

GLENNEDEN SANITARY DISTRICT

BUDGET MESSAGE for 2024-2025 Budget Year

The auditors at Grimstad & Associates have recommended that the Gleneden Sanitary District continue with the current funds as described below. The definitions as to purpose comply with the intended use as established by previous resolutions.

GENERAL FUND

Lists total revenues, balanced against anticipated operational expenses for the general operation of the Sanitary District.

Contract Services to the City of Depoe Bay reflect anticipated expenditures related to the treatment of the District's sewage and joint related capital.

DEQ annual loan payment is reflected under Capital Outlay.

Contract Services to the K-GB-LB Water District reflect anticipated expenditures related to the annual operations of the Sanitary District's sewage collection system. No capital expenditures are included with this contract.

CONSTRUCTION FUND

This fund was being utilized for the pump station and force main improvements funded by the Clean Water State Revolving Fund Loan from DEQ. The proceeds and disbursements were reflected in this fund during construction. Now complete, the DEQ annual loan payment will be disbursed from the General Fund. 2

SDC IMPROVEMENT FUND

Improvement fees may be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for such improvements. An increase in system capacity may be established if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities. The portion of the improvements funded by improvement fees must be related to the need for increased capacity to provide service for future users. An annual report is required to the Board of Directors giving the revenue received during the fiscal year and any disbursements made from this fund.

SDC REIMBURSEMENT FUND

Reimbursement fees may be spent only on capital improvements associated with the systems for which the fees are assessed including expenditures relating to repayment of indebtedness. An annual report is required to the Board of Directors giving the revenue received during the fiscal year and any disbursements made from this fund.

RESERVE FUND

This is a restricted fund and a requirement from DEQ for the Clean Water State Revolving Fund Loan used for pump station and force main improvements. These monies are held in reserve until the completion of the project and partial duration of the loan.

SPECIAL REVENUE FUND

Lists proposed revenue received from the local option tax levy that will be on the May, 2024 ballot. Projects that will be funded by this revenue will consist of capital projects and expenditures scheduled by the Board in order of priority for each fiscal year.

The purpose of a local option levy is defined in ORS 280.060(4)(b) as:

"the acquisition of land upon which to construct an improvement, the acquisition of a building, the acquisition or construction of improvements, the acquisition of an addition to a building which increases the square footage of the building, the construction of a building, the construction of an addition to an existing building which increases the square footage of the building or the acquisition of and installation of machinery and equipment which will become an integral part of a building or an addition to a building, the purchase of furnishings, equipment or other tangible property with an expected useful life of more than one year or a combination of those items".