



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

REGULAR MONTHLY BOARD MEETING

December 12, 2018

TABLE OF CONTENTS

<u>Item</u>	<u>Page No.</u>
Agenda –December, 2018 Board Meeting	1
Minutes – November 14, 2018 Board Meeting	2-4
Auditors Report to the Board	5-51
Resolution 18-04	52
General Manager’s Informational Report – November, 2018	53
New Developments and Projects – November, 2018	54
Staff Reports – November, 2018	55
CH2M Operations Report – November, 2018	56-62
Financial Reports	
• Cash Disbursement Recap	63
• Accounts Payable Detail	64-70



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

**December 12th, 2018
RUSA Board Room
4:00 p.m.**

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 14th, 2018 Board Meeting
- 4. Auditors Report to the Board**
 - a. Paul Nielson
- 5. Resolution 18-04**
 - a. A Resolution Declaring Surplus Property
- 6. General Managers Report**
 - a. Back Nine Sanitary Sewer Extension Phase I
 - b. NW Black Avenue Sanitary Sewer Replacement
 - c. Downtown Improvements Sanitary Sewer Replacement Phase II
 - d. Winchester Pump Station Force Main Replacement
 - e. Loma Vista Pump Station Study
 - f. Wastewater Treatment Plant Fuel Tank Removal
 - g. FOG Inspection Program
 - h. SDAO Safety Grant
- 7. New Developments**
- 8. Staff Report**
- 9. ch2m (Jacobs) Plant Operations Report**
- 10. Accounts Payable**
- 11. 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 14, 2018 at 1297 N.E. Grandview Drive.

ROLL CALL

Directors

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

Absent:

Others present: General Manager Jim Baird, Finance Director Christine Morris, Office Assistant Harmony Williams, Collection System Superintendent Steve Lusch, Engineering Technician III Ryon Kershner and CH2M Project Manager Jade Mecham.

Consideration of the minutes of the Regular Monthly Board Meeting of Wednesday, October 10, 2018.

Rob Lieberman moved to approve the minutes, as presented, for the Wednesday, October 10, 2018 Roseburg Urban Sanitary Authority Regular Monthly Meeting.

David Campos seconded the motion.

The motion passed unanimously.

Resolution No. 18-03; A Resolution Adopting A Roseburg Urban Sanitary Authority Building Safety and Preventative Maintenance Policy

Resolution number 18-03 is necessary in order to establish a Building Safety and Preventative Maintenance Policy.

Staff recommended the Board approve Resolution No. 18-03 adopting a Roseburg Urban Sanitary Authority Building Safety and Preventative Maintenance Policy.

Kelsey Wood made a motion to approve Resolution No. 18-03.

Rob Lieberman seconded the motion.

The motion passed unanimously.

General Managers Report

Back Nine Sanitary Sewer Extension Phase I

The As-built plans, Operation and Maintenance Manual, Engineer's letter of certification of completion, easement document and transfer of ownership of the property associated with the pump station are still pending.

NW Black Avenue Sanitary Sewer Replacement Project

The Engineer's test reports, letter of certification of completion and as-built drawings are still pending. Once we receive the outstanding documentation we can place the project in the one-year warranty period.

Downtown Improvements Phase II

The Contractor, Brown Construction, has completed the sanitary sewer construction. Final testing has been completed and all the new system has passed.

The Engineer's test reports, letter of certification of completion and as-built drawings are still pending.

Winchester Pump Station Force Main Replacement Project

i.e. Engineering had completed 95% plans for the new dual forcemain that will be constructed as part of Douglas County's Highway 99 North construction project. RUSA is reviewing the plans and will be forwarding the plans to the DEQ for review and comment.

Loma Vista Pump Station Study

i.e. Engineering is working on the study. The project engineer has provided RUSA a map showing the possible relocation and upgrade of the Loma Vista Pump Station and the expanded service area that could be served once the pump station is moved.

Wastewater Treatment Plant Fuel Tank Removal

We have signed and submitted the agreement to pay the DEQ review charges to expedite the review of our file.

City of Roseburg UGB Swap

The City of Roseburg is looking at applying to the State of Oregon Land Use Board to swap property within the current Urban Growth Boundary that is difficult to develop to City standards due to the topography with property west of the current UGB along Troost Street commonly referred to as Charter Oaks. Staff attended a community meeting held by the City to answer questions from the public and will report on the meeting to the Board.

CH2M Report

Jade Mecham CH2M Project Manager advised that the treatment facility averaged 98% CBOD removal and 97% Total Suspended Solids removal. The NTS continued repairs to sprinklers throughout all zones.

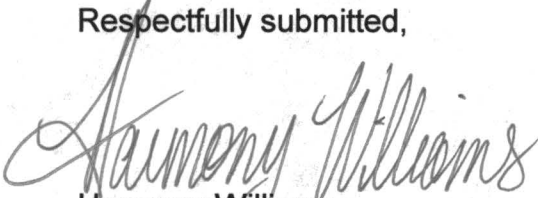
Accounts Payable

The Board reviewed the Accounts Payable Report and Addendum for the November 14, 2018 Accounts Payable.

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

There being no further business to come before the Board, the meeting was adjourned at 4:56 p.m.

Respectfully submitted,



Harmony Williams
Office Assistant

ROSEBURG URBAN SANITARY AUTHORITY

Roseburg, Oregon

**FINANCIAL STATEMENTS AND SUPPLEMENTARY
INFORMATION**

YEARS ENDED JUNE 30, 2018 AND 2017

Prepared by:
RUSA Finance Department

ROSEBURG URBAN SANITARY AUTHORITY

Years ended June 30, 2018 and 2017

Table of Contents

	<u>Page</u>
Introductory Section:	
Board of Directors and Registered Agent	1
Financial Section:	
Independent Auditor's Report	2 - 3
Management's Discussion and Analysis	4 - 7
Basic Financial Statements:	
Balance Sheets	8
Statements of Revenues, Expenses and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Financial Statements	11 - 27
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability	28
Schedule of Pension Contributions	28
Supplementary Information:	
Combining Balance Sheet - All Funds Used for Budgetary Reporting	29
Combining Schedule of Revenues, Expenditures and Change in Fund Balance -	
All Funds Used for Budgetary Reporting	30
Schedule of Appropriated Expenditures and Other Budgetary Requirements - Budgetary Basis -	
General Fund	31
Schedules of Budgeted and Actual Resources and Requirements - Budgetary Basis:	
General Fund	32
Infrastructure Replacement Reserve Fund	33
Diamond Lake LID Fund	34
Asset Acquisition and Replacement Fund	35
Plant Equipment Replacement Fund	36
Administration Building Fund	37
Treatment Plant Expansion Reserve Fund	38
Collection System Expansion Fund	39
Comments and Disclosures of Independent Auditor Required by State Regulations	40 - 41

INTRODUCTORY SECTION

ROSEBURG URBAN SANITARY AUTHORITY

For the Year Ended June 30, 2018

Board of Directors and Registered Agent

As of June 30, 2018

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

7/1/2015 - 6/30/2019

Jerry Griesse
1940 NW Dogwood
Roseburg, OR 97471

7/1/2015 - 6/30/2019

David Campos
1858 NE Sunset
Roseburg, OR 97471

12/9/2015 - 6/30/2021

REGISTERED AGENT AND OFFICER:

Jim Baird
1297 NE Grandview Drive
Roseburg, OR 97470

DRAFT

FINANCIAL SECTION

ROSEBURG URBAN SANITARY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years ended June 30, 2018 and 2017

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, 2018 by \$38,356, a increase of \$1,483. Of this amount, \$6,680 (unrestricted net position) may be used to meet ongoing obligations and \$30,412 is invested in capital assets net of accumulated depreciation and related debt.
- Total Operating Revenues were \$6,839, an increase of \$485 from the prior year. Operating expenses totaled \$5,554, a decrease of \$204 from the prior year. The difference between operating revenues and operating expenses resulted in operating income of \$1,285.
- RUSA has \$30,789 in capital assets, net of accumulated depreciation. This is a decrease of \$327 from the prior year. RUSA also recognized \$1,636 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, 2018 and 2017

FINANCIAL ANALYSIS

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

	2018	2017	2016	Change 2017 - 2018 Amount	Percent %
Assets:					
Current assets	\$ 9,113	\$ 7,447	\$ 7,532	\$ 1,666	22.4
Noncurrent receivables	45	64	89	(19)	(29.7)
Restricted cash	-	-	-	-	
Capital assets (net)	30,789	31,116	30,465	(327)	(1.1)
Net pension asset	-	-	-	-	
Total assets	39,947	38,627	38,086	1,320	3.4
Deferred outflow of resources	484	881	24	(397)	(45.1)
Total assets and deferred outflows of resources	40,431	39,508	38,110	923	2.3
Liabilities:					
Current liabilities	208	228	269	(20)	(8.8)
Net pension liability	1,350	1,682	679	(332)	(19.7)
Other long-term liabilities	378	645	901	(267)	(41.4)
Total liabilities	1,936	2,555	1,849	(619)	(24.2)
Deferred inflow of resources	138	80	151	58	
Net position:					
Net investment in capital assets	30,412	30,471	29,564	(59)	(0.2)
Restricted	1,264	1,168	1,098	96	8.2
Unrestricted	6,680	5,234	5,448	1,446	27.6
Total net position	\$ 38,356	\$ 36,873	\$ 36,110	\$ 1,483	4.0

Total assets increased for this fiscal year by \$1,320. Current assets increased by \$1,666 as a direct result of an increase in spending. In prior years the Authority's cash reserves were being spent for the construction of the Natural Treatment System and the rehabilitation of existing sewer lines.

Total liabilities decreased by \$619 from last year. The decreases in long-term liabilities is related to the scheduled payment on the outstanding long-term debt. The decrease in current liabilities is related to the decrease in accrued payroll payables.

Net position may serve as a useful indicator of the RUSA's financial position. As of June 30, 2018, assets exceeded liabilities by \$38,356, a 4.0 percent increase over the prior period. Investment in capital assets are considered unavailable for current expenditure and accounts for 79.3 percent of the total net position (82.6 percent of total net position at June 30, 2017). Unrestricted net position accounts for 17.4 percent of the total net position (14.2 percent of the total net position at June 30, 2017). 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 debt service and future system development.

ROSEBURG URBAN SANITARY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years ended June 30, 2018 and 2017

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 2017 to 2018.

	2018	2017	2016	Change 2017 - 2018	
				Amount	Percent %
Operating revenues:					
User service fees	\$ 6,708	\$ 6,179	\$ 5,607	\$ 529	8.6
Other revenues	<u>131</u>	<u>175</u>	<u>39</u>	<u>(44)</u>	(25.1)
Total operating revenues	6,839	6,354	5,646	485	7.6
Nonoperating revenues:					
System development charges	92	132	108	(40)	(30.3)
Gain (loss) on sale of assets	15	1	-	14	1,400.0
Interest income	<u>110</u>	<u>64</u>	<u>57</u>	<u>46</u>	71.9
Total nonoperating revenues	<u>217</u>	<u>197</u>	<u>165</u>	<u>20</u>	10.2
Total revenues	<u>7,056</u>	<u>6,551</u>	<u>5,811</u>	<u>505</u>	7.7
Operating expenses:					
Personal services	1,659	1,663	2,193	(4)	(0.2)
Materials and services	2,259	2,457	2,435	(198)	(8.1)
Depreciation	<u>1,636</u>	<u>1,638</u>	<u>1,650</u>	<u>(2)</u>	(0.1)
Total operating expenses	5,554	5,758	6,278	(204)	(3.5)
Nonoperating expenses:					
Interest expense	<u>19</u>	<u>30</u>	<u>41</u>	<u>(11)</u>	
Change in net position	1,483	763	(508)	720	94.4
Net position-beginning	<u>36,873</u>	<u>36,110</u>	<u>36,618</u>	<u>763</u>	2.1
Net position-ending	<u>\$ 38,356</u>	<u>\$ 36,873</u>	<u>\$ 36,110</u>	<u>\$ 1,483</u>	4.0

Total operating revenues were comparable to the prior period. Other fees consist of miscellaneous collection service fees, title clearance fees and other miscellaneous income. Investment earnings had no significant change as interest rates did not change significantly. Operating expenses decreased by 3.5 percent as compared to the prior period. Personal services decreased by 0.2 percent due to the changes from determining pension related items in accordance with GASB 68, including recording a pension liability and deferred inflows/outflows related to pensions.

Nonoperating revenues increased by 10.2 percent over the prior year. System development charges decreased 30.3 percent and no capital contributions of donated sewer lines were received this year.

ROSEBURG URBAN SANITARY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years ended June 30, 2018 and 2017

CAPITAL ASSETS

At June 30, 2018, RUSA had \$30,789 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, 2018, RUSA had \$2,097 in additions.

Depreciation expense was \$1,636 and \$1,638 for the years ended June 30, 2018 and 2017, respectively.

RUSA's Capital Assets (net of depreciation)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Land	\$ 766	\$ 766	\$ 766
Construction in progress	90	788	230
Collection system and pump station	17,654	17,191	16,559
Treatment plants	11,541	11,625	12,165
Office building and rental houses	235	268	279
Equipment	503	478	466
Total	<u>\$ 30,789</u>	<u>\$ 31,116</u>	<u>\$ 30,465</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). This loan totaled \$378 as of year end.

	<u>2018</u>	<u>2017</u>	<u>2016</u>
NTS debt	378	645	901

Additional information on RUSA's debt can be found in the notes to the financial statements in the note titled Notes Payable.

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.

DRAFT

BASIC FINANCIAL STATEMENTS

ROSEBURG URBAN SANITARY AUTHORITY

Balance Sheets

June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,845,092	\$ 6,290,328
Receivables:		
Sewer service charges (net of allowance of \$8,620 for 2018 and 2017)	792,574	1,045,808
Assessment interest	18,284	17,600
Prepaid expenses	389,271	85,482
Due from OMI	<u>67,305</u>	<u>7,380</u>
Total current assets	<u>9,112,526</u>	<u>7,446,598</u>
Noncurrent assets:		
Assessments receivable	44,704	64,110
Capital assets - net	<u>30,789,315</u>	<u>31,116,034</u>
Total noncurrent assets	<u>30,834,019</u>	<u>31,180,144</u>
Total assets	39,946,545	38,626,742
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflow of resources related to pensions	483,509	881,214
Total assets and deferred outflow of resources	<u>\$ 40,430,054</u>	<u>\$ 39,507,956</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 128,037	\$ 130,015
Accrued payroll liabilities	71,236	83,044
Accrued interest payable	8,815	15,044
Current portion of notes payable	<u>277,627</u>	<u>266,949</u>
Total current liabilities	485,715	495,052
Noncurrent liabilities:		
Notes payable, net of current portion	100,176	377,803
Net pension liability	<u>1,349,941</u>	<u>1,682,405</u>
Total noncurrent liabilities	<u>1,450,117</u>	<u>2,060,208</u>
Total liabilities	1,935,832	2,555,260
DEFERRED INFLOW OF RESOURCES		
Deferred inflow of resources related to pensions	<u>137,832</u>	<u>79,508</u>
NET POSITION:		
Net investment in capital assets	30,411,512	30,471,282
Restricted for future development, collection system	1,264,455	1,168,052
Unrestricted	<u>6,680,423</u>	<u>5,233,854</u>
Total net position	<u>38,356,390</u>	<u>36,873,188</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 40,430,054</u>	<u>\$ 39,507,956</u>

See accompanying notes to financial statements.

ROSEBURG URBAN SANITARY AUTHORITY

Statements of Revenues, Expenses and Changes in Net Position

Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenues:		
User service fees	\$ 6,707,926	\$ 6,179,431
Other revenue	<u>131,279</u>	<u>174,494</u>
Total operating revenues	<u>6,839,205</u>	<u>6,353,925</u>
Operating expenses:		
Personal services	1,658,916	1,662,811
Materials and services	2,258,811	2,457,003
Depreciation	<u>1,636,067</u>	<u>1,638,300</u>
Total operating expenses	<u>5,553,794</u>	<u>5,758,114</u>
Operating income (loss)	<u>1,285,411</u>	<u>595,811</u>
Nonoperating revenues and expenses		
Investment earnings	109,810	64,314
Interest expense	(19,561)	(30,068)
Gain (loss) on sale of capital assets	<u>15,461</u>	<u>1,093</u>
Total nonoperating revenue and expenses	<u>105,710</u>	<u>35,339</u>
Income (loss) before contributions	1,391,121	631,150
Capital contributions:		
System development charges	<u>92,081</u>	<u>131,839</u>
Change in net position	1,483,202	762,989
Net position - beginning of year.	<u>36,873,188</u>	<u>36,110,199</u>
Net position - end of year	<u>\$ 38,356,390</u>	<u>\$ 36,873,188</u>

See accompanying notes to financial statements.

ROSEBURG URBAN SANITARY AUTHORITY

Statements of Cash Flows

Years ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 7,111,161	\$ 6,029,899
Payments to suppliers	(2,609,826)	(2,260,190)
Payments to employees	<u>(1,547,159)</u>	<u>(1,581,288)</u>
Net cash provided by operating activities	<u>2,954,176</u>	<u>2,188,421</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,324,024)	(2,311,936)
Connection fees and other capital contributions	92,080	131,839
Principal paid on notes payable	(266,949)	(256,682)
Interest paid on notes payable	(25,790)	(36,057)
Proceeds from sale of capital assets	<u>15,461</u>	<u>1,093</u>
Net cash used by capital and related financing activities	<u>(1,509,222)</u>	<u>(2,471,743)</u>
Cash flows from investing activities:		
Interest received on investments	<u>\$ 109,810</u>	<u>64,315</u>
Net cash provided by investing activities	<u>109,810</u>	<u>64,315</u>
Net increase (decrease) in cash and cash equivalents	1,554,764	(219,007)
Cash and cash equivalents, July 1	<u>6,290,328</u>	<u>6,509,335</u>
Cash and cash equivalents, June 30	<u><u>\$ 7,845,092</u></u>	<u><u>\$ 6,290,328</u></u>

	<u>2018</u>	<u>2017</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 1,285,411	\$ 595,811
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,636,067	1,638,300
Net (reduction) increase of expense under GASB 68	123,565	74,781
Changes in operating assets and liabilities:		
Sewer service charges receivable	253,234	(324,026)
Assessment interest receivable	(684)	-
Assessments receivable	19,406	-
Prepaid expenses	(303,786)	196,978
Due from OMI	(59,925)	18,566
Accrued payroll liabilities	(11,808)	6,742
Accounts payable	<u>12,696</u>	<u>(18,731)</u>
Net cash provided by operating activities	<u><u>\$ 2,954,176</u></u>	<u><u>\$ 2,188,421</u></u>

See accompanying notes to financial statements.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

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, 2018 and 2017

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 uncollectible 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 \$1,120 of the amount certified will be uncollectible. The balance of delinquent accounts turned over to the Assessor but not yet collected was \$241,169 and \$241,515 at June 30, 2018 and 2017 respectively.

Assessments receivable represent the uncollected amounts levied against benefited property for the cost of local improvements. Assessments 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%.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

I. Summary of significant accounting policies (continued)

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

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 estimated fair 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

In the year an asset is placed in service, one-half year's depreciation is recorded.

4. 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.

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.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

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

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.

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.
- Debt service in the Diamond Lake LID and Treatment Plant Expansion funds.
- Capital outlay 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, 2018 and 2017. 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:

	2018	2017
Cash on hand	\$ 500	\$ 500
Deposits with Financial Institutions	570,976	682,802
Certificate of deposit, nonnegotiable	1,082,077	1,075,025
Local Government Investment Pool	6,191,539	4,532,001
Total cash and cash equivalents	<u>\$ 7,845,092</u>	<u>\$ 6,290,328</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.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

III. Detailed notes (continued)

A. Cash and cash equivalents (continued)

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.

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, 2018 and 2017, none of the Authority's bank balances were exposed to credit risk.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

III. Detailed notes (continued)

B. Capital assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>2017</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>2018</u>
Capital assets not being depreciated:				
Land	\$ 766,026	\$ -	\$ -	\$ 766,026
Construction in progress	<u>788,027</u>	<u>89,888</u>	<u>(788,027)</u>	<u>89,888</u>
Total capital assets not being depreciated	<u>1,554,053</u>	<u>89,888</u>	<u>(788,027)</u>	<u>855,914</u>
Capital assets being depreciated:				
Collection system and pump station	31,744,045	1,129,942	-	32,873,987
Treatment plants	27,056,883	764,847	-	27,821,730
Office building and rental houses	836,200	-	-	836,200
Equipment	<u>2,128,174</u>	<u>112,698</u>	<u>(64,439)</u>	<u>2,176,433</u>
Total capital assets being depreciated	<u>61,765,302</u>	<u>2,007,487</u>	<u>(64,439)</u>	<u>63,708,350</u>
Less accumulated depreciation for:				
Collection system and pump station	(14,553,258)	(666,504)	-	(15,219,762)
Treatment plants	(15,431,368)	(849,133)	-	(16,280,501)
Office building and rental houses	(568,358)	(33,168)	-	(601,526)
Equipment	<u>(1,650,337)</u>	<u>(87,262)</u>	<u>64,439</u>	<u>(1,673,160)</u>
Total accumulated depreciation	<u>(32,203,321)</u>	<u>(1,636,067)</u>	<u>64,439</u>	<u>(33,774,949)</u>
Total capital assets, being depreciated, net	<u>29,561,981</u>	<u>371,420</u>	<u>-</u>	<u>29,933,401</u>
Total capital assets, net	<u>\$ 31,116,034</u>	<u>\$ 461,308</u>	<u>\$ (788,027)</u>	<u>\$ 30,789,315</u>

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

III. Detailed notes (continued)

B. Capital assets (continued)

Capital asset activity for the year ended June 30, 2017 was as follows:

	2016	Additions	Transfers and Retirements	2017
Capital assets not being depreciated:				
Land	\$ 766,026	\$ -	\$ -	\$ 766,026
Construction in progress	229,795	793,189	(234,957)	788,027
Total capital assets not being depreciated	995,821	793,189	(234,957)	1,554,053
Capital assets being depreciated:				
Collection system and pump station	30,460,088	1,283,957	-	31,744,045
Treatment plants	26,719,848	337,035	-	27,056,883
Office building and rental houses	812,900	23,300	-	836,200
Equipment	2,054,862	86,827	(13,515)	2,128,174
Total capital assets being depreciated	60,047,698	1,731,119	(13,515)	61,765,302
Less accumulated depreciation for:				
Collection system and pump station	(13,901,570)	(651,688)	-	(14,553,258)
Treatment plants	(14,554,355)	(877,013)	-	(15,431,368)
Office building and rental houses	(534,123)	(34,235)	-	(568,358)
Equipment	(1,588,488)	(75,364)	13,515	(1,650,337)
Total accumulated depreciation	(30,578,536)	(1,638,300)	13,515	(32,203,321)
Total capital assets, being depreciated, net	29,469,162	92,819	-	29,561,981
Total capital assets, net	\$ 30,464,983	\$ 886,008	\$ (234,957)	\$ 31,116,034

C. Notes payable

The following loan agreement was entered into in August 1997 to finance the Diamond Lake Boulevard (DLID) sewer extension:

Oregon Economic Development Department Loan (OEDD) agreement. The Authority was awarded a Financial Assistance Award Contract on September 15, 2009. The contract is 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 will be made each December 1 until the loan is paid in full. Interest will be at 4% per annum and will be computed on the basis of a 360-day year, consisting of twelve thirty-day months. The loan matures on December 1, 2019.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

III. Detailed notes (continued)

C. Notes payable (continued)

A summary of the changes in notes payable for the year ended June 30, 2018 follows:

	Beginning Balance	Principal Payments	Principal Borrowed	Ending Balance	Due Within One Year
OEDD Loan - NTS	<u>644,752</u>	<u>(266,949)</u>	<u>-</u>	<u>377,803</u>	<u>277,627</u>
Total notes payable	<u>\$ 644,752</u>	<u>\$ (266,949)</u>	<u>\$ -</u>	<u>\$ 377,803</u>	<u>\$ 277,627</u>

A summary of the changes in notes payable for the year ended June 30, 2017 follows:

	Beginning Balance	Principal Payments	Principal Borrowed	Ending Balance	Due Within One Year
OEDD Loan - NTS	<u>901,434</u>	<u>(256,682)</u>	<u>-</u>	<u>644,752</u>	<u>266,949</u>
Total notes payable	<u>\$ 901,434</u>	<u>\$ (256,682)</u>	<u>\$ -</u>	<u>\$ 644,752</u>	<u>\$ 266,949</u>

Annual debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest and Fees	Total
2019	<u>\$ 277,627</u>	<u>\$ 15,112</u>	<u>\$ 292,739</u>
2020	<u>100,176</u>	<u>4,007</u>	<u>104,183</u>
	<u>\$ 377,803</u>	<u>\$ 19,119</u>	<u>\$ 396,922</u>

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

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, 2018. Amounts paid to OMI for the contracted services were \$1,378,138 and \$1,439,188 for the years ended June 30, 2018 and 2017, 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

Risk Pooling

The Authority has elected to participate in the State and Local Government Rate Pool (SLGRP). Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants.

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.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

IV. Other information (continued)

C. Pension Plan (continued)

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). The COLA is capped at 2%

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.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

IV. Other information (continued)

C. Pension Plan (continued)

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 (COLA). The COLA is capped at 2%.

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.

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, 2015 actuarial valuation which became effective July 1, 2017. Employer contributions for the year ended June 30, 2018 were \$147,230. The rates in effect for the fiscal year ended June 30, 2018 were 18.32 percent for Tier One/Tier Two General Services and 10.73 percent for OPSRP Pension Program General Services, and 6 percent for OPSRP Individual Account Program. Per employee agreement with General Manager, Authority is picking up 6 percent OPSRP contribution to Individual Account Program. The Authority has elected not to make the payments on behalf of all other employees for the OPSRP Individual Account Program.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

IV. Other information (continued)

C. Pension Plan (continued)

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

At June 30, 2018, the Authority reported a liability of \$1,349,941 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2015. 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, 2017, the Authority's proportion was 0.01004 percent, which was changed from its proportion measure as of June 30, 2016 of 0.01121 percent.

The Authority recognized pension expense of \$270,795 and \$207,507 for the years ended June 30, 2018 and June 30, 2017, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources at June 30:

	2018		2017	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ 65,284	\$ -	\$ 55,661	\$ -
Change in assumptions	246,070	-	358,817	-
Net difference between projected and actual earnings on pension plan investments	13,908	-	332,373	-
Changes in proportion share	8,625	106,506	12,218	33,542
Changes in proportion and differences between contributions and proportionate share of contributions	17,690	31,326	2,795	45,966
Total (prior to post-MD contributions)	351,577	137,832	761,864	79,508
Contributions subsequent to the measurement date	131,932	-	119,350	-
Total	<u>\$ 483,509</u>	<u>\$ 137,832</u>	<u>\$ 881,214</u>	<u>\$ 79,508</u>

Deferred outflows of resources related to pensions of \$131,932 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, 2019. 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	Deferred Inflows
2017	\$ 70,000	\$ 39,260
2018	150,000	7,853
2019	100,000	7,445
2020	20,000	69,144
2021	11,577	14,130
Total	<u>\$ 351,577</u>	<u>\$ 137,832</u>

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

IV. Other information (continued)

C. Pension Plan (continued)

Actuarial Assumptions:

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2015
Measurement Date	June 30, 2017
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent (No change)
Investment Rate of return	7.50 percent (No change)
Discount Rate	7.50 percent (No change)
Projected Salary Increases	3.50 percent (No change)
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.15%) In accordance with Moro decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

IV. Other information (continued)

C. Pension Plan (continued)

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 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. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. 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.

Asset Class/Strategy	Assumed Asset Allocation		
	Low Range	High Range	OIC Target
Cash	0.0 %	3.0 %	0.0 %
Debt Securities	15.0	25.0	20.0
Public Equity	32.5	42.5	37.5
Private Equity	13.5	21.5	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	0.0	12.5	12.5
Opportunity Portfolio	0.0	3.0	0.0
Total			<u>100.0 %</u>

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

IV. Other information (continued)

C. Pension Plan (continued)

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00 %	4.00 %
Short-Term Bonds	8.00 %	3.61 %
Bank/Leveraged loans	3.00 %	5.42 %
High Yield Bonds	1.00 %	6.20 %
Large/Mid Cap US Equities	15.75 %	6.70 %
Small Cap US Equities	1.30 %	6.99 %
Micro cap US equities	1.30 %	7.01 %
Developed Foreign Equities	13.13 %	6.73 %
Emerging Foreign Equities	4.12 %	7.25 %
Non-US small cap Equities	1.88 %	7.22 %
Private Equity	17.50 %	7.97 %
Real Estate (Property)	10.00 %	5.84 %
Real Estate (REITS)	2.50 %	6.69 %
Hedge fund of funds - diversified	2.50 %	4.64 %
Hedge fund - event-driven	0.63 %	6.72 %
Timber	1.88 %	5.85 %
Farmland	1.88 %	6.37 %
Infrastructure	3.75 %	7.13 %
Commodities	1.88 %	4.58 %
Total	<u>100.00 %</u>	
Assumed Inflation - Mean		2.50 %

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.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

IV. Other information (continued)

C. Pension Plan (continued)

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 7.5 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 7.5 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 (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of net pension liability (asset)	\$ 2,300,546	\$ 1,349,941	\$ 555,059

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Changes in Assumptions and Other Inputs

Changes in actuarial methods and assumptions implemented since the December 31, 2014 valuation are described in the 2014 Experience Study (Study), published September 2015.

Changes in assumptions from that Study are reported in the table of actuarial methods and assumptions. Modifications to the allocation of actuarial accrued liabilities, administrative expense assumptions, healthcare cost inflation, and mortality tables can be found in the Study at:
<http://www.oregon.gov/PERS/Documents/Financials/Actuary/2015/Experience-Study.pdf>.

Changes in Plan Assumptions Subsequent to Measurement Date

At its July 28, 2017 meeting, the PERS Board lowered the assumed earning rate from 7.5% to 7.2%, adding \$2.1 billion to the System's unfunded liability.

ROSEBURG URBAN SANITARY AUTHORITY

Notes to Financial Statements

June 30, 2018 and 2017

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.

DRAFT

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

ROSEBURG URBAN SANITARY AUTHORITY

Required Supplementary Information

Year Ended June 30, 2018

Schedule of the Proportionate Share of the Net Pension Liability

Oregon Public Employees Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	0.010014 %	0.011207 %	0.011800 %
Proportionate share of the net pension liability (asset)	\$ 1,349,941	\$ 1,682,405	\$ 679,209
Covered payroll	\$ 926,258	\$ 1,004,346	\$ 944,835
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	145.74 %	167.51 %	71.89 %
Plan net position as a percentage of the total pension liability	80.50 %	80.50 %	91.88 %

Schedule of Pension Contributions

Oregon Public Employees Retirement System

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 139,539	\$ 119,582	\$ 119,582
Contributions in relation to the contractually required contribution	<u>139,539</u>	<u>119,582</u>	<u>119,582</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 926,258	\$ 1,004,346	\$ 944,835
Contributions as a percentage of covered employee payroll	15.06 %	11.91 %	12.66 %

Amounts presented are for the measurement period reported during the fiscal year, which for FY 2018 is July 1, 2016-June 30, 2017.

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

Notes to Required Supplementary Information

Changes of Assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the System, which was published on September 23, 2015. The report can be found at <http://www.oregon.gov/pers/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

DRAFT

SUPPLEMENTARY INFORMATION

ROSEBURG URBAN SANITARY AUTHORITY

Combining Balance Sheet - All Funds Used for Budgetary Reporting

June 30, 2018

	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	\$ 3,866,321	\$ 95,176	\$ 13,521	\$ 770,338	\$ 1,090,341	\$ 65,659	\$ 678,933	\$ 1,264,803	\$ 7,845,092
Receivables:									
Sewer service charges, net of allowance	792,574	-	-	-	-	-	-	-	792,574
Due from other funds	-	8	-	30	-	-	-	-	38
Prepaid expenses	389,269	-	-	-	-	-	-	-	389,269
Due from OMI	67,305	-	-	-	-	-	-	-	67,305
Assessments receivable	-	-	44,704	-	-	-	-	-	44,704
Accrued interest receivable	-	-	18,284	-	-	-	-	-	18,284
Total assets	<u>\$ 5,115,469</u>	<u>\$ 95,184</u>	<u>\$ 76,509</u>	<u>\$ 770,368</u>	<u>\$ 1,090,341</u>	<u>\$ 65,659</u>	<u>\$ 678,933</u>	<u>\$ 1,264,803</u>	<u>\$ 9,157,266</u>
LIABILITIES									
Accounts payable	\$ 92,848	\$ 4,985	\$ -	\$ -	\$ 29,856	\$ -	\$ -	\$ 348	\$ 128,037
Accrued payroll liabilities	71,236	-	-	-	-	-	-	-	71,236
Due to other funds	38	-	-	-	-	-	-	-	38
Unavailable revenue	-	-	44,704	-	-	-	-	-	44,704
Total liabilities	164,122	4,985	44,704	-	29,856	-	-	348	244,015
FUND BALANCES									
Unappropriated	<u>4,951,347</u>	<u>90,199</u>	<u>31,805</u>	<u>770,368</u>	<u>1,060,485</u>	<u>65,659</u>	<u>678,933</u>	<u>1,264,455</u>	<u>8,913,251</u>
Total liabilities and fund balances	<u>\$ 5,115,469</u>	<u>\$ 95,184</u>	<u>\$ 76,509</u>	<u>\$ 770,368</u>	<u>\$ 1,090,341</u>	<u>\$ 65,659</u>	<u>\$ 678,933</u>	<u>\$ 1,264,803</u>	<u>\$ 9,157,266</u>

Reconciliation to GAAP basis balance sheet:

Unappropriated fund balance	\$ 8,913,251
Capital assets, net	30,789,315
Unavailable revenue	44,704
Long-term debt	(377,803)
Net pension liability	(1,349,941)
Deferred outflows related to pensions	483,509
Deferred inflows related to pensions	137,832
Accrued interest	(15,044)
Ending net position	<u>\$ 38,625,823</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, 2018

	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	\$ 5,428,208	\$ 255,945	\$ -	\$ 1,023,773	\$ -	\$ -	\$ -	\$ -	\$ 6,707,926
Other revenue	102,377	-	19,406	-	-	-	-	28,902	150,685
System development charges	-	-	-	-	-	-	31,749	60,332	92,081
Investment earnings	44,046	2,155	3,030	10,970	19,928	850	8,515	20,316	109,810
Sale of capital assets	15,461	-	-	-	-	-	-	-	15,461
Total revenues	<u>5,590,092</u>	<u>258,100</u>	<u>22,436</u>	<u>1,034,743</u>	<u>19,928</u>	<u>850</u>	<u>40,264</u>	<u>109,550</u>	<u>7,075,963</u>
Expenditures:									
Personal services	1,535,350	-	-	-	-	-	-	-	1,535,350
Materials and services	2,228,397	-	-	-	-	-	-	-	2,228,397
Capital outlay	238,208	924,397	-	-	156,513	-	7,501	13,147	1,339,766
Debt service	-	-	-	-	-	-	292,739	-	292,739
Total expenditures	<u>4,001,955</u>	<u>924,397</u>	<u>-</u>	<u>-</u>	<u>156,513</u>	<u>-</u>	<u>300,240</u>	<u>13,147</u>	<u>5,396,252</u>
Excess (deficiency) of revenues over (under) expenditures	1,588,137	(666,297)	22,436	1,034,743	(136,585)	850	(259,976)	96,403	1,679,711
Other financing sources (uses):									
Transfers in	-	700,000	-	-	-	-	700,000	-	1,400,000
Transfers out	<u>(300,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>(1,050,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,400,000)</u>
Total other financing sources (uses):	<u>(300,000)</u>	<u>700,000</u>	<u>(50,000)</u>	<u>(1,050,000)</u>	<u>-</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>-</u>
Change in fund balance	1,288,137	33,703	(27,564)	(15,257)	(136,585)	850	440,024	96,403	1,679,711
Beginning fund balance	<u>3,663,210</u>	<u>56,496</u>	<u>59,369</u>	<u>785,625</u>	<u>1,197,070</u>	<u>64,809</u>	<u>238,909</u>	<u>1,168,052</u>	<u>7,233,540</u>
Ending fund balance	<u>\$ 4,951,347</u>	<u>\$ 90,199</u>	<u>\$ 31,805</u>	<u>\$ 770,368</u>	<u>\$ 1,060,485</u>	<u>\$ 65,659</u>	<u>\$ 678,933</u>	<u>\$ 1,264,455</u>	<u>\$ 8,913,251</u>

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

Change in fund balance	\$ 1,679,711
Amounts reported in the statement of activities are different because:	
Unavailable income previously recognized	(19,406)
Expenditures for capital assets	1,309,351
Depreciation	(1,636,067)
Change in assets, liabilities, deferred inflow and outflows related to pensions	(123,565)
Debt principal payments	266,949
Change in accrued interest	6,229
Change in net position	<u>\$ 1,483,202</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Appropriated Expenditures and Other Budgetary Requirements - Budgetary Basis

General Fund

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance With Final Budget
APPROPRIATIONS			
Expenditures:			
Administration and engineering	\$ 1,150,500	\$ 910,761	\$ 239,739
Treatment	2,095,500	1,845,249	250,251
Collection	1,509,310	874,919	634,391
Finance	<u>439,650</u>	<u>371,029</u>	<u>68,621</u>
Total appropriated expenditures	5,194,960	4,001,958	1,193,002
Transfers and Contingency:			
Transfer to Infrastructure Replacement	300,000	300,000	-
Reserve Fund	550,000	-	550,000
Operating contingency	<u>550,000</u>	<u>-</u>	<u>550,000</u>
Total appropriated expenditures and other requirements	6,044,960	4,301,958	1,743,002
Unappropriated ending working capital	<u>2,719,740</u>	<u>4,951,344</u>	<u>(2,231,604)</u>
Total requirements	<u>\$ 8,764,700</u>	<u>\$ 9,253,302</u>	<u>\$ (488,602)</u>

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

General Fund

For the Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance With Final Budget
RESOURCES			
Revenues:			
User service fees	\$ 5,628,700	\$ 5,428,208	\$ (200,492)
Other fees	40,800	102,377	61,577
Interest income	19,200	44,046	24,846
Sale of capital assets	130,000	15,461	(114,539)
Total revenues	5,818,700	5,590,092	(228,608)
Beginning fund balance	2,946,000	3,663,210	717,210
Total resources	<u>\$ 8,764,700</u>	<u>\$ 9,253,302</u>	<u>\$ 488,602</u>
REQUIREMENTS			
Expenditures:			
Personal services:			
Administration and engineering	\$ 721,400	\$ 567,910	\$ 153,490
Collections	741,310	668,915	72,395
Finance	347,850	298,525	49,325
Total personal services	1,810,560	1,535,350	275,210
Materials and services:			
Administration and engineering	294,600	232,601	61,999
Treatment	2,070,500	1,823,826	246,674
Collection	144,000	106,182	37,818
Finance	79,300	65,788	13,512
Total materials and services	2,588,400	2,228,397	360,003
Capital outlay:			
Administration and engineering	134,500	110,250	24,250
Treatment	25,000	21,423	3,577
Collection	624,000	99,822	524,178
Finance	12,500	6,716	5,784
Total capital outlay	796,000	238,211	557,789
Total expenditures	5,194,960	4,001,958	1,193,002
Transfers out	300,000	300,000	-
Operating contingency	550,000	-	550,000
Ending fund balance	2,719,740	4,951,344	(2,231,604)
Total requirements	<u>\$ 8,764,700</u>	<u>\$ 9,253,302</u>	<u>\$ (488,602)</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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
User service fees	\$ 255,555	\$ 255,945	\$ 390
Interest income	<u>4,000</u>	<u>2,155</u>	<u>(1,845)</u>
Total revenues	259,555	258,100	(1,455)
Transfers in	700,000	700,000	-
Beginning fund balance	<u>61,300</u>	<u>56,496</u>	<u>(4,804)</u>
Total resources	<u>\$ 1,020,855</u>	<u>\$ 1,014,596</u>	<u>\$ (6,259)</u>
REQUIREMENTS			
Expenditures:			
Capital outlay	\$ 1,020,855	\$ 924,396	\$ 96,459
Ending fund balance	<u>-</u>	<u>90,200</u>	<u>(90,200)</u>
Total requirements	<u>\$ 1,020,855</u>	<u>\$ 1,014,596</u>	<u>\$ 6,259</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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
Interest income	\$ 3,600	\$ 3,030	\$ (570)
LID assessments	<u>19,000</u>	<u>19,406</u>	<u>406</u>
Total revenues	22,600	22,436	(164)
Beginning fund balance	<u>27,400</u>	<u>59,369</u>	<u>31,969</u>
Total resources	<u>\$ 50,000</u>	<u>\$ 81,805</u>	<u>\$ 31,805</u>
REQUIREMENTS			
Transfers	50,000	50,000	-
Ending fund balance	<u>-</u>	<u>31,805</u>	<u>(31,805)</u>
Total requirements	<u>\$ 50,000</u>	<u>\$ 81,805</u>	<u>\$ (31,805)</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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
User service fees	\$ 1,022,200	\$ 1,023,773	\$ 1,573
Interest income	<u>6,420</u>	<u>10,971</u>	<u>4,551</u>
Total revenues	1,028,620	1,034,744	6,124
Beginning fund balance	<u>-</u>	<u>785,625</u>	<u>785,625</u>
Total resources	<u>\$ 1,028,620</u>	<u>\$ 1,820,369</u>	<u>\$ 791,749</u>
REQUIREMENTS			
Transfers out	1,050,000	1,050,000	-
Ending fund balance	<u>(21,380)</u>	<u>770,369</u>	<u>(791,749)</u>
Total requirements	<u>\$ 1,028,620</u>	<u>\$ 1,820,369</u>	<u>\$ (791,749)</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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
Interest income	\$ 7,200	\$ 19,928	\$ 12,728
Beginning fund balance	<u>1,000,000</u>	<u>1,197,070</u>	<u>197,070</u>
Total resources	<u>\$ 1,007,200</u>	<u>\$ 1,216,998</u>	<u>\$ 209,798</u>
REQUIREMENTS			
Expenditures:			
Capital outlay	\$ 1,007,200	\$ 156,513	\$ 850,687
Ending fund balance	<u>-</u>	<u>1,060,485</u>	<u>(1,060,485)</u>
Total requirements	<u>\$ 1,007,200</u>	<u>\$ 1,216,998</u>	<u>\$ (209,798)</u>

DRAFT

ROSEBURG URBAN SANITARY AUTHORITY

Schedule of Budgeted and Actual Resources and Requirements - Budgetary Basis

Administration Building Fund

For the Year Ended June 30, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
Interest income	\$ 780	\$ 849	\$ 69
Beginning fund balance	<u>-</u>	<u>64,809</u>	<u>64,809</u>
Total resources	<u>\$ 780</u>	<u>\$ 65,658</u>	<u>\$ 64,878</u>
REQUIREMENTS			
Expenditures:			
Capital outlay	\$ 20,000	\$ -	\$ 20,000
Ending fund balance	<u>(19,220)</u>	<u>65,658</u>	<u>(84,878)</u>
Total requirements	<u>\$ 780</u>	<u>\$ 65,658</u>	<u>\$ (64,878)</u>

DRAFT

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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
System development charges	\$ 41,520	\$ 31,749	\$ (9,771)
Interest income	<u>3,000</u>	<u>8,515</u>	<u>5,515</u>
Total revenues	44,520	40,264	(4,256)
Transfers in	700,000	700,000	-
Beginning fund balance	<u>235,400</u>	<u>238,909</u>	<u>3,509</u>
Total resources	<u>\$ 979,920</u>	<u>\$ 979,173</u>	<u>\$ (747)</u>
REQUIREMENTS			
Expenditures:			
Debt service:			
Principal payments	\$ 266,950	\$ 266,949	\$ 1
Interest payments	<u>25,800</u>	<u>25,790</u>	<u>10</u>
Total debt service	292,750	292,739	11
Capital outlay	<u>687,170</u>	<u>7,500</u>	<u>679,670</u>
Total expenditures	979,920	300,239	679,681
Other Financing Sources			
Ending fund balance	<u>-</u>	<u>678,934</u>	<u>(678,934)</u>
Total requirements	<u>\$ 979,920</u>	<u>\$ 979,173</u>	<u>\$ 747</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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
RESOURCES			
Revenues:			
System development charges	\$ 78,900	\$ 60,332	\$ (18,568)
Interest income	12,000	20,316	8,316
Other	<u>1,100,235</u>	<u>28,902</u>	<u>(1,071,333)</u>
Total revenues	1,191,135	109,550	(1,081,585)
Beginning fund balance	<u>1,189,100</u>	<u>1,168,052</u>	<u>(21,048)</u>
Total resources	<u>\$ 2,380,235</u>	<u>\$ 1,277,602</u>	<u>\$ (1,102,633)</u>
REQUIREMENTS			
Expenditures:			
Capital outlay	\$ 2,380,235	\$ 13,147	\$ 2,367,088
Ending fund balance	<u>-</u>	<u>1,264,455</u>	<u>(1,264,455)</u>
Total requirements	<u>\$ 2,380,235</u>	<u>\$ 1,277,602</u>	<u>\$ 1,102,633</u>

COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR
REQUIRED BY STATE REGULATIONS

COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE REGULATIONS

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, 2018, and have issued our report thereon dated November 16, 2018. 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 16, 2018

RESOLUTION NO. 18-04

A RESOLUTION DECLARING SURPLUS PROPERTY

WHEREAS, local governments must declare property not needed to be surplus by Resolution of the Governing Body, and,

WHEREAS, Roseburg Urban Sanitary Authority is a Local Government and has property it no longer needs;

NOW THEREFORE, IT IS HEREBY RESOLVED, that the Board of Directors of the Roseburg Urban Sanitary Authority, the Governing Body, does hereby declare the following surplus to the needs of the Authority:

1997 Chevrolet cab-chassis V.I.N - 1GBKC34J2VJ114771

2008 Sprinter w/Envirosite CCTV equipment V.I.N - WDYPF145985249652

2011 Chevrolet Xtra Cab 2500 V.I.N. - 1GC2CVCG9BZ197948

Be it resolved further the above surplus property will be disposed of as provided for in Resolution 05-01 Exhibit A.

THIS RESOLUTION IS ADOPTED BY THE ROSEBURG URBAN SANITARY AUTHORITY'S BOARD OF DIRECTORS THIS 12th DAY OF DECEMBER 2018.

ATTESTED:

ROSEBURG URBAN SANITARY
AUTHORITY

James V. Baird, General Manager

John Dunn, Board Chair

GENERAL MANAGERS REPORT

Date: 12/03/18
To: Roseburg Urban Sanitary Authority, Board of Directors
From: James V. Baird, General Manager
Re: General Managers Informational Report to the Board

Back Nine Sanitary Sewer Extension Phase I

The As-built plans, Operation and Maintenance Manual, Engineer's letter of certification of completion, easement document and transfer of ownership of the property associated with the pump station are still pending.

NW Black Avenue Sanitary Sewer Replacement Project

The Engineer's test reports, letter of certification of completion and as-built drawings are still pending. Once we receive the outstanding documentation, we can place the project in the one-year warranty period. The City has not provided the final project closeout documentation.

Downtown Improvements Phase II

The Contractor, Brown Construction, has completed the sanitary sewer construction. Final testing has been completed and all the new system has passed.

The Engineer's test reports, letter of certification of completion and as-built drawings are still pending. The City has not provided the final project closeout documentation.

Winchester Pump Station Force Main Replacement Project

i.e. Engineering had completed 100% plans for the new dual forcemain that will be constructed as part of Douglas County's Highway 99 North construction project. RUSA forwarding the plans to the DEQ for review and comment.

Loma Vista Pump Station Study

i.e. Engineering is working on the study. The project engineer has provided RUSA a map showing the possible relocation and upgrade of the Loma Vista Pump Station and the expanded service area that could be served once the pump station is moved.

Wastewater Treatment Plant Fuel Tank Removal

We have signed and submitted the agreement to pay the DEQ review charges to expedite the review of our file.

FOG Inspection Program

The Engineering Department has completed six follow up inspections of food service establishment during November.

SDAO Safety Grant

We received notification that RUSA will be receiving \$5,000 dollars, from SDAO, as a matching grant for the purchase of a new traffic sign board. The sign board total cost is \$10,800.

ROSEBURG URBAN SANITARY AUTHORITY

NEW DEVELOPMENTS AND PROJECTS

DEVELOPMENTS:

- Edenbower sewer main extension
 - Pinnacle Western Engineering is designing a sewer main extension to provide service to property east of Stephens street. This project is on hold.
- Oakridge Court Apartments
 - The plans and specifications have been approved. This project is on hold.
- Newton Creek Manor
 - This project is 98 percent complete. The mainline and manholes are in place.
- Umpqua Health Newton Creek Campus
 - This project has been extended and an additional 60 feet of mainline will be extended.
 - The initial pipe and manholes have been tested and we are waiting on asbuilts
- Woodside Village is 100 percent complete we are waiting on as-builts

PRELIMINARY DESIGN:

- Loma Vista Pump Station Improvement Study
- Tabor – Military Avenue partition
- Townsend Lane – Lookingglass subdivision

PROJECTS:

- Cascade Court main line extension – Joint City-RUSA project
 - Cradar Enterprises has completed the work on this project. The punch list items have been completed. Engineers certification and as-built drawings are still pending.
- Back Nine
 - The lift station is waiting for power service. We are waiting on the engineer to provide final documentation to complete the project.
- NW Black Avenue Sanitary Sewer Improvement
 - Black Street is 100 percent complete we are waiting to as-builts to final the project.
- Downtown Intersection Improvements Phase II.
 - This project is complete and waiting on as-Builts
- Winchester Pump Station Pressure Line Replacement
 - Initial engineering underway should go out to bid this month

ROSEBURG URBAN SANITARY AUTHORITY

November 2018 STAFF REPORTS

COLLECTION DEPARTMENT:

- Completed 44 work orders.
- Completed CCTV of 21,489 feet of mainline.
- Completed Warranty Beginning TV inspection for the Hampton Inn, the Umpqua Health and the City Downtown projects.
- Completed cleaning of 52,919 feet of mainline.
- Completed root treatment of 2,638 feet of mainline.
- Completed semi-annual vector control.
- Matthew and Kyle attended DOT's Supervisor (Reasonable Suspicion) Training.
- Andrew, Kyle Bartlett and Kyle Vatland attended ODOT's flagging certification training.

ENGINEERING DEPARTMENT:

- Completed 192 underground utility locate requests.
- Issued 10 permits and completed 13 inspections.
- Back Nine Sanitary Sewer Extension project. The lift station is waiting for power service. We are waiting on the engineer to provide final documentation to complete the project.
- Construction on the Cascade Court Project is complete. The City is finalizing negotiation with a home owner. The As-Built drawings and Engineer's letter of certification is pending.
- Black Avenue sewer replacement is 100 percent complete, waiting as-builts and closeout.
- Downtown Phase II sewer replacement Construction, is complete waiting on as-builts and closeout.
- Newton Creek Manor mainline extension is now complete waiting on final testing.
- Woodside Village mainline extension is 100 percent done. Waiting final documents
- Umpqua Health mainline has been extended. An additional 60 feet of pipe will be constructed. The original line has not been tested. We are waiting on as-builts and final closeout
- Hwy 99 pressure main is in engineering and should go out to bid this month.
- FOG inspections Taco Bell (Good), Garden Valley Grill (Full trying to contact manager), Mercy (Good after pump), Sheri's (Good), Red Robin (Good), Old Soul Pizza (Good)

FINANCE DEPARTMENT:

- Vacancy Credits: 5 were processed for a total of \$400.00 in November.
- Credit cards/eChecks: 656 payments totaling \$31,207.57 were collected in November. 44 payments received at the counter, 32 by voice response system, and 580 on-line.
- Automatic Payments: 1,983 customer accounts are signed up. Received \$79,541.02 or approximately 14.3% of monthly billing.



TO: Jim Baird, General Manager-RUSA
FROM: Jade Mecham, Project Manager
DATE: December 6, 2018
SUBJECT: November 2018 Monthly Report

OPERATIONAL ACTIVITIES

- The treatment facility averaged 96% BOD removal and 95% 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 2018, was 199,000 KWHRS with a total Effluent flow of 94.00 million gallons, of which .02 went to Outfall 002 (NTS) and the remaining 93.98 went to Outfall 001 (South Umpqua River). The November 2017 electrical consumption was 218,000 KWHRS with a total Effluent flow of 133.22 million gallons, all of which went to the river at Outfall 001.
- Digester rag problems have been occurring recently, that have not been a problem of the past. The bids for cleaning the primary digester have been updated in preparation of the cleaning event. Storage of solids and available biosolids application sites is a challenge with a very large digester.
- Influent plant loadings have been quite high in concentration due to the lack of flow in to the plant in November.

PRETREATMENT ACTIVITIES

The following pretreatment inspections were completed in November:

- *FCC Commercial Furniture*: Semi-annual sample and inspection. The inspection went well. The samples were sent to an outside lab for analysis. They performed self-sampling the same week.
- *Applebee's*: Their interceptor was measured and found to be 5% full.
- *Loggers Tap House*: Their interceptor was 10% full.
- *AM PM Arco on Stephens St*: The interceptor connected to the closed carwash was full of dirt and not in use. The outfall line from the store had very little FOG buildup.
- *DC Precision Lube and Oil*: The outfall line had some oil buildup in the discharge.
- *One Champion Plaza*: With the push camera in their discharge, significant FOG was observed.

NATURAL TREATMENT SYSTEM (NTS)

- We have been researching a sprinkler head supplied by another manufacturer that won't have the problem of stopping and not turning, that we have been experiencing for years.
- The weir in Sylman creek at the flow measuring and sample site was removed.

MAINTENANCE ACTIVITIES

- Replaced the flush valve for the men's toilet.
- Rebuilt the #2 Sludge Recirculation pump with new bearings and mechanical seal.
- Replaced the air pressure regulator for the Biofilter Recirculation valve.
- Installed motor reversing switch for both Sludge Recirculation pumps.
- Replaced the chlorine transfer pump.
- Replaced the windshield washer fluid cap for the Peterbilt sludge truck.
- Replaced the front plastic cover for the Effluent Flow Meter.
- Welded up the backside for the Impeller, due to water wear for the #2 Sludge Recirculation pump.
- Replaced all three fuses for the incoming power to the North Bank Station.
- Replaced the upper and lower bushings with nylon bushings in two sludge valves, S18 and S19.
- Replaced the battery for the Boiler Room Emergency light.
- Replaced the outside red alarm light for the gas alarm for the Gas Compressor room.

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.
- Number of QAQC results for permit: 103
13 BOD's 30 pH 13 Fecal/E. Coli
13 TSS 30 Cl2 Res. 4 Ammonia
- Precision results: Accuracy Results:
In Control: 100 In Control: 90
Out of control: 3 Out of Control: 0
- On 11/21/18, we sampled Storm water, dissolved Cadmium samples were filtered and preserved along with arsenic samples. Samples for E. Coli and BOD were tested that day.
- On 11/26/18, Lab water was sampled. Lab water and Storm water samples were shipped to NRC for testing.

PERSONNEL/COMMUNITY SERVICE ACTIVITIES

- Kevin Bruton spent one day in Coos Bay.

UPCOMING EVENTS

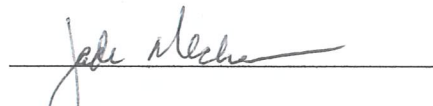
OPERATIONS/NTS:

- Planning of the #3 primary digester cleaning.
- Sprinkler repairs.

MAINTENANCE:

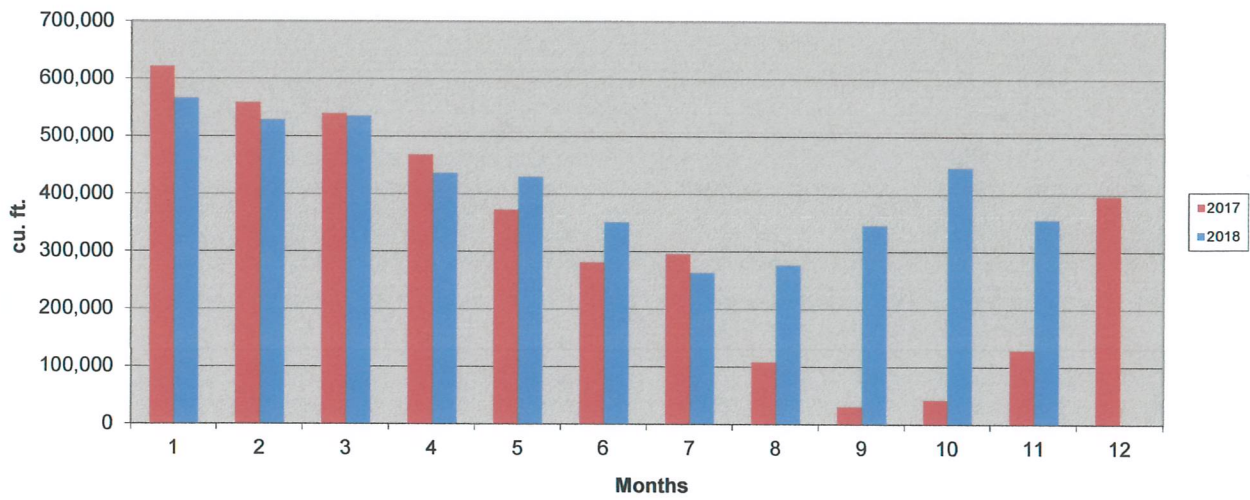
- Replace Sludge Transfer VFDs
- Replace the ductile pipe for the suction side of the Sludge Transfer pumps.
- Install the new Rotary Lobe WAS pump.

Enclosures: Boiler/Flare Gas Usage graphs
 Influent TSS/CBOD and Effluent Flow Graphs
 12 Month Moving Avg.
 Violation Win-Limit Report

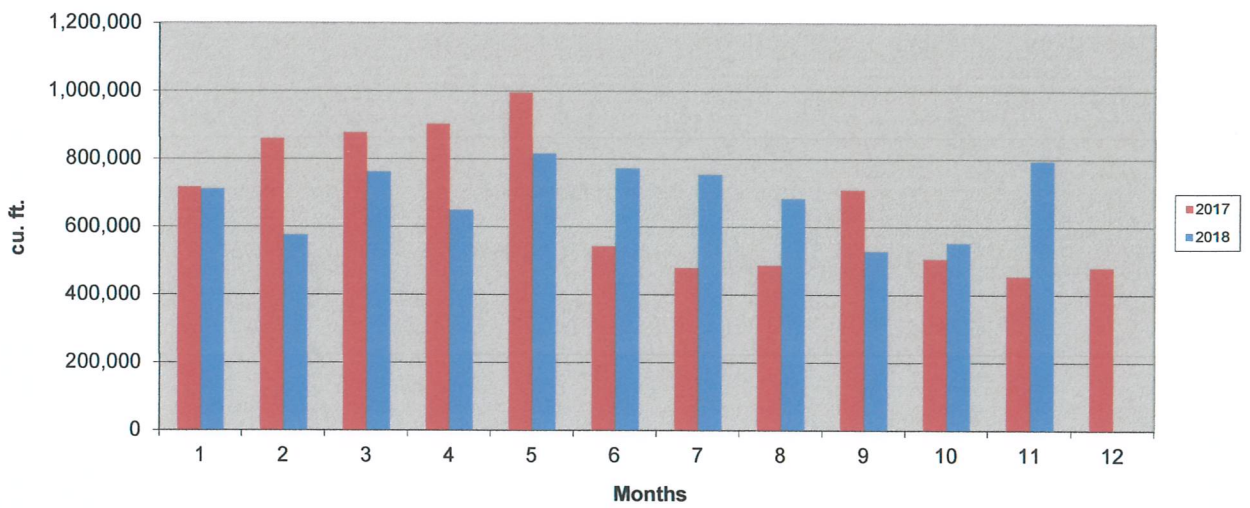


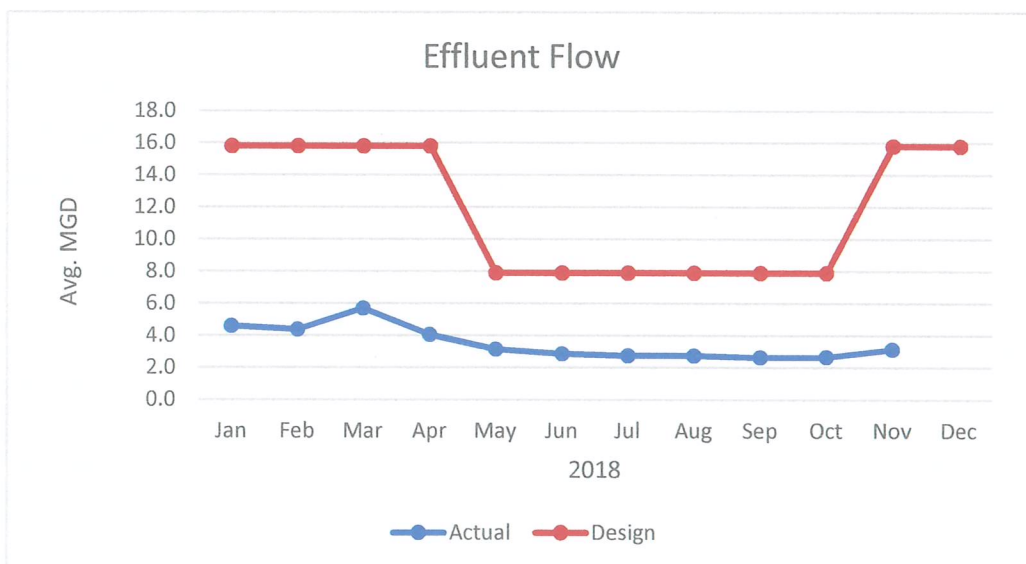
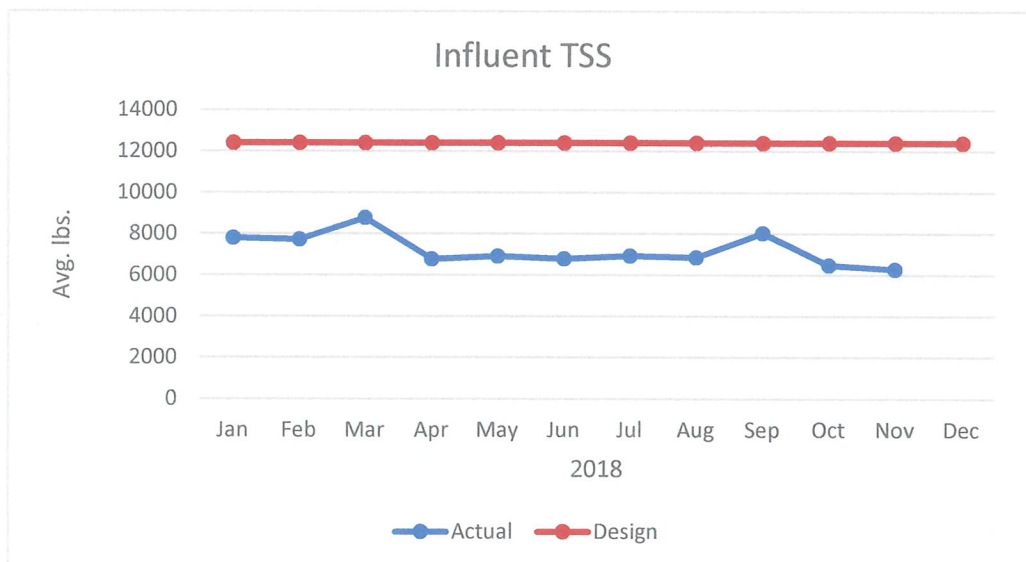
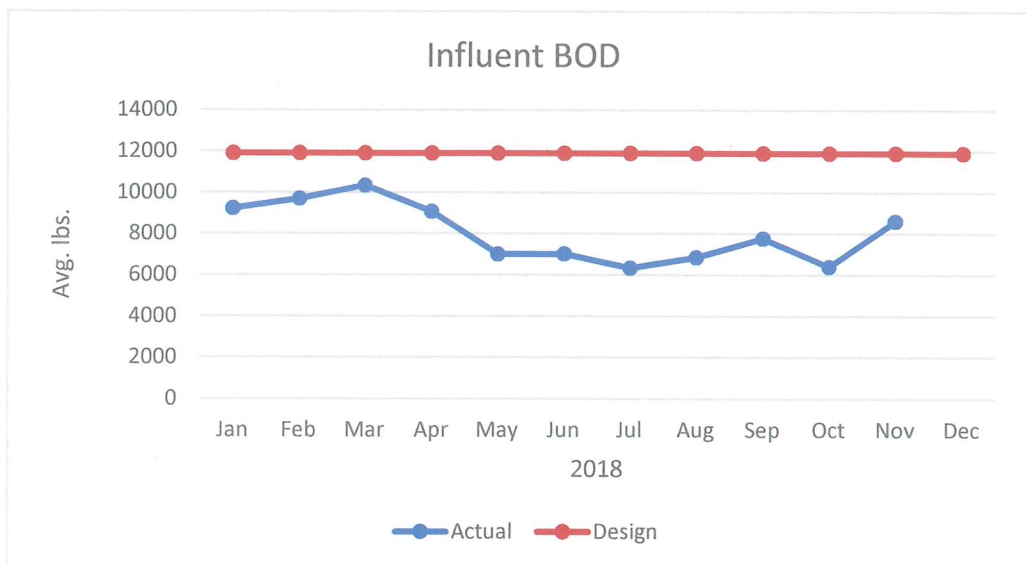
Jade Mecham
Project Manager
Jacobs

BOILER GAS USAGE



FLARE GAS USAGE





12 MONTH MOVING AVERAGES

Month/Year	Plnt Inf Q Average MGD	Plnt Inf Average lbs/day CBOD /BOD	Plnt Inf Average lbs/day TSS
Dec-17	3.61	8340	6804
Jan-18	4.61	9227	7805
Feb-18	4.39	9702	7725
Mar-18	5.72	10343	8779
Apr-18	4.08	9078	6784
May-18	3.15	7012	6919
Jun-18	2.87	7027	6826
Jul-18	2.76	6345	6937
Aug-18	2.76	6849	6849
Sep-18	2.65	7770	8030
Oct-18	2.66	6406	6481
Nov-18	3.13	8615	6288
SUM	42.39	96712	86226
AVE	3.53	8059	7186
MAX	5.72	10343	8779
MIN	2.65	6345	6288

Limit Summary: (** designates values exceeding limit)
No values exceeding limit.

Location/Parameter	Units	Limit	Actual
Plnt Ef			
BOD 5 - BOD 5 Day 20 Deg C			
Average	MG/L	30	14.62
Max Weekly Avg (Wed Rule) , Beginning: 11/18/2018	MG/L	45	18
Average Loading	lb/day	3800	388
Max Weekly Avg (Wed Rule) Loading, Beginning: 11/18/2018	lb/day	5600.00	509
Plnt Ef			
pH Lab - pH Lab Standard Units			
Minimum , 11/5/2018	S.U.	6.10	6.34
Maximum , 11/20/2018	S.U.	8.50	7.26
Plnt Ef			
Solids TSS - Total Suspended Solids TSS			
Average	MG/L	30.00	11.54
Plnt Ef			
Solids TSS - Total Suspended Solids TSS			
Max Weekly Avg (Wed Rule) , Beginning: 11/18/2018	MG/L	45.00	14.00
Plnt Ef			
Solids TSS - Total Suspended Solids TSS			
Average Loading	lb/day	3800.00	310.10
Plnt Ef - Effluent			
E Coli - E Coli			
Average	MPN	126.00	8
Max Weekly Avg (Wed Rule) , Beginning: 11/4/2018	MPN	406.00	11
Plnt Ef			
Cl2 Residual - Chlorine Total Residual			
Average	MG/L	.5	0.02
Plant TSS Removal Efficiency			
Avg % Removal (Lower Limit)	%	85.00	95
Plant BOD Removal Efficiency			
Avg % Removal (Lower Limit)	%	85.00	96
South Bank 004			
Flow Mgd - Flow Thru Treatment Plant Mgd			
Maximum	MGD	0.00	
Outfall #3 Flow			
Flow Mgd - Flow Thru Treatment Plant Mgd			
Sum	MGD	0.00	

CASH DISBURSEMENT RECAP BOARD MEETING DECEMBER 12, 2018

Cash Disbursements Since the Last Board Meeting

All Funds:

Total of Prepaid Checks & ACH Transactions	356,365.62
Total of Regular Checks & ACH Transactions	<u>499,076.49</u>

Total Expenditures (not including Payroll)	<u>855,442.11</u>
--	-------------------

Payroll:

Net Payroll - November 2018	57,807.58
-----------------------------	-----------

All Checks & ACH Transactions since the Board Meeting of November 14, 2018	<u>913,249.69</u>
--	-------------------

Accounts Payable

Checks by Date - Detail by Check Date

User: christine
Printed: 12/7/2018 1:23 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	ASIFLEX	ASIFlex	11/30/2018	
	Nov 18 PR	PR Batch 00001.11.2018 Flexible Spending Acc	PR Batch 00001.11.2018 Flex	1,303.85
	Nov 18 PR	PR Batch 00001.11.2018 Dependent Care FSA	PR Batch 00001.11.2018 Dep	83.33
Total for this ACH Check for Vendor ASIFLEX:				1,387.18
ACH	DNB	Internal Revenue Service	11/30/2018	
	Nov 18 PR	PR Batch 00001.11.2018 Medicare - Employee	PR Batch 00001.11.2018 Med	1,206.24
	Nov 18 PR	PR Batch 00001.11.2018 FICA - Employer	PR Batch 00001.11.2018 FIC	5,157.75
	Nov 18 PR	PR Batch 00001.11.2018 Medicare - Employer	PR Batch 00001.11.2018 Med	1,206.24
	Nov 18 PR	PR Batch 00001.11.2018 FICA - Employee	PR Batch 00001.11.2018 FIC	5,157.75
	Nov 18 PR	PR Batch 00001.11.2018 Federal Income Tax	PR Batch 00001.11.2018 Fed	5,718.20
Total for this ACH Check for Vendor DNB:				18,446.18
ACH	OR-Rev	Oregon Dept. of Revenue	11/30/2018	
	Nov 18 PR	PR Batch 00001.11.2018 Oregon W/Held	PR Batch 00001.11.2018 Ore	4,713.29
Total for this ACH Check for Vendor OR-Rev:				4,713.29
ACH	IFA	Attn: Fiscal Services Oregon Business Dev	11/30/2018	
	Y09005	NTS Loan Principal Pymt		277,627.44
	Y09005	Interest Expense-NTS Loan Pymt		15,112.11
Total for this ACH Check for Vendor IFA:				292,739.55
48690	CIS INS	CIS Trust	11/30/2018	
	Nov 18 PR	PR Batch 00001.11.2018 Short-Term Disability	PR Batch 00001.11.2018 Sho	113.81
	Nov 18 PR	PR Batch 00001.11.2018 Life Insurance - Spous	PR Batch 00001.11.2018 Life	132.41
	Nov 18 PR	PR Batch 00001.11.2018 CCIS Insurance Long-	PR Batch 00001.11.2018 CCI	254.29
	Nov 18 PR	PR Batch 00001.11.2018 Medical Ins w/RX	PR Batch 00001.11.2018 Med	26,478.37
	Nov 18 PR	PR Batch 00001.11.2018 CCIS Insurance AD&I	PR Batch 00001.11.2018 CCI	21.77
	Nov 18 PR	PR Batch 00001.11.2018 Dental & Vision	PR Batch 00001.11.2018 Den	3,377.78
	Nov 18 PR	PR Batch 00001.11.2018 Voluntary Dependent L	PR Batch 00001.11.2018 Volu	35.52
	Nov 18 PR	PR Batch 00001.11.2018 Voluntary Life Insuran	PR Batch 00001.11.2018 Volu	264.69
	Nov 18 PR	PR Batch 00001.11.2018 Life Insurance - er	PR Batch 00001.11.2018 Life	115.78
Total for Check Number 48690:				30,794.42
48691	PEBSCO	Nationwide Retirement Solutions	11/30/2018	
	Nov 18 PR	PR Batch 00001.11.2018 Nationwide-Deferred C	PR Batch 00001.11.2018 Nati	3,850.00
Total for Check Number 48691:				3,850.00
48692	WATER	City of Roseburg	11/30/2018	
	Nov 18	Water usage-1297 NE Grandview Dr		266.92
Total for Check Number 48692:				266.92
48693	DEQ MED	Dept of Environmental Quality	11/30/2018	
	Winch Forcemain	Plan review fee-Winchester PS Forcemain		738.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
Total for Check Number 48693:				738.00
48694	SHRED-IT 8126015031	Shred-It USA Shred Services-November	11/30/2018	85.02
Total for Check Number 48694:				85.02
48695	USPS Nov 18	US Postal Service Postage for December UB Bills	11/30/2018	2,451.12
Total for Check Number 48695:				2,451.12
48696	VERIZON 9818400064 9818400064 9818400072	Verizon Wireless Cellular Equipment Cellular Services Wireless for TV Van	11/30/2018	179.98 674.94 39.02
Total for Check Number 48696:				893.94
Total for 11/30/2018:				356,365.62
Report Total (11 checks):				356,365.62

Accounts Payable

Checks by Date - Detail by Check Date

User: christine
Printed: 12/7/2018 1:24 PM



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
ACH	ASIFLEX A00032588B0BBfV	ASIFlex Flexible Spending Account Admin Fees	12/12/2018	45.00
Total for this ACH Check for Vendor ASIFLEX:				45.00
ACH	STAPLES 2188469871 2188479531 2188987291	Staples Credit Plan Camera for front office Envelopes for drop box and misc office supplies Planners for crew	12/12/2018	199.99 135.70 86.03
Total for this ACH Check for Vendor STAPLES:				421.72
48697	ACCELA INV-ACC42817	Accela Inc #774375 Conversion of Springbrook to new server	12/12/2018	945.00
Total for Check Number 48697:				945.00
48698	WP Nov 2018	Avista Utilities Natural gas service	12/12/2018	120.03
Total for Check Number 48698:				120.03
48699	BANNERMC	BANNER BANK	12/12/2018	
	AA 110218	Pitney Bowes - Postage machine quarterly lease		81.00
	AA 111418	Safeway - Cookies for board meeting		10.00
	AA 111518	Amazon - popcorn for board meetings		42.99
	AA 112418	Microsoft - Office 365 Business Essentials Subsc		35.00
	AA 112918	Costco - office supplies and paper goods		89.22
	CM 112418	Microsoft - 11 Office 365 Business Premium Sul		137.50
	DF 110218	Monitor for Harmony. Single 34" monitor to rep		779.99
	DF 111418	Network Solutions - emailboxes tied to cert for h		11.39
	DF 112418	Microsoft - Visio monthly subscription for Dave		15.00
	GO 110618	Ten Down - DCUCC lunch for Greg, John		26.00
	GO 112118	Home Depot - Fog Inspection bucket, caps, glove		25.48
	GO 112718	Harbor Freight - pliers, pipe wrench - inspector t		28.45
	HW 110218	Rose City Stamps - Notary stamp		31.50
	JB 110618	Lowes - Steel garden stakes for Veterans Day sig		32.90
	JB 112818	Cabelas - Christmas supplies		69.91
	JJB 112018	Coastal - Steel toe rainboot		15.99
	KB 110518	Safeway-supplies for DOT CDL Supervisor Trai		12.00
	MC 103018	Home Depot - Lumber for compressor enclosure		4.13
	MC 110718	Walmart - Rubber gloves for CPR class		23.96
	MC 110818	Home Depot - Toilet seat for crew restroom, tape		43.89
	MC 112318	Sportsmans Whse - Chest waders for KV		89.99
	RC 111518	NASSCO - PACP recertification		371.69
	RK 110118	Douglas County - Deed lookup subscription		360.00
	RK 110118fee	Douglas County - Credit card fee		8.96
	RK 110518	Environmental Biotech - grease trap sampling to		329.95
	RK 110518b	Douglas County - Record easement		111.00
	RK 110518c	Douglas County - Record easement - credit card		2.76

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	RK 111518	Bagel Tree - staff meeting snacks		36.00
	SL 110118	Sirennet - Warning lights for new vehicles		814.32
	SL 110718	Work Wear & More - Work Pants		105.56
				<hr/>
Total for Check Number 48699:				3,746.53
48700	BROWNNW 921484	Brown & Brown Northwest	12/12/2018	
	921484	Agency fee per agreement - property & liability i		4,727.50
		Agency fee per agreement - property & liability i		4,727.50
				<hr/>
Total for Check Number 48700:				9,455.00
48701	OMI 351289-002	CH2MHill OMI	12/12/2018	
		Professional services per agreement		121,072.75
				<hr/>
Total for Check Number 48701:				121,072.75
48702	Chytka 128698	Chytka Pest Control LLC	12/12/2018	
		Monthly pest control service		40.00
				<hr/>
Total for Check Number 48702:				40.00
48703	CORIX 17813038059	Corix Water Products (US) Inc.	12/12/2018	
		Pipe to hold dipstick for fog program		76.58
				<hr/>
Total for Check Number 48703:				76.58
48704	CORRECT 38396	Correct Equipment, Inc.	12/12/2018	
		Deragger + (Qty - 2) Freight is estimated and pre		9,000.00
				<hr/>
Total for Check Number 48704:				9,000.00
48705	DC Safet 2019-RUSA	Douglas County Safety Association	12/12/2018	
		2019 Annual Membership Dues		25.00
				<hr/>
Total for Check Number 48705:				25.00
48706	DFN	Douglas Fast Net	12/12/2018	
	Dec 2018 Admin	Internet Services-Admin	Service: 14806	202.71
	Dec 2018 High	Internet Services-Highland PS	Service: 105797	64.14
	Dec 2018 Host	Admin Hosting		10.28
	Dec 2018 Keady	Internet Services-Keady Ct	Service: 106289	64.14
	Dec 2018 N Bank	Internet Services-No. Bank PS	Service: 105793	61.64
	Dec 2018 NTS	Internet Services-NTS	Service: 23920	46.09
	Dec 2018 P&C	Internet services - Phones/Security cameras		107.24
	Dec 2018 Wilb 1	Internet Services-Wilbur 1 PS	Service: 105796	64.14
	Dec 2018 Wilb2	Internet Services-Wilbur 2 PS	Service: 105794	61.64
	Dec 2018 Winch	Internet Services-Winchester P	Service: 105795	64.14
				<hr/>
Total for Check Number 48706:				746.16
48707	EARTH 741178	EARTH20	12/12/2018	
	836628	Bottled water delivery		24.64
		Bottled water delivery		32.19
				<hr/>
Total for Check Number 48707:				56.83
48708	FASTENAL ORROS195822	Fastenal Company	12/12/2018	
		Flo green paint for locating		199.34
				<hr/>
Total for Check Number 48708:				199.34

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
48709	FERGWTRW 0706217 0717525	Ferguson Waterworks Pipe couplings Hi-Vis Jackets - Crew, Eng	12/12/2018	878.62 473.00
Total for Check Number 48709:				1,351.62
48710	GRAPHDIM 1707 1722	Graphic Dimensions, Inc. Billing card stock Cut December bills to mailing size	12/12/2018	2,177.00 32.30
Total for Check Number 48710:				2,209.30
48711	PUGH Oct 2018	Jeffrey L. Pugh, Attorney at Law Legal services for agreements, contracts	12/12/2018	456.00
Total for Check Number 48711:				456.00
48712	LTM 498771	Knife River Materials Crushed rock for stock	12/12/2018	35.15
Total for Check Number 48712:				35.15
48713	LYOUNG 76600081915	Lauren Young Tire 2011 Service Truck Tires	12/12/2018	1,661.76
Total for Check Number 48713:				1,661.76
48714	LUCITY 62653-2	Lucity, Inc. Remote assistance with Lucity reporting email is	12/12/2018	180.00
Total for Check Number 48714:				180.00
48715	MSTRCR 22535J	MasterCare Cleaning Co Inc Monthly janitorial service	12/12/2018	390.00
Total for Check Number 48715:				390.00
48716	Occu 2592	OccuHealth Titer tests for HW	12/12/2018	72.00
Total for Check Number 48716:				72.00
48717	OR-LIN 265607 268388 271463 277560	Oregon Linen, Inc. Laundry service Jeans for KV Laundry service with mats Laundry service	12/12/2018	32.51 74.94 47.63 32.51
Total for Check Number 48717:				187.59
48718	OR-RSBG Jan-Feb	Oregonian-Roseburg Distributor Newspaper delivery	12/12/2018	67.00
Total for Check Number 48718:				67.00
48719	PAC AIR 76396	Pacific Air Comfort, Inc. HVAC quarterly maintenance	12/12/2018	500.00
Total for Check Number 48719:				500.00
48720	PPL Nov 2018 140G Nov 2018 411C	Pacific Power Power Usage-140 LM-NTS Gate Contract-411 LM-Storage Bldg	12/12/2018	20.61 12.54

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
	Nov 2018 411U	Usage-411 LM-Storage Bldg		29.53
	Nov 2018 425LM	Power Usage-425 Long Meadow		10.48
	Nov 2018 Admin	Power Usage-Admin Bldg		632.22
	Nov 2018 High	Power Usage-Highland PS		1,235.52
	Nov 2018 Keady	Contract Min&Usage-Keady Ct PS		192.07
	Nov 2018 LV	Power Usage-Loma Vista PS		153.23
	Nov 2018 NBank	Power Usage-North Bank PS		124.46
	Nov 2018 NTS	Contract/Power Usage-NTS PS		5,998.11
	Nov 2018 SBank	Power Usage-South Bank PS		1,309.48
	Nov 2018 Wilb1	Power Usage-Wilbur 1 PS		89.47
	Nov 2018 Wilb2	Power Usage-Wilbur 2 PS		115.78
	Nov 2018 WWTP1	Power Usage-WWTP 1		18,838.09
	Nov 2018 WWTP2	Power Usage-WWTP 2		28.10
Total for Check Number 48720:				28,789.69
48721	PLATT2 T785483	Platt Electric Supply Network cables - 1 for camera, 1 for stock	12/12/2018	23.96
Total for Check Number 48721:				23.96
48722	Premium 21902	Premium Landscape, Inc. Monthly landscape maintenance	12/12/2018	180.25
Total for Check Number 48722:				180.25
48723	A&I 816468 816578 817631 818585	Roseburg Auto & Truck Supply Electrical repair part for Service truck Cleaner/degreaser Oil for Camel Hose reel for Camel	12/12/2018	21.38 27.99 12.49 21.99
Total for Check Number 48723:				83.85
48724	RSBG-DIS 1050914	Roseburg Disposal Company Monthly garbage service	12/12/2018	56.50
Total for Check Number 48724:				56.50
48725	TECHUNL 329240	Technology Unlimited, Inc Maintenance renewal for check scanner	12/12/2018	400.00
Total for Check Number 48725:				400.00
48726	TRUE NOR E00015 P01370	True North Equipment, Inc. CCTV Equipment, not including quickview/lasei CCTV Equipment - roller	12/12/2018	314,094.69 349.28
Total for Check Number 48726:				314,443.97
48727	UMPQUARF 26203	Umpqua Quarries, LLC Rock for road to shop at WWTP	12/12/2018	340.56
Total for Check Number 48727:				340.56
48728	UV FIRE 4086244	Umpqua Valley Fire Services Fire Extinguisher annual maintenance and trainir	12/12/2018	587.50
Total for Check Number 48728:				587.50
48729	UNITED 163455151-001	UNITED RENTALS (NORTH AMERICA) 6 pair safety glasses	12/12/2018	10.50

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
			Total for Check Number 48729:	10.50
48730	WECO CP-00050731	WECO Vehicle fuel usage	12/12/2018	1,099.35
			Total for Check Number 48730:	1,099.35
			Total for 12/12/2018:	499,076.49
			Report Total (36 checks):	499,076.49