025 (Fiscal Year 2025-26): \$0

5. Facilities and Vehicles \$66,500

6. Building and Grounds Maintenance: Maintenance and repairs on and around the office building, shop, yard, and parking lot: \$3,000

7. Fuel: All fuels including diesel, unleaded gasoline, small tool gas, and propane: \$16,000

8. Security: Alarm fees and other security measures to ensure the safety of District property: \$1,000

9. Tools & Shop Supplies: This covers a variety of hand tools, power tools, and shop supplies. We need to ensure the timely repair or replacement of tools used daily and during emergency call outs: \$3,500

10. Utilities: Utility bills for the District, including phone, cell phone, electricity, garbage, and chemical toilet service: \$20,000

11. Vehicle Repair & Maintenance: Regular repairs and maintenance of District vehicles, and replacing shocks on the Ford F450: \$23,000

12. Infrastructure Maintenance: \$96,755

13. Dead End Flushing and Maintenance: The budget for this line item is \$1,000

14. Expenses Reimbursable by Customer: This line item is new to our Chart of Accounts and we have not had enough experience tracking expenses to predict an amount. It is for services like meter size reductions, where customers reimburse Corbett Water District for the cost of parts: \$0

15. Fire Hydrant Repairs: In years past the Corbett Water District relied heavily on the Corbett Fire Department to maintain our fire hydrants within the system. We will now be testing and maintaining our hydrants: \$3,000

16. Flagging: The District aims to train all employees to flag. We also utilize volunteers and hope to hire two temporary summer field workers to flag for our crew. However, we inevitably must hire

professionals from time to time. This is a new account, and we are watching this expense closely: \$5,700

17. Hydro Generator Repair & Maintenance: The Hydro Generator has been abandoned. This is the annual fee to the Oregon Water Resources Department: \$55

18. Mains Repair & Maintenance: This provides for repair and maintenance of the distribution system and controls. This expense includes asphalt vendors, gravel, repair parts, and tool costs: \$47,000

19. Mains Repair & Maintenance: Service Lines: This line item will pay for the replacement of 10 service lines: \$15,000

20. Meter Repairs: Repair of meters in the system, and curbstop replacement. Some meters and parts are currently covered under warranty, and when the District is refunded for the repairs, the refunds go to Miscellaneous Income: \$5,000

21. Pressure Reducing Valves (PRV): The repairs and maintenance of the PRV stations is a specialized skill and currently requires hiring outside contractors to repair and replace the critical components of these stations. The suggested rebuild of these valves is once every 5 years. With over 30 in our system, we need to start rebuilding at 6 per year: \$20,000

22. Office & Staff: \$46,040

23. Computer: The funds will be used for technical support and maintenance of the office computers. And for the purchase of a laptop for database input: \$1,500

24. Office Supplies & Equipment & Postage: Office supplies, software fees, and postage for mailing newsletters and bi-monthly bills, etc.: \$27,040

25. Payroll Expenses: Currently used to pay for our payroll software, this will be rolled into our Office Supplies & Equipment & Postage expense: \$0

26. Safety Gear & Uniforms: This line includes safety gear for the crew, including steel-toe work boots, reflective coats, rain gear, safety vests, gloves, and other protective equipment. We recently bought uniform shirts for all staff: \$4,000

27. Staff Appreciation: This account is used to pay for the annual staff party and other expenses related to employee recruitment and retention: \$3,000

28. Staff Reimbursable Expenses: This account is primarily used to reimburse staff for mileage costs: \$1,500

29. Training & Education: This includes expenses related to education and certifications for both staff and commissioners: \$9,000

30. Professional Services \$293,700

31. Auditor: Funding of the audit for the Fiscal year 2023-24 records and the Secretary of State filing fee: \$7,000

32. DRC Charges: The person who is Direct Responsible Charge (DRC) is accountable for decisions relating to treatment processes, water quality, and water quantity that may affect public

health. Our current DRC charges \$100/day. The DRC is a requirement of the state and fulfills the role of certified operator in charge of our system: \$36,500

NOTE: There is also the possibility of hiring a salaried employee who can serve as the DRC. That item is in the Personnel Services section.

33. Easements: There are main line and service line pipes owned and maintained by the District that are on private property, and we do not fully know if we have easements for them. I would like the District to lean into this issue to gain clarity: \$4,000

34. Engineering: This line provides for the annual engineer of record fee, the sand filtration project, the System Optimization Review grant obligations (\$4000), and other engineering advice that may be needed: \$74,000

35. HR Advice: This is a new account and we will be watching the trend carefully: \$1,200

36. Insurance & Bonds: This includes property, auto, and liability insurance as well as the highway encroachment bonds for state and county roads: \$30,000

37. Legal: For legal fees above the basic advice provided by Special Districts Association of Oregon. The bulk of this expense will be to litigate for cost recovery of the well project from FY 2020-21: \$135,000

38. Membership fees: The District is a member of Special Districts Association of Oregon (SDAO), Oregon Association of Water Utilities (OAWU) and the American Water Works Association (AWWA). We also use this account to pay the Oregon Health Authority (OHA) Annual Water Service fee: \$6,000

39. Treatment \$219,491

40. Chemicals: We use sodium hypochlorite (chlorine) and soda ash used to treat our water. This is also used to purchase reagents and chemicals for field test kits: \$18,000

41. Filter Pond/Treatment Plant Repairs: This line provides for the maintenance of the filter ponds and the treatment plant. This amount also covers the sand replacement for one pond using Hydra Engineering's Sand Variance plan and equipment rental: \$158,926

42. Lab Samples: We send samples of water to the lab to test for coliforms. Most vendors have recently increased their pricing across the board. This also includes the lab samples needed to use the Hydra Engineering Sand Variance plan: \$16,000

43. Lease Fee: This includes the lease fee for road access to the Treatment Plant, and our headworks at the North and South forks of Gordon Creek: \$6,500

44. Reservoir Repairs: Maintenance and repairs of our reservoirs. It includes inspections, cleaning, and cathodic protection. This amount does not include the Larch Mountain Reservoir overflow repair: \$10,000

45. Taxes & Interest: Property tax at the triangle property: \$65

46. Telemetry System: The telemetry system allows us to monitor the reservoirs and receive notification if the water drops below designated levels. It includes our "mission control" computer system with radio compatibility. We pay a yearly maintenance fee. Additionally, there are several dysfunctional monitoring devices that need to be repaired and replaced: \$10,000

CAPITAL OUTLAY – \$437,400

This category covers the purchase of long-term assets, or permanent upgrades to existing assets.

1. Facilities and Vehicles \$60,000

2. Buildings: These funds will be used to continue remodeling and updating the office building and shop. We have many OSHA upgrades to make to the building including indoor plumbing and walkways. We want to fix the electricity in the barn, build a new front desk, and install walls and doors to a locker room and “kitchen” area which includes a designated lunchroom: \$50,000

3. Equipment & Machinery: The crew needs a Jumping Jack compactor for repairing asphalt, and lights on their rigs: \$5,000

4. Vehicles: We plan on adding running boards to our Ford F450: \$5,000

5. Infrastructure \$305,000

6. Fire Hydrants: We do not currently plan on installing any new fire hydrants, but want to start building a reserve towards future installations or fire suppression support: \$6,000

7. GIS & Mapping: We want to purchase a handheld device to get accurate Geographic Information System (GIS) readings in the field: \$5,000

8. Main Upgrade: This year we plan to finish the Hurlburt line: \$10,000

9. Meters: Occasionally we need to add a meter to our system: \$4,000

10. PRV Stations: We do not plan to do anything in this category this year: \$0

11. Reservoirs: We've received a very rough and preliminary estimate for stabilizing the land under the Larch Mountain reservoir, which was washed out during the January storm: \$270,000

12. System Conformity: This budget item is used for projects that bring our system into conformity with the law or Corbett Water District policy. It will primarily be used to move meters to the same side of the road as the owners, and other improvements that have been neglected due to budget: \$10,000

13. Plans & Assessments \$57,400

14. ASR Feasibility Report: If we receive a Business Oregon Technical Assistance grant, we will hire an engineering firm to assess one of two locations for a potential Aquifer Storage and Recovery (ASR) well: \$20,000

15. DWSPF (Watershed) Grant: The expenses for this grant were in Fiscal Year 2023-24. We don't anticipate any spending this year: \$0

16. Larch Mountain Overflow: The funding needed for a plan to stabilize the slope has not been estimated. I believe that it will cost more than is allocated here: \$30,000

17. Master Plan: The current Master Plan was completed in Fiscal Year 2022-23. We don't anticipate any spending this year: \$0

18. Toilet Rebates - U.P. Grant: This is an ongoing grant from a previous year for toilet replacement. The amount here is equal to the balance available for use: \$7,400

19. Source/Watershed: \$0

20. Ground Water: We do not plan to do anything in this category this year: \$0

21. North Fork: We do not plan to do anything in this category this year: \$0

22. South Fork (ODFW): We do not plan to do anything in this category this year: \$0

23. Treatment Plant \$15,000

24. Treatment Plant: This is for upgrading instruments in the treatment plant. Rather than repair, we would like to upgrade our instrumentation: \$5,000

25. Treatment Plant Computer System: Purchase and programming of a back-up computer for the treatment plant: \$10,000

DEBT SERVICES – \$138,457

This category covers annual loan payments for a \$1.5 million loan from the Oregon Economic and Community Development Department (OECDD) on November 12, 2002 with an annual percentage rate of 4.1%. In 2004 the Board of Commissioner authorized an additional \$600,000 of loan proceeds with a new interest rate of 3.5%. The loan is scheduled to be paid off in December 2025 (there are two remaining payments)

1. Loan Principle: \$131,287

2. Loan Interest: \$7,170

TOTAL EXPENDITURES: \$1,991,867

BUDGET TOTALS – \$60,798

Operating Contingency: This line item can be used in the case of unforeseen circumstances or emergencies. This line item should be closer to \$300,000 for a district our size: \$60,798

Unappropriated Ending Fund Balance: This line guarantees funds are carried over for the District to operate during the first part of the 2024-2025 Fiscal Year. These funds are not appropriated and will not be available in the 2024-2025 Fiscal Year: \$0

TOTAL BUDGET: \$2,052,665