Fiscal Year 25/26 Budget Notes

Income

1. **Water Revenue –** This reflects a 2% increase in both the base rate and cost per thousand gallons. This will help cover rising costs of fuel, chemicals, brass, etc., this will also help prepare for upgrades / replacements according to our upcoming Master Plan. This rate increase was in the agreement for the new Grant / Loan we have received. District seen a dip in approx. $1,500 per month over the course of this current fiscal year, which does not seem like much but adds up to over $18,000 during the entire year. With the expected new services and the 2% increase, revenues are expected to stay the same in 25/26.
2. **Interest –** Accounts in the LGIP (Local Government Investment Pool) average $705 in interest monthly.
3. **SDC Fees –** Estimate 20 new services to be sold. Historically there have been approx. 10 new services annually, the last couple of years have seen an increase in new building, more so with duplex’s and ADU’s. This revenue is also reflected in “Installation Costs”, which is the parts and labor the District bills out for new installs.
4. **Grants and Loans –** Expect to receive a total of $617,370. This will come from $5k from the annual Safety & Security Grant, $239,427 from the Fort Clatsop Line Replacement Project (Design Phase) and $372,943 from Business Oregon for the Treatment Plant Upgrades.

Expense

1. **Personnel Expense –** This reflects an increase of 3%, on par with the Federal COLA increase, plus any incentives for obtaining certifications. Last year this also showed the cost of an additional temp employee, which we have now retained on a permanent basis. There is also a proposed increase in on-call pay from $125/week to $150/week.
2. **Health Insurance –** Current rates reflect a 1% increase from last year. Last year shows an additional employee, while the District hired a temp employee.
3. **General Fund Expenses –** Largest increases are in Materials & Supplies and Contracted Services. This is due to the increase in services installed, which in turn uses more parts. The price of brass and stainless steel has also had a large increase in price the last several months. There is several

 smaller increases to line items throughout. One line item in which we’ve saved money in is Office Supplies and Advertising / Publication, which the District has transitioned to a more virtual format for mandatory District wide publications. Contracted services is another substantial increase, this is for contractors to bore lines under the road or for the use of a vac truck. These costs are passed on to customers, which is reflected in the Installation Fees under revenue.

Loan Payments

1. **New Water Plant Loan S23007**. The District will not start repaying this loan until the completion of the project, which may be next fiscal year. The contract end date is March of 2026.

**Treatment Plant B Loan S02004**. Payment 24 of 30, 7 years left including 2025 payment.

**Reservoir Loan S11004**. Payment 12 of 30, 19 years left including 2025 payment.

Capital Improvements

1. **Safety & Security Grant –** Will submit for a Matching Grant through Special Districts for anything safety & security related, for any project up to $10k - $20k (changes from year to year). The District was successful in this Grant last year, receiving funds for a new Honda EU3200i generator
2. **Treatment Plant Upgrades –** District was successful in the Grant / Loan for District wide upgrades. Currently implementing upgrades to Aspmo Reservoir, added power to the site to install tank mixers and powered vent. There are also vast improvements being done at the Plant including new piping, filters / strainer replacements, SCADA enhancements, powered mixer and vent in the Clearwell. This project is still underway.
3. **Fort Clatsop Project –** The District has been working with Fort Clatsop on the replacement of a waterline that runs under the Lewis & Clark River that feeds Fort Clatsop National Park. The District is acting as a “pass-through”, meaning the Federal Park Service will give the federal dollars to the District, then in turn, the District will pay the engineers, etc. This project is still underway.
4. **Lyngstad Line Replacement –** The District is planning on a line replacement from the old Steel Reservoir on Lyngstad Heights, which is no longer owned by the District. This will move the waterline onto Woodland Lane, and not through someone’s back yard, mitigating potential losses.
5. **Upper L&CV Overpass –** The District is planning on the replacement of a 6” bridge crossing line. This is glued fittings consisting of 4x 90 degree elbows and is in a wooden box to cross the bridge.

Contingency

The District will end up with a contingency at over $56,000. This is mainly due to the SDC revenue, which will be used for the Lyngstad and Overpass waterline replacements, while serving as capital for future projects.