



Roseburg Urban Sanitary Authority
1297 N.E. Grandview Drive
Roseburg, OR 97470

REGULAR MONTHLY BOARD MEETING

December 8, 2021

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Roseburg Urban Sanitary
Authority
1297 N.E. Grandview Drive
Roseburg, OR 97470

December 8th, 2021
RUSA Board Room
4:00 p.m.

The December 8th Board meeting will be held in person and broadcast by Zoom® Meeting.
In person attendees will be required to always wear a mask when inside the building as required by the Governor's directive.

The link to the meeting will be posted on Roseburg Urban Sanitary Authority's web site, rusa-or.org

AGENDA
REGULAR MONTHLY BOARD MEETING

Board of Directors

John Dunn, Chair
David Campos

Kelsey Wood

Rob Lieberman, Vice Chair
Jerry Giese

1. **Call to Order – John Dunn, Board Chair**
2. **Roll Call**
3. **Consider Minutes**
 - a. November 10th, 2021, Board Meeting
4. **2020 – 2021 Annual Audit Report**
 - a. Paul Nielson will present the audit report.
5. **General Managers' Report**
 - a. Hooker Road Rehabilitation Project
 - b. Douglas Avenue Project, City of Roseburg
 - c. New Chemical feed building - Sodium Bisulfite System Relocation
 - d. Agreement with Douglas County – Emergency Treatment of Leachate
 - e. SDAO Annual Conference
6. **New Developments**
7. **Staff Report**
8. **Jacobs Plant Operations Report**
9. **Accounts Payable**
10. **Other Business**

AMERICANS WITH DISABILITIES ACT NOTICE

Please contact the Authority's Finance Department, 1297 NE Grandview Dr., Roseburg, OR 97470 or by Phone 541-672-1551 at least 48 hours prior to the scheduled meeting time if you need an accommodation.



Roseburg Urban Sanitary Authority
1297 N.E. Grandview Drive
Roseburg, OR 97470

**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF
ROSEBURG URBAN SANITARY AUTHORITY**

Board Chair, John Dunn, called the regular monthly Board Meeting to order at 4:00 p.m. on November 10, 2021. The Board Meeting was held in-person and remotely broadcast by Zoom® Meeting.

ROLL CALL

Directors

Present: Board Chair John Dunn, Rob Lieberman, Kelsey Wood, David Campos and Jerry Griese

Absent:

Others present: General Manager Jim Baird, Finance Director Christine Morris, Office Assistant Harmony Williams, Collections Superintendent Steve Lusch, Engineering Tech III Ryon Kershner and Jacobs Project Manager Jade Mecham.

Consideration of the October 13, 2021, Regular Monthly Board Meeting Minutes.

Jerry Griese moved to approve the minutes for October 13, 2021, Roseburg Urban Sanitary Authority Regular Monthly Board Meeting.
Rob Lieberman seconded the motion.
The motion passed unanimously.

General Managers Report

Hooker Road Rehabilitation Project

The contractor continued work on the project. The contractor installed 21 cleanouts, 1 private individual pump stations. The contractor has also been resurfacing the trench sections and landscape restoration. Cradar has submitted pay request #5 in the total amount of \$87,759.76 with \$4,387.99 withheld in retainage for a payment #5 in the amount of \$83,371.77.

Rob Lee, the Engineer of Record, has reviewed the data comprising the Application for Payment and recommends paying Pay Estimate #5 as submitted.

Staff has reviewed Pay Estimate #5 we concur with the Engineer and would recommend that the Board approve payment of Pay Estimate #5 in the amount of \$83,371.77

Jerry Griese moved to approve Pay Estimate #5 in the amount of \$83,371.77.
Rob Lieberman seconded the motion.
The motion passed unanimously.

Douglas Avenue Project

The City and RUSA have submitted the Douglas Avenue project as part of a list of projects for consideration in the American Rescue Plan Act for funding. The project currently has not been scheduled for bidding and subsequent construction at this time.

New Chemical Feed Building

Rogers Engineering is currently working on the specifications and plans for the chemical feed building.

SDAO Insurance Discount Program

Staff has completed the required SDIS 2021/2022 best practices to be eligible for a 10% discount on RUSA's insurance policies provided by SDIS. The improvement to our cybersecurity took the most work to meet the standards. David Fromdahl, Information Technology System Administrator, made a number of improvement and changes to upgrade our cybersecurity.

New Employees

We are happy to report that we have filled two open positions in the Collection Department. Brandon Kitcher and Nicholas Soule have joined the RUSA team in the position of Collections I – Operator in Training.

2021 HIRE Vets Medallion Award

RUSA has been recognized for the second consecutive year by the U.S. Department of Labor as part of the federal HIRE Vets Medallion program. This is the only federal award recognizing exceptional achievement in veteran employment. For the second year in a row RUSA has been awarded the Platinum Medallion Award for demonstrating both patriotism and recognition of the value veterans bring to the workplace.

Jacobs Plant Operations Report

Jade Mecham reported the treatment facility averaged 98% CBOD removal and 96% Total Suspended Solids removal during October. The total Effluent flow was 88.99 million gallons all of which went to the NTS at Outfall 002.

Accounts Payable

The Board reviewed the Accounts Payable Report and Addendum for the November 2021 Accounts Payable.

Rob Lieberman moved to approve the Accounts Payable Report and Addendum as presented.
Kelsey Wood seconded the motion.
The motion passed unanimously.

Other Business

Staff advised the Board that an employee Christmas party would not be possible this year due to Covid-19. The General Manager suggested giving employees an extra day off this year.

Respectfully submitted,



Harmony Williams
Office Assistant



ROSEBURG URBAN SANITARY AUTHORITY
ROSEBURG, OREGON

Financial Statements and Supplementary Information
Years Ended June 30, 2021 and 2020

ROSEBURG URBAN SANITARY AUTHORITY

Roseburg, Oregon

**FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020

Prepared by:
RUSA Finance Department

ROSEBURG URBAN SANITARY AUTHORITY

Years ended June 30, 2021 and 2020

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INTRODUCTORY SECTION

ROSEBURG URBAN SANITARY AUTHORITY

Board of Directors and Registered Agent

June 30, 2021

CHAIRMAN OF THE BOARD:

Term of Office

John Dunn
1440 SE Brush
Roseburg, OR 97470

7/1/2017 - 6/30/2021

BOARD MEMBERS:

Robert Lieberman
P.O. Box 666
Winchester, OR 97496

7/1/2017 - 6/30/2021

Kelsey Wood
PO Box 1326
Roseburg, OR 97470

7/1/2019 - 6/30/2023

Jerry Griesse
1940 NW Dogwood
Roseburg, OR 97471

7/1/2019 - 6/30/2023

David Campos
1858 NE Sunset
Roseburg, OR 97471

7/1/2017 - 6/30/2021

REGISTERED AGENT AND OFFICER:

Jim Baird
1297 NE Grandview Drive
Roseburg, OR 97470

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Roseburg Urban Sanitary Authority
Roseburg, Oregon

1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

Report on the Financial Statements

We have audited the accompanying financial statements of the Roseburg Urban Sanitary Authority ("Authority" or "RUSA"), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise RUSA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RUSA as of June 30, 2021 and 2020, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and the schedule of pension contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise RUSA's basic financial statements. The combining schedules and the budgeted and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining schedules and the budgeted and actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory section, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated November 8, 2021 on our consideration of RUSA's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



By Paul Nielson, a member of the firm
for Isler CPA
November 8, 2021

ROSEBURG URBAN SANITARY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years ended June 30, 2021 and 2020

GASB 34 requires Roseburg Urban Sanitary Authority ("RUSA" or "the Authority") to provide this overview and analysis of its financial activities for the fiscal year, and it should be read in conjunction with the accompanying Basic Financial Statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars (\$1,000).

FINANCIAL HIGHLIGHTS

- The assets of RUSA exceeded its liabilities at the close of June 30, 2021 by \$43,651, a increase of \$1,673. Of this amount, \$11,575 (unrestricted net position) may be used to meet ongoing obligations and \$30,679 is invested in capital assets net of accumulated depreciation.
- Total Operating revenues were \$6,778, a decrease of \$111 from the prior year. Operating expenses totaled \$6,227, an increase of \$36 from the prior year. The difference between operating revenues and operating expenses resulted in operating income of \$550.
- RUSA has \$32,453 in capital assets, net of accumulated depreciation. This is a decrease of \$1,023 from the prior year. RUSA also recognized \$1,684 in depreciation expense in the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to RUSA's Basic Financial Statements. The Basic Financial Statements include the notes to the financial statements. In addition to these statements, this report also contains supplementary information.

RUSA is a self-supporting entity and follows enterprise fund reporting, accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. RUSA's annual report consists of the Balance Sheets, the Statements of Revenues, Expenses and Changes in Net Positions and the Statements of Cash Flows. The Balance Sheets provide information about the financial position of RUSA, including all of its capital assets and long-term liabilities, on the full accrual basis, similar to that used by corporations. The Statements of Revenues, Expenses and Changes in Net Positions present information showing how RUSA's net position has changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that do not affect the cash flow until future fiscal periods. The Statements of Cash Flows present information showing how the Authority's cash balance changed as a result of current year operations. This statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method).

The notes to the financial statements provide additional information that is essential to a complete understanding of the data provided in the financial statements.

ROSEBURG URBAN SANITARY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years ended June 30, 2021 and 2020

FINANCIAL ANALYSIS

Total assets, liabilities, deferred inflows/outflows of resources, and net position were as follows:

	2021	2020	2019	Change 2020 - 2021	
				Amount	Percent %
Assets:					
Current assets	\$ 12,512	\$ 10,398	\$ 10,970	\$ 2,114	20.3
Noncurrent receivables	368	27	28	341	1,263.0
Capital assets (net)	<u>32,453</u>	<u>33,476</u>	<u>31,339</u>	<u>(1,023)</u>	(3.1)
Total assets	<u>45,333</u>	<u>43,901</u>	<u>42,337</u>	<u>1,432</u>	3.3
Deferred outflow of resources	<u>577</u>	<u>484</u>	<u>533</u>	<u>93</u>	19.2
Total assets and deferred outflows of resources	<u>45,910</u>	<u>44,385</u>	<u>42,870</u>	<u>1,525</u>	3.4
Liabilities:					
Current liabilities	294	682	149	(388)	(56.9)
Net pension liability	1,775	1,513	1,422	262	17.3
Other long-term liabilities	<u>1,775</u>	<u>-</u>	<u>100</u>	<u>1,775</u>	N/A
Total liabilities	<u>3,844</u>	<u>2,195</u>	<u>1,671</u>	<u>1,649</u>	75.1
Deferred inflow of resources	<u>191</u>	<u>212</u>	<u>212</u>	<u>(21)</u>	(9.9)
Total liabilities and deferred inflows of resources	<u>4,035</u>	<u>2,407</u>	<u>1,883</u>	<u>1,628</u>	3.4
Net position:					
Net investment in capital assets	30,679	33,476	31,239	(2,797)	(8.4)
Restricted	1,397	219	1,395	1,178	537.9
Unrestricted	<u>11,575</u>	<u>8,283</u>	<u>8,353</u>	<u>3,292</u>	39.7
Total net position	<u>\$ 43,651</u>	<u>\$ 41,978</u>	<u>\$ 40,987</u>	<u>\$ 1,673</u>	4.0

Total assets increased for this fiscal year by \$1,432. Current assets increased by \$2,114 mainly as a result of an increase of \$1,988 in cash and cash equivalents and \$341 in SDC receivable.

Total liabilities decreased by \$(1,649) from last year. The decreases in current liabilities is related to the decrease in accounts payables.

Net position may serve as a useful indicator of the RUSA's financial position. As of June 30, 2021, assets exceeded liabilities by \$43,651, a 4.0 percent increase over the prior period. Investment in capital assets are considered unavailable for current expenditure and accounts for 70.3 percent of the total net position (79.7 percent of total net position at June 30, 2020). Unrestricted net position accounts for 26.5 percent of the total net position (19.7 percent of the total net position at June 30, 2020). Unrestricted assets are normally the part of net position used to finance day-to-day operations without constraints established by debt covenants or other legal requirements. Restricted net position represents assets set aside for future system development.

ROSEBURG URBAN SANITARY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years ended June 30, 2021 and 2020

FINANCIAL ANALYSIS, continued

The following schedule presents a summary of revenues, expenses and increase in net position for the Authority and the amount and percentage change from 2020 to 2021.

	2021	2020	2019	<u>Change 2020 - 2021</u>	
				<u>Amount</u>	<u>Percent %</u>
Operating revenues:					
User service fees	\$ 6,673	\$ 6,657	\$ 6,771	\$ 16	0.2
Other revenues	<u>105</u>	<u>232</u>	<u>105</u>	<u>(127)</u>	<u>(54.7)</u>
Total operating revenues	6,778	6,889	6,876	(111)	(1.6)
Nonoperating revenues:					
Gain (loss) on sale of assets	86	4	74	82	2,050.0
Interest income	<u>89</u>	<u>171</u>	<u>191</u>	<u>(82)</u>	<u>(48.0)</u>
Total nonoperating revenues	<u>175</u>	<u>175</u>	<u>265</u>	<u>-</u>	<u>-</u>
Total revenues	<u>6,953</u>	<u>7,064</u>	<u>7,141</u>	<u>(111)</u>	<u>(1.6)</u>
Operating expenses:					
Personal services	1,945	1,973	1,743	(28)	(1.4)
Materials and services	2,598	2,588	2,484	10	0.4
Depreciation	<u>1,684</u>	<u>1,630</u>	<u>1,636</u>	<u>54</u>	<u>3.3</u>
Total operating expenses	6,227	6,191	5,863	36	0.6
Nonoperating expenses:					
Interest expense	<u>-</u>	<u>2</u>	<u>9</u>	<u>(2)</u>	<u>(100.0)</u>
Change in net position before contributions	726	871	1,269	(145)	(16.6)
Capital contributions	946	120	1,362	826	688.3
Net position-beginning	<u>41,978</u>	<u>40,987</u>	<u>38,356</u>	<u>991</u>	<u>2.4</u>
Net position-ending	<u>\$ 43,650</u>	<u>\$ 41,978</u>	<u>\$ 40,987</u>	<u>\$ 1,672</u>	<u>4.0</u>

Total operating revenues were comparable to the prior period. Other revenues consist of miscellaneous collection service fees, title clearance fees and other miscellaneous income. Operating expenses increased by 0.6 percent as compared to the prior period. Personal services decreased by 1.4 percent due a temporary decrease in staff in the collection department due to staffing turnover.

There was no change in nonoperating revenues over the prior year. Although no change in total nonoperating revenue, gain on sale of asset increased 2,050 percent while investment income decreased by 48 percent.

Capital contributions charges increased 688.3 percent due primarily to system development charges received from three large housing developments.

ROSEBURG URBAN SANITARY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years ended June 30, 2021 and 2020

CAPITAL ASSETS

At June 30, 2021, RUSA had \$32,453 invested in a broad range of capital assets, including land, buildings, machinery, pump stations, reservoirs, distribution systems and construction in progress. For the year ended June 30, 2021, RUSA had \$664 in additions.

Depreciation expense was \$1,685 and \$1,630 for the years ended June 30, 2021 and 2020, respectively.

RUSA's Capital Assets (net of depreciation)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 768	\$ 768	\$ 768
Construction in progress	239	92	93
Collection system and pump station	19,979	20,567	18,674
Treatment plants	10,092	10,660	10,763
Office building and rental houses	180	186	209
Equipment	<u>1,195</u>	<u>1,203</u>	<u>832</u>
Total	<u>\$ 32,453</u>	<u>\$ 33,476</u>	<u>\$ 31,339</u>

Additional information on RUSA's capital assets can be found in the notes to the financial statements in the note titled Capital assets.

DEBT ADMINISTRATION

In September 2009, RUSA obtained loans to finance the Natural Treatment System (NTS). The loan was paid in full during the year ended June 30, 2020.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
LID debt	\$ 88	\$ -	\$ -
NTS debt	<u>\$ 1,775</u>	<u>\$ -</u>	<u>\$ 100</u>

REQUEST FOR INFORMATION

Our financial report is designed to provide our ratepayers and creditors with an overview of RUSA's finances. If you have any questions about this report or need any clarification of information please contact the Finance Department at the Roseburg Urban Sanitary Authority. Our address is: 1297 NE Grandview, Roseburg, Oregon 97470.

BASIC FINANCIAL STATEMENTS

ROSEBURG URBAN SANITARY AUTHORITY

Balance Sheets

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,411,608	\$ 9,423,756
Receivables:		
Sewer service charges (net of allowance of \$8,620 for 2021 and 2020)	835,488	790,948
Interest	32,219	20,882
SDC	40,432	-
Prepaid expenses	152,998	145,004
Due from OMI	<u>38,810</u>	<u>17,817</u>
Total current assets	<u>12,511,555</u>	<u>10,398,407</u>
Noncurrent assets:		
SDC receivables	340,859	-
Assessments receivable	27,570	27,570
Capital assets - net	<u>32,453,468</u>	<u>33,475,648</u>
Total noncurrent assets	<u>32,821,897</u>	<u>33,503,218</u>
Total assets	45,333,452	43,901,625
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources related to pensions	<u>576,803</u>	<u>483,626</u>
Total assets and deferred outflow of resources	<u>\$ 45,910,255</u>	<u>\$ 44,385,251</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 202,435	\$ 582,825
Accrued payroll liability	<u>91,939</u>	<u>98,856</u>
Total current liabilities	294,374	681,681
Noncurrent liabilities:		
Net pension liability	<u>1,774,811</u>	<u>1,512,930</u>
Total liabilities	2,069,185	2,194,611
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources related to pensions	<u>191,166</u>	<u>212,243</u>
NET POSITION		
Net investment in capital assets	30,678,657	33,475,648
Restricted for future development, collection system	842,010	218,812
Restricted for future development, treatment plant	554,657	-
Unrestricted	<u>11,574,580</u>	<u>8,283,937</u>
Total net position	<u>43,649,904</u>	<u>41,978,397</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 45,910,255</u>	<u>\$ 44,385,251</u>

See accompanying notes to financial statements.

ROSEBURG URBAN SANITARY AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
User service fees	\$ 6,672,787	\$ 6,656,426
Other revenue	<u>105,127</u>	<u>232,215</u>
Total operating revenues	<u>6,777,914</u>	<u>6,888,641</u>
Operating expenses:		
Personal services	1,945,408	1,972,545
Materials and services	2,597,726	2,588,326
Depreciation	<u>1,684,574</u>	<u>1,629,609</u>
Total operating expenses	<u>6,227,708</u>	<u>6,190,480</u>
Operating income (loss)	<u>550,206</u>	<u>698,161</u>
Nonoperating revenues and expenses		
Investment earnings	89,157	170,649
Interest expense	-	(1,769)
Gain (loss) on sale of capital assets	<u>86,131</u>	<u>4,193</u>
Total nonoperating revenue and expenses	<u>175,288</u>	<u>173,073</u>
Income (loss) before contributions	725,494	871,234
Capital contributions:		
System development charges	<u>946,013</u>	<u>120,273</u>
Total capital contributions	<u>946,013</u>	<u>120,273</u>
Change in net position	1,671,507	991,507
Net position - beginning of year.	<u>41,978,397</u>	<u>40,986,890</u>
Net position - end of year	<u>\$ 43,649,904</u>	<u>\$ 41,978,397</u>

See accompanying notes to financial statements.

ROSEBURG URBAN SANITARY AUTHORITY

Statements of Cash Flows

Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 6,731,912	\$ 6,904,054
Payments to suppliers	(3,007,102)	(2,431,129)
Payments to employees	<u>(1,804,698)</u>	<u>(1,808,716)</u>
Net cash provided by operating activities	<u>1,920,112</u>	<u>2,664,209</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(664,009)	(1,332,259)
Connection fees and other capital contributions	564,722	120,273
Principal paid on notes payable	-	(100,175)
Interest paid on notes payable	-	(4,007)
Proceeds from sale of capital assets	<u>87,745</u>	<u>13,452</u>
Net cash used by capital and related financing activities	<u>(11,542)</u>	<u>(1,302,716)</u>
Cash flows from investing activities:		
Interest received on investments	<u>79,282</u>	<u>170,648</u>
Net increase (decrease) in cash and cash equivalents	1,987,852	1,532,141
Cash and cash equivalents, July 1	<u>9,423,756</u>	<u>7,891,615</u>
Cash and cash equivalents, June 30	<u><u>\$ 11,411,608</u></u>	<u><u>\$ 9,423,756</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 550,206	\$ 698,161
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,684,574	1,629,609
Net change in pension liability and deferrals	147,627	140,651
Changes in operating assets and liabilities:		
Change in receivables	(46,002)	15,413
Prepaid expenses	(7,994)	(32,772)
Due from OMI	(20,993)	(4,754)
Accrued payroll liabilities	(6,917)	23,178
Accounts payable	<u>(380,389)</u>	<u>194,723</u>
Net cash provided by operating activities	<u><u>\$ 1,920,112</u></u>	<u><u>\$ 2,664,209</u></u>

See accompanying notes to financial statements.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

I. Summary of significant accounting policies

A. Reporting entity

The Roseburg Urban Sanitary Authority ("Authority" or "RUSA") was formed pursuant to ORS Chapter 198 and ORS Chapter 450. It is a sanitary authority created by popular vote on March 29, 1983. At this same election, a Board of Directors was elected to serve as the governing body for two and four year terms, to be determined by lot. On April 13, 1983, the Board of Commissioners of Douglas County ordered the formation of the Authority and directed certification of the Board of Directors.

The facilities, systems, and equipment of the North Umpqua Sanitary District and the North Roseburg Sanitary District were transferred to the Authority as were the City of Roseburg's sewage collection and treatment system.

RUSA became functional July 1, 1983, under a budget adopted for the fiscal year 1983-1984. The Authority assumed the operation and maintenance of the entire collection systems and treatment plants formerly operated and maintained by the City of Roseburg, the North Umpqua Sanitary District, and the North Roseburg Sanitary District and now performs sewer collection and treatment of waste for those customers located within their boundaries.

B. Basis of accounting

The Authority maintains its accounting records in accordance with generally accepted accounting standards for proprietary funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Authority are monthly user service fees. User service fees are recorded as revenue when earned. Operating expenses include costs that are directly related to the operation and maintenance of the collection systems as well as administrative expenses and depreciation on capital assets. Revenues and expenses related to financing systems development and other activities are reflected as nonoperating.

The Authority's accounting records are maintained on a fund accounting basis required for budgetary reporting by the State of Oregon, but for financial reporting purposes the financial statements are presented as a single consolidated operating utility enterprise. The nature and purpose of these funds are as follows:

The General fund is the operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund. The primary source of revenue is sewer fees. The primary expenses are personal services and other operating costs.

The Infrastructure Replacement Reserve fund is used to fund major infrastructure replacement projects as identified by the master plan and authorized by the Board of Directors. Revenue consists of sewer fees and transfers from the General fund.

The Diamond Lake LID fund is being used to account for the retirement of the Oregon Clean Water State Revolving Loan Fund. The loan was paid in full during the fiscal year ended June 30, 2016. Future revenues will consist of the collection of assessments and interest from benefited property owners.

The Asset Acquisition and Replacement fund is used to provide a place to build a reserve for future major asset acquisition and/or asset replacement which are projected. The intent is to transfer, in the future, from this fund to the appropriate fund where an asset is to be budgeted and acquired. The primary source of revenue is sewer fees.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

I. Summary of significant accounting policies (continued)

B. Basis of accounting (continued)

The Plant Equipment Replacement fund is used to account for wastewater treatment plant equipment replacement. Revenue consists of transfers from the General fund and interest earned.

The Administration Building fund was established to account for monies designated for construction, expansion, or improvement of the administrative building and grounds.

The Treatment Plant Expansion Reserve fund was established to account for money that is used for treatment plant expansion. The primary sources of revenue are system development charges and interest earned.

The Collection System Expansion fund is used for the deposit of collection system development funds. These monies are restricted to expansion of capacity in the collection system. The primary sources of revenue are system development charges and interest earned.

C. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, and ending net position during the reporting period. Actual results could differ from those estimates.

D. Assets, liabilities, and net position

1. Cash and cash equivalents

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and all amounts in the State of Oregon Local Government Investment Pool (LGIP).

The Authority is legally authorized to invest in the types of investments listed in Oregon Revised Statutes section 294.035. RUSA's investments consist of certificates of deposit and balances in the LGIP, all of which are authorized by Oregon Revised Statutes and are considered cash equivalents by the Authority.

2. Receivables

Sewer service charges receivable includes all monthly charges due for services provided through June 30. An allowance of \$7,500 has been established for estimated vacancy credits. On July 1 of each year, the Authority turns over delinquent accounts to the Douglas County Assessor for certification on the property tax rolls. The Douglas County Assessor, in turn, collects and remits them back to the Authority. The Authority estimates that \$2,240 of the amount certified will be uncollectible. The balance of delinquent accounts turned over to the Assessor but not yet collected was \$576,236 and \$170,620 at June 30, 2021 and 2020 respectively. During the year ended June 30, 2020 no accounts were turned over to the Douglas County Assessor.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

I. Summary of significant accounting policies (continued)

D. Assets, liabilities, and net position (continued)

2. Receivables (continued)

Assessments and SDC receivables represent the uncollected amounts levied against benefited property for the cost of local improvements. Assessments and SDCs are recorded as a receivable and nonoperating revenue at the time the property owners are assessed for the improvement. Because the assessments are liens against the benefited property, an allowance for uncollectible amounts is not deemed necessary. Assessments are payable over twenty years and currently bear interest of 5.3%. Terms of SDCs agreements vary. SDC receivables for the year ended June 30, 2021 are payable over ten years and currently bear interest of 4.4%.

3. Capital assets

Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets purchased or constructed by the Authority are recorded at cost. The facilities, systems, and equipment of the North Umpqua Sanitary District and the North Roseburg Sanitary District, and the facilities, system, and equipment used in operating a sewage collection and treatment system by the City of Roseburg were contributed to the Authority by the respective entities. These contributed assets were recorded at estimated historical cost on the date of the transfer. Subsequent donated capital assets are recorded at their acquisition value on the date contributed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings - administrative office	40
Sewer system - collection and treatment facilities	40 - 50
Equipment	5
Regional wastewater treatment facility:	
Buildings	30 - 50
Equipment	5 - 30
Computer equipment	5

4. Prepaid expenses

These balances arise from paying invoices in the current fiscal year that are included in the budget of the next fiscal year at which time the expenditure/expense will be recognized as consumed.

5. Compensated absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

I. Summary of significant accounting policies (continued)

D. Assets, liabilities, and net position (continued)

5. Deferred Outflows/Inflows of Resources

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. It is the deferred amounts relating to pensions. This amount is deferred and recognized as an outflow of resources in the period when the Authority recognizes pension expense.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has one item that qualifies for reporting in this category, the deferred amounts related to pensions. This amount is deferred and recognized as an inflow of resources in the period when the Authority recognizes pension income.

A detailed description of these accounts and how they are calculated are discussed in note IV.C.

6. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

7. Net Position

Net position is defined as the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Authority's financial statements.

Proprietary fund net position comprises the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in capital assets - all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - assets with external constraints placed on their use by creditors, grantors, contributors, or laws and regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position- all other net position.

When both restricted and unrestricted resources are available for use in proprietary funds, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

For the years ended June 30, 2021 and June 30, 2020, \$1,396,667 and \$218,812 was reported as restricted net position due to restrictions placed on use of system development charges (SDC) through Oregon Law.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

II. Stewardship, compliance, and accountability

A. Budget information

The Authority adopts a budget for all funds. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The Authority made appropriations in the following categories:

- Administration and engineering, treatment, collection, finance, contingency and fund transfers in the General fund.
- Capital outlay and transfers to other funds in the Infrastructure Replacement Reserve, Plant Equipment Replacement, Treatment Plant Expansion, Collection System Expansion, and Administrative Building funds.

The budget document is required to contain more specific, detailed information for the above mentioned expenditure categories. Unexpended additional resources may be added to the budget through use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers, and approval by the Board of Directors. Original and supplemental budgets may be modified by the use of appropriation transfers between levels of control. Such transfers require approval by the Board. No supplemental budget was prepared and approved in the two fiscal years ended June 30, 2021 and 2020. Appropriations lapse as of year-end.

A budget is prepared and legally adopted for all the funds on the modified accrual basis of accounting.

III. Detailed notes

A. Cash and cash equivalents

Cash and cash equivalents at June 30 are comprised of:

	2021	2020
Cash on hand	\$ 500	\$ 500
Deposits with Financial Institutions	477,829	328,429
Certificate of deposit, nonnegotiable	-	537,961
Local Government Investment Pool	10,933,279	8,556,866
Total cash and cash equivalents	<u>\$ 11,411,608</u>	<u>\$ 9,423,756</u>

State statutes govern the Authority's cash management policies, because the Authority does not have an official investment policy. State statutes authorize the Authority to invest in the Oregon State Treasurer's Local Government Investment Pool, time certificates of deposit, U.S. Government Treasury Obligations, and obligations of the United States and its agencies and instrumentalities.

The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by the OSTF and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The OSTF financial statements are available at <http://www.ost.state.or.us/>.

Credit risk: The LGIP is not rated by any national rating service.

Interest rate risk: The weighted-average maturity of LGIP is less than one year.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

III. Detailed notes (continued)

A. Cash and cash equivalents (continued)

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Deposits with financial institutions include bank demand deposits. Cash, except for cash held at the Authority, is covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool called the Public Funds Collateralization Program (PFCP) administered by the Office of the State Treasurer for the State of Oregon. As of June 30, 2021 and 2020, none of the Authority's bank balances were exposed to credit risk.

B. Capital assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>2020</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>2021</u>
Capital assets not being depreciated:				
Land	\$ 767,601	\$ -	\$ -	\$ 767,601
Construction in progress	<u>91,859</u>	<u>146,674</u>	<u>-</u>	<u>238,533</u>
Total capital assets not being depreciated	<u>859,460</u>	<u>146,674</u>	<u>-</u>	<u>1,006,134</u>
Capital assets being depreciated:				
Collection system and pump station	36,950,608	101,945	-	37,052,553
Treatment plants	28,570,587	239,520	-	28,810,107
Office building and rental houses	841,049	21,744	-	862,793
Equipment	<u>2,903,024</u>	<u>154,125</u>	<u>(259,969)</u>	<u>2,797,180</u>
Total capital assets being depreciated	<u>69,265,268</u>	<u>517,334</u>	<u>(259,969)</u>	<u>69,522,633</u>
Less accumulated depreciation for:				
Collection system and pump station	(16,383,490)	(617,971)	(71,655)	(17,073,116)
Treatment plants	(17,910,126)	(807,754)	-	(18,717,880)
Office building and rental houses	(654,755)	(27,665)	-	(682,420)
Equipment	<u>(1,700,709)</u>	<u>(231,184)</u>	<u>330,010</u>	<u>(1,601,883)</u>
Total accumulated depreciation	<u>(36,649,080)</u>	<u>(1,684,574)</u>	<u>258,355</u>	<u>(38,075,299)</u>
Total capital assets, being depreciated, net	<u>32,616,188</u>	<u>(1,167,240)</u>	<u>(1,614)</u>	<u>31,447,334</u>
Total capital assets, net	<u>\$ 33,475,648</u>	<u>\$ (1,020,566)</u>	<u>\$ (1,614)</u>	<u>\$ 32,453,468</u>

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

III. Detailed notes (continued)

B. Capital assets, (continued)

Capital asset activity for the year ended June 30, 2020 was as follows:

	2019	Additions	Transfers and Retirements	2020
Capital assets not being depreciated:				
Land	\$ 767,601	\$ -	\$ -	\$ 767,601
Construction in progress	93,107	81,039	(82,287)	91,859
Total capital assets not being depreciated	860,708	81,039	(82,287)	859,460
Capital assets being depreciated:				
Collection system and pump station	34,524,252	2,344,069	82,287	36,950,608
Treatment plants	27,881,496	689,091	-	28,570,587
Office building and rental houses	834,330	6,719	-	841,049
Equipment	2,329,753	654,185	(80,914)	2,903,024
Total capital assets being depreciated	65,569,831	3,694,064	1,373	69,265,268
Less accumulated depreciation for:				
Collection system and pump station	(15,850,035)	(605,110)	71,655	(16,383,490)
Treatment plants	(17,118,710)	(791,416)	-	(17,910,126)
Office building and rental houses	(625,587)	(29,168)	-	(654,755)
Equipment	(1,496,794)	(203,915)	-	(1,700,709)
Total accumulated depreciation	(35,091,126)	(1,629,609)	71,655	(36,649,080)
Total capital assets, being depreciated, net	30,478,705	2,064,455	73,028	32,616,188
Total capital assets, net	\$ 31,339,413	\$ 2,145,494	\$ (9,259)	\$ 33,475,648

C. Long-term liabilities

The following loan agreement was entered into in September 2009 to finance the Natural Treatment System project:

Oregon Economic Development Department Loan (OEDD) agreement. The Authority was awarded a Financial Assistance Award Contract on September 15, 2009. The contract was between the Authority and the State of Oregon, acting by and through its Economic and Community Development Department (OECDD), awarding a non-revolving loan in the maximum aggregate principal amount of \$8,743,000 at 4%. The use of this loan was limited to the Natural Treatment System project, which included a one-to-five acre irrigation storage pond, a two-acre constructed wetland pond, 200 acres of spray irrigation and 40 acres of drip irrigation. The Authority made the first payment of \$938,641 on December 1, 2012. Remaining payments of \$292,740 were made each December 1 until the final payment was made on December 1, 2019 in the amount of \$104,182. Interest was accrued at 4% per annum and was computed on the basis of a 360-day year, consisting of twelve thirty-day months. The loan matured on December 1, 2019 and was paid in full.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

III. Detailed notes (continued)

C. Long-term liabilities (continued)

A summary of the changes in long-term liabilities for the year ended June 30, 2021 follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 96,924	\$ 112,678	\$ (121,626)	\$ 87,976	\$ 87,976
Pension liability	<u>1,512,930</u>	<u>261,881</u>	<u>-</u>	<u>1,774,811</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,609,854</u>	<u>\$ 374,559</u>	<u>\$ (121,626)</u>	<u>\$ 1,862,787</u>	<u>\$ 87,976</u>

A summary of the changes in long-term liabilities for the year ended June 30, 2020 follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
OEDD Loan - NTS	\$ 100,176	\$ -	\$ (100,176)	\$ -	\$ -
Compensated absences	73,564	115,459	(92,099)	96,924	96,924
Pension liability	<u>1,421,649</u>	<u>91,281</u>	<u>-</u>	<u>1,512,930</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,595,389</u>	<u>\$ 206,740</u>	<u>\$ (192,275)</u>	<u>\$ 1,609,854</u>	<u>\$ 96,924</u>

IV. Other information

A. Risk management

The Authority is exposed to various risks of loss during the ordinary course of business. To mitigate the risk of loss, various commercial insurance policies have been purchased and are reviewed for adequacy by management annually. There have been no significant changes in coverage nor have any settlements exceeded insurance coverage in the past three years.

B. Concentrations

Operations Management International, Inc. (OMI) manages, operates, and maintains the regional waste water treatment plant so that the effluent discharged from the project meets the requirements specified in the National Pollutant Discharge Elimination System ("NPDES") permit. The extended agreement ends July 1, 2023. Amounts paid to OMI for the contracted services were \$1,481,718 and \$1,468,391 for the years ended June 30, 2021 and 2020, respectively.

C. Pension Plan

Plan Description

Employees of the Authority are provided with pensions through the Oregon Public Employees Retirement System ("OPERS"), a cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

IV. Other information (continued)

C. Pension Plan (continued)

Benefits Provided

1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238)

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes

After retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.0 percent. The COLA for creditable service after October 2013 is calculated at 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

IV. Other information (continued)

C. Pension Plan (continued)

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.0 percent. The COLA for creditable service after October 2013 is calculated at 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

IV. Other information (continued)

C. Pension Plan (continued)

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 were \$199,694. The rates in effect for the fiscal year ended June 30, 2021 were 20.80 percent for Tier One/Tier Two General Services and 14.56 percent for OPSRP Pension Program General Services. Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. Per employee agreement with General Manager, Authority is picking up the General Managers 6 percent "pick-up" contribution. The Authority has elected not to make the payments on behalf of all other employees for the Individual Account Program.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021 the Authority reported a liability of \$1,774,811 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2018. The Authority's proportion of the net pension liability was based on a projection of the Authority's contribution effort as compared to the total projected contribution effort of all employers. At June 30, 2021, the Authority's proportion was 0.00813259 percent, which was changed from its proportion measure as of June 30, 2020 of 0.00874647 percent.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

IV. Other information (continued)

C. Pension Plan (continued)

The Authority recognized pension expense of \$199,694 and \$201,661 for the years ended June 30, 2021 and June 30, 2020, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	2021		2020	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ 78,113	\$ -	\$ 83,434	\$ -
Change in assumptions	95,248	3,337	205,246	-
Net difference between projected and actual earnings on pension plan investments	208,695	-	-	42,890
Changes in proportionate share	-	172,450	1,439	153,731
Changes in proportion and differences between contributions and proportionate share of contributions	<u>5,267</u>	<u>15,379</u>	<u>9,702</u>	<u>15,622</u>
Total (prior to post-MD contributions)	387,323	191,166	299,821	212,243
Contributions subsequent to the measurement date	<u>189,480</u>	<u>-</u>	<u>183,805</u>	<u>-</u>
Total	<u>\$ 576,803</u>	<u>\$ 191,166</u>	<u>\$ 483,626</u>	<u>\$ 212,243</u>

Deferred outflows of resources related to pensions of \$189,480 resulting from the Authority's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows
2022	\$ 20,450
2023	60,684
2024	67,048
2025	51,826
2026	<u>(3,851)</u>
Total	<u>\$ 196,157</u>

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

IV. Other information (continued)

C. Pension Plan (continued)

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 2019
Asset Valuation Method	Market value of assets
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active Members: Pub-2010 Employees, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

IV. Other information (continued)

C. Pension Plan (continued)

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what RUSA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
Proportionate share of net pension liability (asset)	\$ 2,635,448	\$ 1,774,811	\$ 1,053,127

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2021 and 2020

IV. Other information (continued)

D. Deferred compensation plan

RUSA offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency.

All amounts of compensation deferred under the plans are held in trust by the plan administrator for the sole benefit of the participants, and accordingly, are not an asset or liability of RUSA.

REQUIRED SUPPLEMENTARY INFORMATION

ROSEBURG URBAN SANITARY AUTHORITY

Required Supplementary Information

Year Ended June 30, 2021

Schedule of the Proportionate Share of the Net Pension Liability

Oregon Public Employees Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.008133 %	0.008747 %	0.009385 %	0.010014 %	0.011207 %	0.011800 %	0.010909 %	0.109090 %
Proportionate share of the net pension liability (asset)	\$ 1,774,811	\$ 1,512,930	\$ 1,421,649	\$ 1,349,941	\$ 1,682,405	\$ 679,209	\$(247,277)	\$ 566,704
Covered payroll	\$ 1,092,695	\$ 1,087,023	\$ 965,414	\$ 926,258	\$ 1,004,346	\$ 944,835	\$ 962,964	\$ 911,820
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	162.43 %	139.18 %	147.26 %	145.74 %	167.51 %	71.89 %	(25.68)%	62.15 %
Plan net position as a percentage of the total pension liability	75.80 %	80.20 %	82.07 %	83.10 %	80.50 %	91.88 %	103.59 %	92.00 %

Schedule of Pension Contributions

Oregon Public Employees Retirement System

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 199,694	\$ 201,661	\$ 146,727	\$ 139,539	\$ 119,582	\$ 119,582	\$ 84,204	\$ 119,582
Contributions in relation to the contractually required contribution	199,694	201,661	146,727	139,539	119,582	119,582	84,204	119,582
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,092,695	\$ 1,087,023	\$ 965,414	\$ 926,258	\$ 1,004,346	\$ 944,835	\$ 962,964	\$ 911,820
Contributions as a percentage of covered employee payroll	18.28 %	18.55 %	15.20 %	15.06 %	11.91 %	12.66 %	8.74 %	8.74 %

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Pension Required Supplementary Information

Year Ended June 30, 2021

Notes to Required Supplementary Information

Note I - Measurement Period

Amounts presented are for the measurement period, which for FY 2021 is July 1, 2019 - June 30, 2020.

Note II - Changes in Benefit Terms

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required contribution rates schedule to be in effect from July 2013 to June 2015 be reduced. The Oregon Supreme Court decision in *Moro V State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Note III - Changes in Assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included lowering the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

Note IV - Ten Year Trend Information

10-year trend information required by GASB Statement 68 will be presented prospectively.

SUPPLEMENTARY INFORMATION

ROSEBURG URBAN SANITARY AUTHORITY
Combining Balance Sheet - All Funds Used for Budgetary Reporting

June 30, 2021

	General Fund	Infrastructure Replacement Reserve Fund	Diamond Lake LID Fund	Asset Acquisition and Replacement Fund	Plant Equipment Replacement Fund	Administration Building	Treatment Plant Expansion Reserve Fund	Collection System Expansion Fund	Total
ASSETS									
Cash and cash equivalents	\$ 5,360,847	\$ 2,087,372	\$ 1,926	\$ 1,734,340	\$ 1,177,242	\$ 34,505	\$ 423,239	\$ 592,137	\$ 11,411,608
Receivables:									
Sewer service charges, net	835,488	-	-	-	-	-	-	-	835,488
SDC	-	-	-	-	-	-	131,418	249,873	381,291
Due from OMI	38,810	-	-	-	-	-	-	-	38,810
Assessments receivable	-	-	27,570	-	-	-	-	-	27,570
Accrued interest receivable	-	-	22,344	-	-	-	3,404	6,472	32,220
Prepaid expenses	152,998	-	-	-	-	-	-	-	152,998
Total assets	<u>\$ 6,388,143</u>	<u>\$ 2,087,372</u>	<u>\$ 51,840</u>	<u>\$ 1,734,340</u>	<u>\$ 1,177,242</u>	<u>\$ 34,505</u>	<u>\$ 558,061</u>	<u>\$ 848,482</u>	<u>\$ 12,879,985</u>
LIABILITIES									
Accounts payable	\$ 85,249	\$ 117,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,435
Accrued payroll liabilities	3,963	-	-	-	-	-	-	-	3,963
Total liabilities	<u>89,212</u>	<u>117,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,398</u>
DEFERRED INFLOWS of RESOURCES									
Unavailable revenue	-	-	27,570	-	-	-	134,822	256,345	418,737
FUND BALANCES									
Restricted for:									
System development charges	-	-	-	-	-	-	423,239	592,137	1,015,376
Unassigned	6,298,931	1,970,186	24,270	1,734,340	1,177,242	34,505	-	-	11,239,474
Total fund balances	<u>6,298,931</u>	<u>1,970,186</u>	<u>24,270</u>	<u>1,734,340</u>	<u>1,177,242</u>	<u>34,505</u>	<u>423,239</u>	<u>592,137</u>	<u>12,254,850</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,388,143</u>	<u>\$ 2,087,372</u>	<u>\$ 51,840</u>	<u>\$ 1,734,340</u>	<u>\$ 1,177,242</u>	<u>\$ 34,505</u>	<u>\$ 558,061</u>	<u>\$ 848,482</u>	<u>\$ 12,673,587</u>

Reconciliation to GAAP basis balance sheet:

Unappropriated fund balance	\$ 12,254,850
Capital assets, net	32,453,468
Unavailable revenue	418,736
Compensated absences	8,948
Net pension liability	(1,774,811)
Deferred outflows related to pensions	576,803
Deferred inflows related to pensions	(191,166)
Ending net position	<u>\$ 43,746,828</u>

ROSEBURG URBAN SANITARY AUTHORITY

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Funds Used for Budgetary Reporting

For the Year Ended June 30, 2021

	General Fund	Infrastructure Replacement Reserve Fund	Diamond Lake LID Fund	Asset Acquisition and Replacement Fund	Plant Equipment Replacement Fund	Administration Building Fund	Treatment Plant Expansion Reserve Fund	Collection System Expansion Fund	Total
Revenues:									
User service fees	\$ 5,364,940	\$ 261,572	\$ -	\$ 1,046,274	\$ -	\$ -	\$ -	\$ -	\$ 6,672,786
Other revenue	105,127	-	-	-	-	-	-	-	105,127
System development charges	-	-	-	-	-	-	194,642	370,080	564,722
Investment earnings	38,855	10,019	1,477	16,779	4,822	390	3,695	3,245	79,282
Sale of capital assets	87,745	-	-	-	-	-	-	-	87,745
Total revenues	<u>5,596,667</u>	<u>271,591</u>	<u>1,477</u>	<u>1,063,053</u>	<u>4,822</u>	<u>390</u>	<u>198,337</u>	<u>373,325</u>	<u>7,509,662</u>
Expenditures:									
Personal services	1,806,729	-	-	-	-	-	-	-	1,806,729
Materials and services	2,372,865	-	-	-	-	-	-	-	2,372,865
Capital Outlay	<u>341,979</u>	<u>194,966</u>	<u>-</u>	<u>-</u>	<u>111,821</u>	<u>21,744</u>	<u>218,361</u>	<u>-</u>	<u>888,871</u>
Total expenditures	<u>4,521,573</u>	<u>194,966</u>	<u>-</u>	<u>-</u>	<u>111,821</u>	<u>21,744</u>	<u>218,361</u>	<u>-</u>	<u>5,068,465</u>
Excess (deficiency) of revenues over (under) expenditures	1,075,094	76,625	1,477	1,063,053	(106,999)	(21,354)	(20,024)	373,325	2,441,197
Other financing sources (uses):									
Transfers in	-	759,000	-	-	652,700	-	-	-	1,411,700
Transfers out	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>(1,011,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,411,700)</u>
Total other financing sources (uses):	(400,000)	759,000	-	(1,011,700)	652,700	-	-	-	-
Change in fund balance	675,094	835,625	1,477	51,353	545,701	(21,354)	(20,024)	373,325	2,441,197
Beginning fund balance**	<u>5,623,837</u>	<u>1,134,561</u>	<u>22,793</u>	<u>1,682,987</u>	<u>631,541</u>	<u>55,859</u>	<u>443,263</u>	<u>218,812</u>	<u>9,813,653</u>
Ending fund balance	<u>\$ 6,298,931</u>	<u>\$ 1,970,186</u>	<u>\$ 24,270</u>	<u>\$ 1,734,340</u>	<u>\$ 1,177,242</u>	<u>\$ 34,505</u>	<u>\$ 423,239</u>	<u>\$ 592,137</u>	<u>\$ 12,254,850</u>

Reconciliation to Statement of Revenues, Expenses, and Changes in Net Position:

Change in fund balance \$ 2,441,197

Amounts reported in the statement of activities are different because:

**Beginning fund balance was increased by \$96,924 to remove the accrual of compensated absences on the budgetary basis

Expenditures for capital assets	664,011
Depreciation	(1,684,574)
Change in assets, liabilities, deferred inflow and outflows related to pensions	(147,627)
Capital contributions and related accrued interest	391,166
Compensated absences	8,948
Net book value of assets sold	<u>(1,614)</u>

Change in net position \$ 1,671,507

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Appropriated Expenditures and Other Budgetary Requirements - Budgetary Basis

General Fund

For the Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance With Final Budget
APPROPRIATIONS			
Expenditures:			
Administration and engineering	\$ 1,205,200	\$ 1,094,038	\$ 111,162
Treatment	2,328,728	1,938,787	389,941
Collection	1,819,625	1,030,556	789,069
Finance	<u>499,825</u>	<u>458,192</u>	<u>41,633</u>
Total appropriated expenditures	5,853,378	4,521,573	1,331,805
Transfers and Contingency:			
Transfer to Infrastructure Replacement Reserve Fund	400,000	400,000	-
Operating contingency	<u>550,000</u>	<u>-</u>	<u>550,000</u>
Total appropriated expenditures and other requirements	6,803,378	4,921,573	1,881,805
Unappropriated ending working capital	<u>4,253,822</u>	<u>6,298,931</u>	<u>(2,045,109)</u>
Total requirements	<u>\$ 11,057,200</u>	<u>\$ 11,220,504</u>	<u>\$ (163,304)</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

General Fund

For the Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance With Final Budget
RESOURCES			
Revenues:			
User service fees	\$ 5,434,500	\$ 5,364,940	\$ (69,560)
Other fees	117,200	105,127	(12,073)
Interest income	52,500	38,855	(13,645)
Gain (loss) on sale of capital assets	78,000	87,745	9,745
Grants	5,000	-	(5,000)
Total revenues	5,687,200	5,596,667	(90,533)
Beginning fund balance	5,370,000	5,623,837	253,837
Total resources	<u>\$ 11,057,200</u>	<u>\$ 11,220,504</u>	<u>\$ 163,304</u>
REQUIREMENTS			
Expenditures:			
Personal services:			
Administration and engineering	\$ 777,200	\$ 749,580	\$ 27,620
Collections	804,625	687,924	116,701
Finance	387,225	369,225	18,000
Total personal services	1,969,050	1,806,729	162,321
Materials and services:			
Administration and engineering	342,000	279,160	62,840
Treatment	2,303,728	1,915,752	387,976
Collections	169,500	97,940	71,560
Finance	87,300	80,013	7,287
Total materials and services	2,902,528	2,372,865	529,663
Capital outlay:			
Administration and engineering	86,000	65,297	20,703
Treatment	25,000	23,035	1,965
Collections	845,500	244,692	600,808
Finance	25,300	8,955	16,345
Total capital outlay	981,800	341,979	639,821
Total expenditures	5,853,378	4,521,573	1,331,805
Transfers out	400,000	400,000	-
Operating contingency	550,000	-	550,000
Ending fund balance	4,253,822	6,298,931	(2,045,109)
Total requirements	<u>\$ 11,057,200</u>	<u>\$ 11,220,504</u>	<u>\$ 163,304</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

Infrastructure Replacement Reserve Fund

For the Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance With Final Budget
RESOURCES			
Revenues:			
Investment earnings	\$ 9,000	\$ 10,019	\$ 1,019
User service fees	<u>259,000</u>	<u>261,572</u>	<u>2,572</u>
Total revenues	268,000	271,591	3,591
Transfers in	759,000	759,000	-
Beginning fund balance	<u>1,208,000</u>	<u>1,134,561</u>	<u>(73,439)</u>
Total resources	<u>\$ 2,235,000</u>	<u>\$ 2,165,152</u>	<u>\$ (69,848)</u>
REQUIREMENTS			
Expenditures:			
Capital Outlay	\$ 2,235,000	\$ 194,966	\$ 2,040,034
Ending fund balance	<u>-</u>	<u>1,970,186</u>	<u>(1,970,186)</u>
Total requirements	<u>\$ 2,235,000</u>	<u>\$ 2,165,152</u>	<u>\$ 69,848</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

Diamond Lake LID Fund

For the Year Ended June 30, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
Investment earnings	\$ 1,480	\$ 1,477	\$ (3)
Other revenue	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total revenues	3,480	1,477	(2,003)
Beginning fund balance	<u>22,800</u>	<u>22,793</u>	<u>(7)</u>
Total resources	<u>\$ 26,280</u>	<u>\$ 24,270</u>	<u>\$ (2,010)</u>
REQUIREMENTS			
Ending fund balance	<u>\$ 26,280</u>	<u>\$ 24,270</u>	<u>\$ 2,010</u>
Total requirements	<u>\$ 26,280</u>	<u>\$ 24,270</u>	<u>\$ 2,010</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

Asset Acquisition and Replacement Fund

For the Year Ended June 30, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
Investment earnings	\$ 30,000	\$ 16,779	\$ (13,221)
User service fees	<u>1,030,300</u>	<u>1,046,274</u>	<u>15,974</u>
Total revenues	1,060,300	1,063,053	2,753
Beginning fund balance	<u>1,684,600</u>	<u>1,682,987</u>	<u>(1,613)</u>
Total resources	<u>\$ 2,744,900</u>	<u>\$ 2,746,040</u>	<u>\$ 1,140</u>
REQUIREMENTS			
Transfers out	1,011,700	1,011,700	-
Ending fund balance	<u>1,733,200</u>	<u>1,734,340</u>	<u>(1,140)</u>
Total requirements	<u>\$ 2,744,900</u>	<u>\$ 2,746,040</u>	<u>\$ (1,140)</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

Plant Equipment Replacement Fund

For the Year Ended June 30, 2021

	Original and Final Budget	Actual	Variance With Final Budget
RESOURCES			
Revenues:			
Investment earnings	\$ 5,000	\$ 4,822	\$ (178)
Transfers in	<u>652,700</u>	<u>652,700</u>	<u>-</u>
Total revenues	657,700	657,522	(178)
Beginning fund balance	<u>592,300</u>	<u>631,541</u>	<u>39,241</u>
Total resources	<u>\$ 1,250,000</u>	<u>\$ 1,289,063</u>	<u>\$ 39,063</u>
REQUIREMENTS			
Expenditures:			
Capital outlay	\$ 1,250,000	\$ 111,821	\$ 1,138,179
Ending fund balance	<u>-</u>	<u>1,177,242</u>	<u>(1,177,242)</u>
Total requirements	<u>\$ 1,250,000</u>	<u>\$ 1,289,063</u>	<u>\$ (39,063)</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

Administration Building Fund

For the Year Ended June 30, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
Investment earnings	\$ 600	\$ 390	\$ (210)
Beginning fund balance	<u>56,700</u>	<u>55,859</u>	<u>(841)</u>
Total resources	<u>\$ 57,300</u>	<u>\$ 56,249</u>	<u>\$ (1,051)</u>
REQUIREMENTS			
Expenditures:			
Capital outlay	\$ 57,300	\$ 21,744	\$ 35,556
Ending fund balance	<u>-</u>	<u>34,505</u>	<u>(34,505)</u>
Total requirements	<u>\$ 57,300</u>	<u>\$ 56,249</u>	<u>\$ 1,051</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

Treatment Plant Expansion Reserve Fund

For the Year Ended June 30, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
System development charges	\$ 66,856	\$ 194,642	\$ 127,786
Investment earnings	<u>7,000</u>	<u>3,695</u>	<u>(3,305)</u>
Total revenues	73,856	198,337	124,481
Beginning fund balance	<u>444,600</u>	<u>443,263</u>	<u>(1,337)</u>
Total resources	<u>\$ 518,456</u>	<u>\$ 641,600</u>	<u>\$ 123,144</u>
REQUIREMENTS			
Expenditures:			
Capital Outlay	\$ 518,456	\$ 218,361	\$ 300,095
Ending fund balance	<u>-</u>	<u>423,239</u>	<u>(423,239)</u>
Total requirements	<u>\$ 518,456</u>	<u>\$ 641,600</u>	<u>\$ (123,144)</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

Collection System Expansion Fund

For the Year Ended June 30, 2021

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
System development charges	\$ 127,117	\$ 370,080	\$ 242,963
Investment earnings	<u>14,045</u>	<u>3,245</u>	<u>(10,800)</u>
Total revenues	141,162	373,325	232,163
Beginning fund balance	<u>226,000</u>	<u>218,812</u>	<u>(7,188)</u>
Total resources	<u><u>\$ 367,162</u></u>	<u><u>\$ 592,137</u></u>	<u><u>\$ 224,975</u></u>
REQUIREMENTS			
Expenditures:			
Capital Outlay	\$ 367,162	\$ -	\$ 367,162
Ending fund balance	<u>-</u>	<u>592,137</u>	<u>(592,137)</u>
Total requirements	<u><u>\$ 367,162</u></u>	<u><u>\$ 592,137</u></u>	<u><u>\$ (224,975)</u></u>

COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR
REQUIRED BY STATE REGULATIONS



COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE REGULATIONS

1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

To the Board of Directors
Roseburg Urban Sanitary Authority
Roseburg, Oregon

We have audited the basic financial statements of Roseburg Urban Sanitary Authority ("Authority" or "RUSA"), as of and for the year ended June 30, 2021, and have issued our report thereon dated November 8, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Compliance

Compliance with laws, regulations, contracts and grants applicable to RUSA is the responsibility of the Authority's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the Authority was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and do not provide an opinion on the effectiveness of the Authority's internal control or compliance. This report is intended for the information of Roseburg Urban Sanitary Authority's board of directors and the Secretary of State, Division of Audits, of the State of Oregon. However, this report is a matter of public record and its distribution is not limited.



By Paul Nielson, a member of the firm
for Isler CPA
November 8, 2021

GENERAL MANAGERS REPORT

Date: 12/01/21

To: Roseburg Urban Sanitary Authority, Board of Directors

From: James V. Baird, General Manager

Re: General Managers Informational Report to the Board

Hooker Road Rehabilitation Project

The contractor continued work on the project. The contractor installed 3,487' of 8" CIPP liner, 2,354' of 18" CIPP liner and 30 internal lateral reinstatements. The Contractor also installed the last of the private individual pumping stations.

Cradar has submitted pay request #6 in the total amount of \$509,704.10 with \$25,485.21 withheld in retainage for a payment #6 in the amount of \$484,218.89.

Rob Lee, the Engineer of Record, has reviewed the data comprising the Application for Payment and recommends paying Pay Estimate #6 as submitted.

Staff has reviewed Pay Estimate #6 we concur with the Engineer and would recommend that the Board approve payment of Pay Estimate #6 in the amount of \$484,218.89.

Douglas Avenue Project

The City and RUSA have submitted the Douglas Avenue project as part of a list of projects for consideration in the American Rescue Plan Act for funding. The project currently has not been scheduled for bidding and subsequent construction at this time.

The City is moving forward with the Douglas/Deer Creek Bridge project. The initial review is that RUSA will not need to be involved as our sanitary sewer mainline does not cross Deer Creek at that location.

New Chemical Feed Building

Rogers Engineering is currently working on the specifications and plans for the chemical feed building.

Agreement with Douglas County – Emergency Treatment of Leachate

Staff has completed a draft agreement to accept leachate from the County's landfill in an "Emergency Condition". I have sent the draft agreement to Eileen Eakins for a review.

SDAO Annual Conference

2022 SDAO Annual Conference will be a Hybrid event that takes place February 10-13, 2022 in Eugene at the Graduate Hotel. Pre-Conference will be February 10th with the conference the 11th and 12th of February.

December 3, 2021

Mr. Ryon Kershner
Roseburg Urban Sanitary Authority
1297 NE Grandview Drive
Roseburg, Oregon 97470

Re: Hooker Road Sewer Project
Application for Payment, Pay Estimate #6 (November 2021)

Dear Mr. Kershner,

Leeway Engineering (Leeway) has received and reviewed Pay Estimate #6 for Work performed in November 2021 on the above referenced construction project. As Engineer of Record for the above reference project, and relying on data provided by the inspection conducted by Roseburg Urban Sanitary Authority inspectors, Leeway has reviewed the data comprising this Application for Payment from Cradar Enterprises, Inc. and attests that to the best of our knowledge, information, and belief, the Work has progressed as indicated, and the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to the payment Amount requested.

Release of retainage is contingent on the successful passing of all tests as required per the Contract Documents, including but not limited to, manhole vacuum tests, new sewer air and mandrel tests, and post-installation closed-circuit television inspection.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Robert Lee', with a stylized flourish at the end.

Leeway Engineering Solutions, LLC
Robert Lee, PE, PMP
Principal Engineer / Owner

Attachments: Pay Application #6 (December 1, 2021)

cc: Jim Baird, Roseburg Urban Sanitary Authority

Invoice

Cradar Enterprises, Inc.

GENERAL CONTRACTOR
CCB LICENSE #51492
1051 MELROSE ROAD, ROSEBURG, OREGON 97471
PHONE (541) 673-3268 FAX (541) 673-0056

Date	Invoice #
12/1/2021	003183

Bill To
Roseburg Urban Sanitary Authority 1297 NE Grandview Dr. Roseburg, OR 97470

P.O. No.	Terms	Project
	Net 30	

Quantity	Description	Rate	Amount
1	Pay Application #6 (\$509,704.10 less 5% retainage of \$25,485.21 = Application #6 of \$484,218.89)	484,218.89	484,218.89
		Total	\$484,218.89

TO: RUSA 1297 NE Grandview Drive Roseburg, OR 97470		Pay Estimate #6								Contractor Name Cradar Enterprises, Inc.		
ATTN: Ryon Kershner, RUSA Greg O'Neil, RUSA		CONTRACTOR EARNED ESTIMATE								PROJECT: Hooker Road Sewer Project		
										DATE: December 1, 2021		
										WORK TO 10/26/2021 thru 11/30/2021		
										ESTIMATE NO. 6		
										VENDOR NO.:		
ITEM	DESCRIPTION	UNITS	QTY	UNIT PRICE	TOTAL CONT.	PREVIOUS QTY	PREVIOUS AMOUNT	PRESENT QTY	PRESENT AMOUNT	TOTAL QTY	TOTAL AMOUNT	BALANCE TO COMPLETE
Hooker Road Sewer Project												
1	Mobilization/Demobilization/OH&P	LS	1	\$ 292,194.00	\$ 292,194.00	0.75	\$ 219,145.50	0.15	\$ 43,829.10	0.90	\$ 262,974.60	\$ 29,219.40
2	Traffic Control	LS	1	\$ 35,000.00	\$ 35,000.00	0.75	\$ 26,250.00	0.00	\$ -	0.75	\$ 26,250.00	\$ 8,750.00
3	Erosion Control	LS	1	\$ 5,000.00	\$ 5,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	\$ 5,000.00
4	One Piece Main and Lateral Liner, 0-12 Feet	Each	26	\$ 4,750.00	\$ 123,500.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	\$ 123,500.00
5	One Piece Main and Lateral Liner, Additional Foot	LF	550	\$ 69.00	\$ 37,950.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	\$ 37,950.00
6	CIPP Liner, 6"	LF	299	\$ 37.00	\$ 11,063.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	\$ 11,063.00
7	CIPP Liner, 8"	LF	3,487	\$ 32.00	\$ 111,584.00	0.00	\$ -	3487.00	\$ 111,584.00	3487.00	\$ 111,584.00	\$ -
8	CIPP Liner, 18"	LF	2,354	\$ 90.00	\$ 211,860.00	0.00	\$ -	2354.00	\$ 211,860.00	2354.00	\$ 211,860.00	\$ -
9	Internal Lateral Reinstatement	Each	26	\$ 225.00	\$ 5,850.00	0.00	\$ -	30.00	\$ 6,750.00	30.00	\$ 6,750.00	\$ (900.00)
10	Service Line Video Inspection, Launch Camera	Each	3	\$ 250.00	\$ 750.00	0.00	\$ -	3.00	\$ 750.00	3.00	\$ 750.00	\$ -
11	Private Individual Pumping Station	Each	4	\$ 17,500.00	\$ 70,000.00	3.00	\$ 52,500.00	1.00	\$ 17,500.00	4.00	\$ 70,000.00	\$ -
11.1	Optional Remote Monitoring System	Each	4	\$ 3,000.00	\$ 12,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	\$ 12,000.00
12	2" Pressure Sewer	LF	351	\$ 35.00	\$ 12,285.00	474.00	\$ 16,590.00	0.00	\$ -	474.00	\$ 16,590.00	\$ (4,305.00)
13	4" PVC Pipe, 4-10 Depth	LF	1,953	\$ 57.00	\$ 111,321.00	1785.00	\$ 101,745.00	0.00	\$ -	1785.00	\$ 101,745.00	\$ 9,576.00
14	8" PVC Pipe, 4-10 Depth	LF	986	\$ 82.00	\$ 80,852.00	1120.00	\$ 91,840.00	0.00	\$ -	1120.00	\$ 91,840.00	\$ (10,988.00)
15	Pipe Tees, 4"x8" or 6"x8"	Each	15	\$ 500.00	\$ 7,500.00	15.00	\$ 7,500.00	0.00	\$ -	15.00	\$ 7,500.00	\$ -
16	Existing Service Line Reconnections to Main or MH	Each	28	\$ 1,500.00	\$ 42,000.00	9.00	\$ 13,500.00	0.00	\$ -	9.00	\$ 13,500.00	\$ 28,500.00
17	Cleanout over Existing Lateral	Each	56	\$ 1,500.00	\$ 84,000.00	54.00	\$ 81,000.00	0.00	\$ -	54.00	\$ 81,000.00	\$ 3,000.00
18	48" Manholes	Each	7	\$ 5,200.00	\$ 36,400.00	7.00	\$ 36,400.00	0.00	\$ -	7.00	\$ 36,400.00	\$ -
19	60" Manholes	Each	1	\$ 6,500.00	\$ 6,500.00	1.00	\$ 6,500.00	0.00	\$ -	1.00	\$ 6,500.00	\$ -
20	Filling Abandoned Structures	LS	1	\$ 20,000.00	\$ 20,000.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	\$ 20,000.00
21	Sewer Bypassing	LS	1	\$ 135,500.00	\$ 135,500.00	0.00	\$ -	0.85	\$ 115,175.00	0.85	\$ 115,175.00	\$ 20,325.00
22A	60" Manhole Rehabilitation	Each	18	\$ 6,850.00	\$ 123,300.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	\$ 123,300.00
22B	48" Manhole Rehabilitation	Each	11	\$ 4,500.00	\$ 49,500.00	0.00	\$ -	0.00	\$ -	0.00	\$ -	\$ 49,500.00
23	Trench Resurfacing	SY	1,139	\$ 40.00	\$ 45,560.00	899.00	\$ 35,960.00	0.00	\$ -	899.00	\$ 35,960.00	\$ 9,600.00
24	3/4" Aggregate Base	Ton	2,453	\$ 21.00	\$ 51,513.00	4301.31	\$ 90,327.51	35.00	\$ 735.00	4336.31	\$ 91,062.51	\$ (39,549.51)
25	Landscape Restoration	LS	1	\$ 10,500.00	\$ 10,500.00	0.80	\$ 8,400.00	0.00	\$ -	0.80	\$ 8,400.00	\$ 2,100.00
Approved Change Orders / Extra Work												
1	CO#1 (Realignment/Engineering C-8)	LS	1	\$ 10,480.00	\$ 10,480.00	1.00	\$ 10,480.00	0.00	\$ -	1.00	\$ 10,480.00	\$ -
2	CO#2 (Willamette Graystone Transformer)	LS	1	\$ 1,521.00	\$ 1,521.00	0.00	\$ -	1.00	\$ 1,521.00	1.00	\$ 1,521.00	\$ -
TOTAL CHANGE ORDERS					\$ 12,001.00	\$ 10,480.00		\$ 1,521.00		\$ 12,001.00		\$ -
ORIGINAL CONTRACT					\$ 1,733,482.00							
CURRENT CONTRACT					\$ 1,745,483.00							
TOTAL PREVIOUS PERIOD							\$ 798,138.01					
TOTAL THIS PERIOD									\$ 509,704.10			
TOTAL WORK TO DATE											\$ 1,307,842.11	
LESS RETAINAGE							5% \$ 39,906.90		5% \$ 25,485.21		5% \$ 65,392.11	
SUBTOTAL							\$ 758,231.11		\$ 484,218.89		\$ 1,242,450.00	
LESS: PREVIOUS PAYMENTS											\$ 758,231.11	
AMOUNT DUE THIS PERIOD											\$ 484,218.89	

ROSEBURG URBAN SANITARY AUTHORITY

NEW DEVELOPMENTS AND PROJECTS

DEVELOPMENTS:

- Thyme Subdivision – Sewer Mainline almost complete.
- Kenwood Tabor PUD- Construction has resumed, Sewer Main and Manhole Testing not complete.
- Sunshine Road Apartments – Sewer Work has started
- Ash Spring Apartments – Sewer Work has Started
- Back Nine Extension Pipe and manholes installed. Waiting on Easements and TV inspection
- Additional development at Hana Heritage Plaza

PRELIMINARY DESIGN:

- Loma Vista Pump Station Improvement Study
- Tabor – Military Avenue partition
- Rosemary Subdivision

PROJECTS:

- Hooker Road Project – Project being suspended until subcontractor can resume work.

ROSEBURG URBAN SANITARY AUTHORITY

NOVEMBER 2021 STAFF REPORTS

COLLECTION DEPARTMENT:

- Completed 24 work orders.
- Completed CCTV and cleaning of 15,514 feet or 2.94 miles of mainline.
- Completed jetting/cleaning of 12,093 feet or 87 mainlines.
- Completed CCTV of 3 internally lined spot repairs for quality/effectiveness.
- Completed 57 manhole inspections.
- Completed 1 service tap.
- Completed monthly trouble spot inspections.
- Completed cleaning/maintenance on 13 air vacs.
- Completed 173 underground utility locate requests.
- Cleaned debris from jail manhole 3 times.
- Crew attended 3-day operator's short school.
- A-1 Fire Extinguisher Service completed annual fire extinguisher servicing.

ENGINEERING DEPARTMENT:

- Issued 12 permits and completed 12 inspections.
- Hooker Road project still underway, Private Lift stations mostly complete. Mainline lining complete. Project is on hold until after the first of the year.
- FOG Report:
 1. Working With 5 guys / Crumble Cookie to establish a suitable pumping schedule
 2. Mercy Needing Pumped
 3. Loger Tap house failed inspection, but they are closing this location

FINANCE DEPARTMENT:

- Vacancy Credits: 5 were processed for a total of \$350.00 in November.
- Credit cards/eChecks: 1121 payments totaling \$61,378.84 or approximately 10.9% of monthly billing was collected in November. 105 payments were received by voice response system, 4 payments received at the counter and 1012 on-line.
- Automatic Payments: 2,105 customer accounts are signed up. Received \$93,720.75 or approximately 16.6% of monthly billing.



TO: Jim Baird, General Manager-RUSA
FROM: Jade Mecham, Project Manager-Jacobs
DATE: December 2, 2021
SUBJECT: November 2021 Monthly Report

OPERATIONAL ACTIVITIES

- We met all permit parameters this month.
- The treatment facility averaged 96% BOD removal (pending results out 12/8/21) and 96% Total Suspended Solids Removal during the month with a requirement of no less than 85% removal for each.
- The facility electrical consumption (based on meter readings) for November 2021, was 221,000 KWHRS with a total Effluent flow of 107.11 million gallons all of which went to the river at Outfall 001. The November 2020 electrical consumption was 227,000 with a total Effluent flow of 82.77 million gallons all of which went to the river at Outfall 001.
- The plant flow was switched over to discharge to the river for the wet season on November 1, 2021.
- Chlorinated the irrigation lines at the NTS.
- Biosolids lab analysis results for this quarter showed that the numbers are within the limit standards.
- Four of the employee's attended the UBOS short school conference.

PRETREATMENT ACTIVITIES

The following pretreatment inspections were completed in November:

- *Seven Thai*: This business still is discharging considerable amounts of FOG.
- *Mountain Mikes Pizza*: Their interceptor was in good condition.
- *Cascade Coffee*: Their interceptor was in Ok condition.
- Dutch Brothers on Harvard: Their interceptor was empty of FOG, we will need to check downstream for FOG in the line.
- *Carl's Jr*: This was a follow up on the previous month and the tank had been pumped and was about 2% full with FOG.
- *Loggers Pizza*: Their interceptor was only half full of water, nothing leaving the tank. We notified RUSA for a follow up.

NATURAL TREATMENT SYSTEM (NTS)

- The NTS flow was shut down for season.
- The weir at SW5 was removed.
- NTS irrigation lines chlorinated, we did experience a chemical pump problem, which limited the chlorination. A pump rebuild kit has been ordered.

LIFT STATIONS

- Total Flow from all Lift Stations for the month – 37 Million Gallons
- Average Daily Flow from all Lift Stations per day – 1.4 Million Gallons

MAINTENANCE ACTIVITIES

- There were 3 call outs for the month at the Treatment Plant and Lift stations.
- Replaced the quick connect couplers for the Cat Wheel Loader.
- Replaced the old Missions unit with an upgraded MyDro unit for the Bourbon station.
- Connected the brush mower to the excavator with quick connect fittings.
- Had machine work done to the check valve parts for #1 pump at the Winchester station.
- Replaced the controller unit for the Primary Sampler unit.
- Repaired the Muffle Furnace for the Lab.

LABORATORY ACTIVITIES

- We are in our normal winter testing which requires: BOD's 3 times a week, TSS 3 times a week, pH daily, Chlorine Residual Daily average, Ammonia once a week, E. Coli 3 times a week.
- 104 permit tests were completed during the month.
- On 11/16/21, lab water samples were collected and shipped to NRC for testing.

BIOSOLIDS

- We continue to operate the screw press. Digester pumping to the press has experienced some problems, that we continue to work on.
- The sludge trucks have been winterized and are under cover at this point.

UPCOMING EVENTS

OPERATIONS/NTS:

- Operation of the #2 secondary clarifier has not been necessary with the lower flows at this point.
- Pull rotating drum out of the pond at the NTS.
- Rebuild the chemical feed pump for the NTS.

MAINTENANCE:

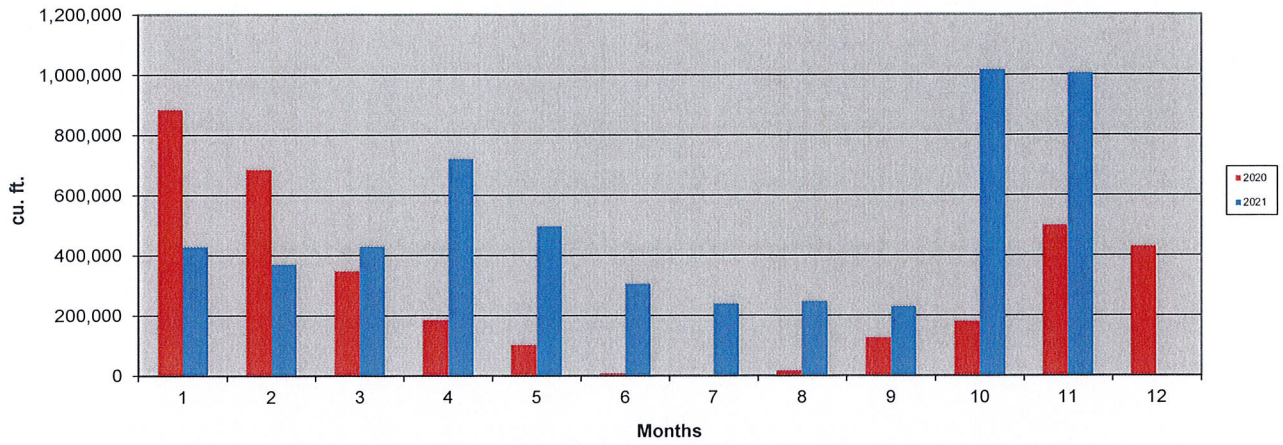
- Evaluate and Plan for Bisulfite Building Penetrations and Loads.
- Replace the skimmer tube seals on the #2 Secondary Clarifier
- Construct rigid mounts for the Auger Conveying system.

Enclosures: Boiler/Flare Gas Usage graphs
 Influent TSS/BOD and Effluent Flow Graphs (delivered at Board meeting)
 12 Month Moving Avg. (delivered at Board meeting)

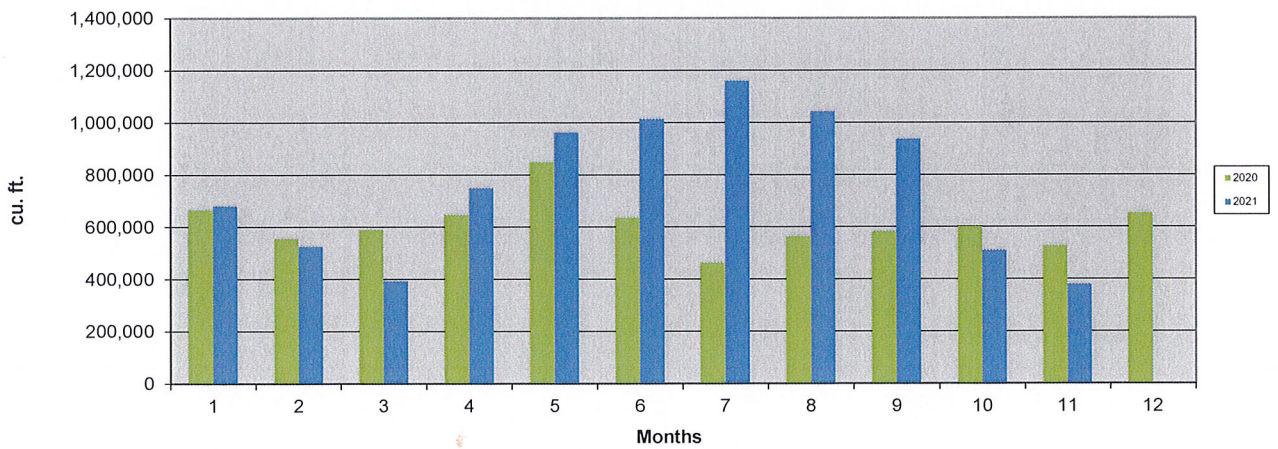


Jade Mecham
Project Manager
Jacobs

BOILER GAS USAGE



FLARE GAS USAGE



CASH DISBURSEMENT RECAP BOARD MEETING DECEMBER 8, 2021

Cash Disbursements Since the Last Board Meeting

All Funds:

Total of Prepaid Checks & ACH Transactions	90,526.18
Total of Regular Checks & ACH Transactions	<u>630,785.31</u>

Total Expenditures (not including Payroll)	<u>721,311.49</u>
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Payroll:

Net Payroll - November 30, 2021	64,186.09
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All Checks & ACH Transactions since the Board Meeting of November 10, 2021	<u>785,497.58</u>
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Accounts Payable

Checks by Date - Detail by Check Date

User: christine
Printed: 12/3/2021 10:53 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	02669	PERS Deposit	11/15/2021	
	Oct 21 PR	PR Batch 00001.10.2021 PERS - Not W/Held	PR Batch 00001.10.2021 PER	9,425.41
	Oct 21 PR	PR Batch 00001.10.2021 PERS Pick-Up	PR Batch 00001.10.2021 PER	863.04
	Oct 21 PR	PR Batch 00001.10.2021 OPSRP-Not W/Held	PR Batch 00001.10.2021 OPS	7,647.23
	Oct 21 PR	PR Batch 00001.10.2021 PERS W/Held	PR Batch 00001.10.2021 PER	4,357.83
	OCT Adjustment	October Rounding Adjustment		-0.02
Total for this ACH Check for Vendor 02669:				22,293.49
Total for 11/15/2021:				22,293.49
ACH	VEBA TR 103061	HRA VEBA Trust Prorated 2021 Contribution-B Kitcher	11/23/2021	
				41.67
Total for this ACH Check for Vendor VEBA TR:				41.67
Total for 11/23/2021:				41.67
ACH	ASIFLEX NOV 21 PR	ASIFlex PR Batch 00001.11.2021 Flexible Spending Acco	11/30/2021 PR Batch 00001.11.2021 Flex	
				1,316.16
Total for this ACH Check for Vendor ASIFLEX:				1,316.16
ACH	DNB NOV 21 PR NOV 21 PR NOV 21 PR NOV 21 PR NOV 21 PR	Internal Revenue Service PR Batch 00001.11.2021 Medicare - Employer PR Batch 00001.11.2021 FICA - Employee PR Batch 00001.11.2021 Federal Income Tax PR Batch 00001.11.2021 Medicare - Employee PR Batch 00001.11.2021 FICA - Employer	11/30/2021 PR Batch 00001.11.2021 Med PR Batch 00001.11.2021 FIC, PR Batch 00001.11.2021 Fede PR Batch 00001.11.2021 Med PR Batch 00001.11.2021 FIC,	
				1,387.64
				5,250.69
				7,560.40
				1,387.64
				5,250.69
Total for this ACH Check for Vendor DNB:				20,837.06
ACH	OR-Rev NOV 21 PR	Oregon Dept. of Revenue PR Batch 00001.11.2021 Oregon W/Held	11/30/2021 PR Batch 00001.11.2021 Oreg	
				5,680.66
Total for this ACH Check for Vendor OR-Rev:				5,680.66
ACH	CENTURY Nov 2021 Fx/Al Nov 2021 Gate	CenturyLink Analog phone lines for fax and alarm system Phone line for NTS Gate	11/30/2021	
				135.64
				59.22
Total for this ACH Check for Vendor CENTURY:				194.86
50596	CIS INS NOV 21 PR NOV 21 PR NOV 21 PR NOV 21 PR	CIS Trust PR Batch 00001.11.2021 Trauma - Gold PR Batch 00001.11.2021 Hospital Indemnity PR Batch 00001.11.2021 Identity Protection PR Batch 00001.11.2021 Voluntary Life Insuran	11/30/2021 PR Batch 00001.11.2021 Trau PR Batch 00001.11.2021 Hosj PR Batch 00001.11.2021 Iden PR Batch 00001.11.2021 Volu	
				20.00
				96.50
				45.85
				397.84

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	NOV 21 PR	PR Batch 00001.11.2021 Life Insurance - er	PR Batch 00001.11.2021 Life	120.60
	NOV 21 PR	PR Batch 00001.11.2021 Life Insurance - Spouse	PR Batch 00001.11.2021 Life	173.51
	NOV 21 PR	PR Batch 00001.11.2021 CCIS Insurance Long-	PR Batch 00001.11.2021 CCI	247.76
	NOV 21 PR	PR Batch 00001.11.2021 Medical Ins w/RX	PR Batch 00001.11.2021 Med	27,399.75
	NOV 21 PR	PR Batch 00001.11.2021 Short-Term Disability	PR Batch 00001.11.2021 Sho	136.41
	NOV 21 PR	PR Batch 00001.11.2021 Accident Insurance	PR Batch 00001.11.2021 Acci	64.99
	NOV 21 PR	PR Batch 00001.11.2021 CCIS Insurance AD&I	PR Batch 00001.11.2021 CCI	22.65
	NOV 21 PR	PR Batch 00001.11.2021 Trauma - Bronze	PR Batch 00001.11.2021 Trau	10.00
	NOV 21 PR	PR Batch 00001.11.2021 Critical Illness Insuran	PR Batch 00001.11.2021 Crite	87.00
	NOV 21 PR	PR Batch 00001.11.2021 Dental & Vision	PR Batch 00001.11.2021 Den	2,632.41
	NOV 21 PR	PR Batch 00001.11.2021 Voluntary Dependent L	PR Batch 00001.11.2021 Volu	29.26
Total for Check Number 50596:				31,484.53
50597	PEBSCO NOV 21 PR	Nationwide Retirement Solutions PR Batch 00001.11.2021 Nationwide-Deferred C	11/30/2021 PR Batch 00001.11.2021 Nati	4,950.00
Total for Check Number 50597:				4,950.00
50598	WATER Oct 2021 Keady	City of Roseburg Water service to Keady Ct Lift Station	11/30/2021	50.00
Total for Check Number 50598:				50.00
50599	UB*00053	MARY EASLEY Refund Check Refund Check Refund Check	11/30/2021	5.00 1.25 23.75
Total for Check Number 50599:				30.00
50600	SIERRASP 21794341 111321	Sierra Springs Bottled water delivery	11/30/2021	95.74
Total for Check Number 50600:				95.74
50601	USPS NOV 2021	US Postal Service Postage for mailing December UB Bills	11/30/2021	2,920.87
Total for Check Number 50601:				2,920.87
50602	VERIZON 9892835861	Verizon Wireless Wireless telephone services	11/30/2021	631.14
Total for Check Number 50602:				631.14
Total for 11/30/2021:				68,191.02
Report Total (13 checks):				90,526.18

Accounts Payable

Checks by Date - Detail by Check Date

User: christine
Printed: 12/3/2021 11:06 AM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
50603	WP Nov 2021	Avista Utilities Monthly natural gas service	12/08/2021	118.61
Total for Check Number 50603:				118.61
50604	BANNERMC AA 112321 AB 110821 CM 110921 DF 111521 DF 111621 DF 112421a DF 112421b GO 111021 GO 112321 HW 111821 JB 111521 JJB 110821 KB 111821 RC 112321a RC 112321b RC 112421 RK 111021	BANNER BANK Costco - Microwave UCC - Oregon Ops Conf Registration for Nick Amazon - Wall clock for front office Polycase - Enclosures & hardware for cameras a Zoom - Electronic meeting software Amazon - Keyboard replacement for Rick Amazon - Fingerprint reader for Rick Zoom - Stereo with hands free, backup camera - Harbor Freight - Gloves, zip ties Michaels - Frame for Hire Vet Award Fred Meyer - S-Hooks for show banner Lowes - Hose for boot wash area DMV - CDL test - Brandon Apex - Parts for flusher skids Verizon - Phone case for Nick Airgas - Metal chop saw blade PLSO - Land surveyors conference	12/08/2021	169.99 425.00 36.49 529.42 93.99 109.99 78.00 739.00 19.88 44.99 23.98 12.98 30.00 13.18 59.99 106.20 440.00
Total for Check Number 50604:				2,933.08
50605	BHEC CL02513-IN CL02863-IN	Bassett-Hyland Energy Company Fuel usage Fuel usage	12/08/2021	471.37 316.40
Total for Check Number 50605:				787.77
50606	BIOMED 87597	bio-MED Testing Services Inc DOT physical, random UA, FMCSA driving recd	12/08/2021	115.00
Total for Check Number 50606:				115.00
50607	WATER Nov 2021	City of Roseburg Bi-monthly water services - Admin	12/08/2021	270.46
Total for Check Number 50607:				270.46
50608	CRADAR 003183 003183 RET	Cradar Enterprises, Inc Hooker Road Sewer Project Pay Estimate #6 Hooker Road Sewer Project Pay Estimate #6 Ret	12/08/2021	509,704.10 -25,485.21
Total for Check Number 50608:				484,218.89
50609	CUES 599504	Cues, Inc. Repair mini-cam	12/08/2021	776.31

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
Total for Check Number 50609:				776.31
50610	DRAUTO	D & R Auto & Truck Supply Corp	12/08/2021	
	993851	DEF Fluid		19.98
	994138	Oil		9.38
	994776	DEF Fluid		20.98
	997442	Simple Green		34.58
Total for Check Number 50610:				84.92
50611	DFN	Douglas Fast Net	12/08/2021	
	DEC 2021 Admin	Internet Services-Admin	Service: 14806	213.49
	DEC 2021 High	Internet Services-Highland PS	Service: 105797	74.91
	DEC 2021 Host	Admin Hosting		10.28
	DEC 2021 Keady	Internet Services-Keady Ct	Service: 106289	74.91
	DEC 2021 NBank	Internet Services-No. Bank PS	Service: 105793	71.91
	DEC 2021 NTS	Internet Services-NTS	Service: 145049	71.79
	DEC 2021 Phones	Phones/Security Cams	Service: 141784	98.01
	DEC 2021 Wilb1	Internet Services-Wilbur 1 PS	Service: 105796	74.91
	DEC 2021 Wilb2	Internet Services-Wilbur 2 PS	Service: 105794	71.91
	DEC 2021 Winch	Internet Services-Winchester P	Service: 105795	71.91
Total for Check Number 50611:				834.03
50612	Feena	Feenaugthy Machinery Co.	12/08/2021	
	34518	Annual maintenance on Excavator		1,461.70
Total for Check Number 50612:				1,461.70
50613	GRAPHDIM	Graphic Dimensions, Inc.	12/08/2021	
	3576	Cut utility bills to mailing size		37.60
Total for Check Number 50613:				37.60
50614	Jacobs	Jacobs Engineering Group Inc	12/08/2021	
	351289-050	Professional services per agreement-December		129,684.00
	351289-NT10	Farm Ops Plan & Report-Engineers Review		1,186.83
Total for Check Number 50614:				130,870.83
50615	PUGH	Jeffrey L. Pugh, Attorney at Law	12/08/2021	
	July-Aug 2021	Legal services for ROW agreement to sell		585.00
Total for Check Number 50615:				585.00
50616	COASTAL	John Deere Financial f.s.b.	12/08/2021	
	E24184	Posts for Veteran signs		32.45
	E27315	Boots & Pants for Nick		354.36
	X63438	Muck Boots & Pants for Nick		215.97
Total for Check Number 50616:				602.78
50617	Lithia	Lithia Motors Support Services	12/08/2021	
	381270	Repair hands free system in Ryon's 2018 Ford F-		1,256.51
Total for Check Number 50617:				1,256.51
50618	OR-LIN	Oregon Linen, Inc.	12/08/2021	
	721372	Laundry & mat service		56.91
	726997	Laundry & mat service		38.93

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 50618:	95.84
50619	OR-TOOL 824204	Oregon Tool & Supply Paint stick and air test gauge	12/08/2021	49.85
			Total for Check Number 50619:	49.85
50620	PAC AIR i7566	Pacific Air Comfort, Inc. HVAC maintenance per contract	12/08/2021	450.00
			Total for Check Number 50620:	450.00
50621	Premium 24432	Premium Landscape, Inc. Monthly landscape services	12/08/2021	180.25
			Total for Check Number 50621:	180.25
50622	OR-AUD FYE 2021	Secretary of State Filing Fee for FYE 2021	12/08/2021	300.00
			Total for Check Number 50622:	300.00
50623	SERV-CTR 53775	The Service Center Re-key lock for gate	12/08/2021	12.00
			Total for Check Number 50623:	12.00
50624	SHRED-IT 8000408252	Stericycle, Inc. Monthly shredding services	12/08/2021	74.98
			Total for Check Number 50624:	74.98
50625	Stratton 2020-440	Stratton Brothers, Inc. Haul rock to WWTP for fence project	12/08/2021	1,567.50
			Total for Check Number 50625:	1,567.50
50626	TECHUNL 356493	Technology Unlimited, Inc Maintenance renewal for Check Scanner	12/08/2021	400.00
			Total for Check Number 50626:	400.00
50627	TEKMAN 76540 76540 76540 76540 76540 76540 76540 76540 76540 76540 76540	TEKMANAGEMENT, INC. Backup & Recovery Services Office 365 Premium-Crew O365 Visio Subscription Office 365 Premium-Engineering Server Maint & monitoring Office 365 Premium-Finance Office 365 Premium-811 user Encryption of laptops DNS Filter (security) Security awareness training Office 365 Online Plan 1	12/08/2021	565.00 87.50 15.00 75.00 1,459.75 37.50 12.50 66.00 40.00 25.65 4.00
			Total for Check Number 50627:	2,387.90
50628	UV FIRE 10954619	Umpqua Valley Fire Services Fire Extinguisher annual maintenance	12/08/2021	313.50
			Total for Check Number 50628:	313.50

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
Total for 12/8/2021:				630,785.31
Report Total (26 checks):				630,785.31