

BUDGET MESSAGE 2022-23



Arch Cape Domestic Water Supply District

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April 21st, 2022

I am pleased to present the Fiscal Year 2022-23 budget to the Arch Cape Domestic Water Supply District Budget Committee, Board of Commissioners, and Public. This budget message is a brief synopsis of the District's financial plan for the coming year.

The 2022-23 proposed budget was developed using historical operational figures and long-range financial planning estimates developed by staff and the Board. The District prepares its budget using the modified cash basis of accounting. There are no changes in the method by which the District carries out its fiscal duties. The District's financial condition relies upon steady account revenues, a solid reserve fund, and the collaborative planning and management efforts of Board and Staff. The proposed budget identifies a 2% rate increase for the coming year.

Fiscal Year 2021-22

The budget is presented in a fund by fund format, itemizing Resources and Requirements for the General and Capital Funds. The budget figures are based on the best estimate of what the District will receive and what it will spend from July 1, 2022 to June 30, 2023.

RESOURCES

The General Fund's main revenue resources come from user fees, excess usage charges, revenue received from the Sanitary District through the intergovernmental agreement (I.G.A.), and debt service surcharges. The District's financial plan has identified funding future capital improvements through rates, rather than servicing debt, whenever possible. The proposed budget estimates \$377,353 in revenue for FY 2022-23.

The District's capital reserves accumulate through the collection of system development charges which are assessed to new homes connecting to the Water District. Staff has followed a model of 2 new connections per year in developing the current budget and related planning documents.

REQUIREMENTS

Personnel Services:

Personnel Services designates employee related costs such as salaries, medical insurance, retirement and other required costs. The District employs two full time employees. Total Personal Services is increased by 10% in this budget.

Total Materials and Services

This section outlays the costs for actual operations of the district including maintenance, utilities, professional services, and administrative support. Total Materials and Services for FY 22-23 is decreased 15% from the budgeted amount in 2021-22.

Since 2017 the District has been working with partners, Sustainable Northwest and the North Coast Land Conservancy, to acquire 1,457 acres abutting Arch Cape for the creation of a community forest and protected drinking watershed. The District now has all funding in place to close on the property purchase, targeted for June 2022. Acquisition of the property has been made possible by a grant of \$3.5M from the USDA Forest Legacy Program, a \$2M ARPA grant administered through Business Oregon, matching funds of \$250K pledged by Clatsop County, many generous private donations, and a crucial land match donation from our partners at North Coast Land Conservancy. The current budget identifies no money from the General Fund to be used for the watershed property, as the ARPA grant will supply funds for initial forest stewardship activities in the coming years necessary to promote a healthy forest and watershed.

Arch Cape Forest Fund

In anticipation of future ownership of the property, the District will create a separate fund from its General and Capital funds. This will be specifically related to expenses and resources associated with the Arch Cape Forest property. Future activity within this fund will be documented within the monthly financial reports that are supplied in the monthly Board meeting packets which may be received by joining the email list, viewing on archcapewater.org, or by request. Specific stewardship activities and schedules are still in planning.

Debt Profile

The District currently services debt on only one loan, entering into a loan agreement with IFA Business Oregon in 2011 for \$536,000 repayable over 30 years to upgrade the water filtration plant.

Capital Projects and Future Plans:

The District's radio-read meters are being recommended for replacement this year. The original radio-read meters, installed in 2009, have been failing to transmit data as designed. \$117,000 has been designated in the proposed budget for meter replacement using general and capital funds.

A second water storage reservoir is planned to be constructed in 2032-33.

Summary:

I believe that this is a responsible budget. It allows the District to maintain or improve current levels of service while considering long term needs and challenges and their financial impacts. The attached documents provide a breakdown of the proposed budget. I look forward to the budget process and working with you all, as the District plans for FY 2022-23 and beyond.

Sincerely,



District Manager

Arch Cape Water District FY 2022-23 Budget General Fund - Requirements

HISTORICAL DATA					2022-2023 FISCAL YEAR			
ACTUAL	ACTUAL	ADOPTED	EOY PROJ	WATER RESOURCES	PROPOSED	RECOMMEND	ADOPTED	
YR: 19-20	YR: 20-21	YR: 21-22	YR: 21-22		Version 1	Version 2	Version 3	
BEGINNING BALANCE								
149,790	167,033	141,110	141,110	Undesignated Balance	190,364			
				Capital Reserve				
	35,837	63,392	63,392	Operating Reserve	40,141			
149,790	202,870	204,502	204,502	TOTAL BEGINNING BALANCE	230,505	0	0	0
REVENUE								
172,256	174,042	182,280	187,223	User Fees [296 x \$158]	187,072			
19,561	12,000	14,000	23,170	Excess Usage Charges	17,000			
22,192	22,045	20,772	20,060	Debt Service Surcharges [296 x \$17]	20,128			
141,774	155,789	157,597	136,194	Sanitary District IGA Service Charge	150,000			
4,390	2,500	900	789	Interest	1,000			
2,015			1,425	Miscellaneous	0			
1,400	1,400	1,400	1,400	Meter Hookup Fee	1,400			
		30,000	30,000	ACF Watershed Grant				
888				Cannon Beach IGA	0			
700	700	735	735	Cannon View Park	753			
365,176	368,476	407,684	400,996	TOTAL REVENUE	377,353	0	0	0
514,966	571,346	612,186	605,498	TOTAL RESOURCES	607,858	0	0	0

Received
100%

Water District Accounts	Base Rate	
296	\$ 158.00	187,072
	Debt Service Rate	
296	\$ 17.00	20,128
Total Rate	<u>\$ 175.00</u>	

FY 2022-23 Budget

General Fund - Requirements

HISTORICAL DATA					2022-2023 FISCAL YEAR		
ACTUAL	ACTUAL	ADOPTED	EOY PROJ	WATER REQUIREMENTS - GENERAL FUND	PROPOSED	RECOMMEND	ADOPTED
YR: 19-20	YR: 20-21	YR: 21-22	YR: 21-22		Version 1	Version 2	Version 3
PERSONNEL SERVICES							
77,588	82,030	82,305	82,307	Manager	90,289		
54,767	61,936	61,936	58,035	Operator	67,944		
10,125	10,822	11,034	10,647	FICA	12,358		
29,386	31,405	32,022	32,880	PERS	35,128		
32,359	35,500	39,405	34,868	Medical Insurance	44,134		
3,210	3,300	3,500	3,300	Worker's Compensation	3,400		
207,435	224,993	230,202	222,037	Total Personnel Services	253,252	0	0
MATERIALS & SERVICES							
28,842	29,706	30,146	30,608	Administrative Services	33,600		
3,885	5,000	3,000	525	Temporary Help	5,000		
675	850	850	731	Clothing Allowance	850		
1,460	2,000	2,000	1,591	Education	2,000		
2,165	2,000	1,000	0	Travel	1,000		
1,148	1,500	1,500	2,320	Office Supplies	2,300		
1,616	1,600	1,600	1,350	Postage	1,600		
3,197	3,000	3,500	2,538	Vehicle	3,500		
3,150	3,600	3,500	3,375	Sanitary District Facilities Use Charges	3,750		
551	579	602	608	Payroll Service	625		
6,032	7,063	7,500	6,730	Liability & Property Insurance	8,250		
1,067	2,000	2,000	0	Licenses	2,000		
13,319	28,000	28,000	45,354	Maintenance	30,000		
6,657	5,000	5,500	6,493	Chemicals	6,500		
12,350	55,000	50,000	34,042	Watershed	0		
1,135	900	900	1,137	Dues/Taxes	1,200		
3,281	5,700	5,700	192	Professional Services	5,000		
3,650	5,000	5,000	5,000	Auditing	15,000		
800	2,000	3,000	1,108	Legal Services	3,000		
504	700	700	700	Notices	700		
9,405	10,000	10,000	11,802	Utilities	15,000	0	0
104,890	171,198	165,998	156,204	Total Materials and Services	140,875	0	0

FY 2022-23 Budget

General Fund - Requirements

CAPITAL OUTLAY							
				Meters Replacement	76,768		
				Access Road to WWTP	2,000		
0	0	0	0	Total Capital Outlay	78,768	0	0
312,325	396,191	396,200	378,241	TOTAL OPERATING EXPENSES	472,895	0	0

GRANT EXPENDITURES							
	2,000	30,000	30,000	ACF Watershed Plan (U2009) Grant			
0	2,000	30,000	30,000	Total Grant Expenditures	0	0	0
DEBT SERVICE							
20,772	20,772	20,772	20,772	IFA Water Plant Upgrade	20,772	0	0
20,772	20,772	20,772	20,772	Total Debt Service	20,772	0	0
333,097	418,963	446,972	429,013	TOTAL GENERAL FUND EXPENDITURES	493,667	0	0

TRANSFER TO CAPITAL FUND

76,768

CONTINGENCY & ENDING BALANCE							
CONTINGENCY FUND							
	60,000	60,000	60,000	Operating Contingencies	74,050		
	35,837	39,822		Operating Reserve	40,141		
181,869	56,546	65,392	39,717	Undesignated			
181,869	152,383	165,214	99,717	TOTAL UNAPPROPRIATED BALANCE	114,191	0	0
181,869	152,383	165,214	99,717	TOTAL CONTINGENCY & UNAPP BAL (ENDING)	114,191	0	0
514,966	571,346	612,186	605,498	TOTAL REQUIREMENTS	607,858	0	0

ARCH CAPE WATER DISTRICT								
Capital Fund: 2022-2023 Fiscal Year								
HISTORICAL DATA				WATER RESOURCES		2022-2023 FISCAL YEAR		
ACTUAL	ACTUAL	ADOPTED	EOY PROJ	CAPITAL FUND RESOURCES	PROPOSED	RECOMMEND	ADOPTED	
YR: 19-20	YR: 20-21	YR: 21-22	YR: 21-22		Version 1	Version 2	Version 3	
73,421	84,491	90,200		Undesignated Balance	101,926			
				Project Reserve				
				Debt Service Reserve				
73,421	84,491	90,200	0	TOTAL BEGINNING BALANCE	101,926	0	0	
				REVENUE				
11,070	5,709	11,726		SDC Revenue	11,726			
				Other				
				Miscellaneous				
11,070	5,709	11,726	0	TOTAL REVENUE	11,726	0	0	
				Transfer From General Fund	77,679			
84,491	90,200	101,926	0	TOTAL RESOURCES	191,331	0	0	
HISTORICAL DATA				EXPENDITURE DESCRIPTION		2022-2023 FISCAL YEAR		
ACTUAL	ACTUAL	ADOPTED	EOY PROJ	CAPITAL FUND REQUIREMENTS	PROPOSED	RECOMMEND	ADOPTED	
YR: 19-20	YR: 20-21	YR: 21-22	YR: 21-22		Version 1	Version 2	Version 3	
				CAPITAL OUTLAY				
				Meters Replacement	117,000			
0	0	0	0	Total Capital Outlay	117,000	0	0	
11,070	90,200	101,926		CONTINGENCY	0			
11,070	90,200	101,926	0	Total Contingency	0	0	0	
				UNAPPROPRIATED BALANCE				
				Project Reserve				
73,421				Undesignated	74,331			
73,421	0	0	0	Total Unappropriated Balance	74,331	0	0	
84,491	90,200	101,926	0	TOT CONTINGENCY & UNAPP BAL (ENDING)	74,331	0	0	

ARCH CAPE WATER DISTRICT

Forest Fund: 2022-2023 Fiscal Year

HISTORICAL DATA				WATER RESOURCES	2022-2023 FISCAL YEAR		
ACTUAL	ACTUAL	ADOPTED	EOY PROJ	ARCH CAPE FOREST FUND	PROPOSED	RECOMMEND	ADOPTED
YR: 19-20	YR: 20-21	YR: 21-22	YR: 21-22	BEGINNING BALANCE	Version 1	Version 2	Version 3
				Undesignated Balance			
		30,000		Project Reserve			
				Debt Service Reserve			
0	0	30,000	0	TOTAL BEGINNING BALANCE	0	0	0
				REVENUE			
				Business Oregon ARPA Grant	2,000,000		
				Safe Drinking Water Revolving Loan Fund (U22010)	30,000		
				Forest Legacy Program Grant	3,500,000		
				Clatsop County Contribution	250,000		
				Private Donations (NCLC)	284,301		
				Hollis Foundation Grant	100,000		
0	0	0		Miscellaneous			
0	0	0	0	TOTAL REVENUE	6,164,301	0	0
				Transfer From General Fund			
0	0	30,000	0	TOTAL RESOURCES	0	0	0

ARCH CAPE WATER DISTRICT

Forest Fund: 2022-2023 Fiscal Year

HISTORICAL DATA				EXPENDITURE DESCRIPTION	2022-2023 FISCAL YEAR		
ACTUAL	ACTUAL	ADOPTED	EOY PROJ		PROPOSED	RECOMMEND	ADOPTED
YR: 19-20	YR: 20-21	YR: 21-22	YR: 21-22	CAPITAL FUND REQUIREMENTS	Version 1	Version 2	Version 3
				CAPITAL OUTLAY			
				Land Purchase	4,690,000		
				Construction	900,000		
				Permitting Fees	100,000		
				Safe Drinking Water Revolving Loan Fund (U22010)	30,000		
				Forestry Services	175,000		
		30,000		Project Management Services	43,180		
0	0	30,000	0	Total Capital Outlay	5,938,180	0	0
				CONTINGENCY			
0	0	0	0	Total Contingency	0	0	0
				UNAPPROPRIATED BALANCE			
				Project Reserve	226,121		
				Undesignated			
0	0	0	0	Total Unappropriated Balance	226,121	0	0
0	0	0	0	TOT CONTINGENCY & UNAPP BAL (ENDING)	226,121	0	0