



Devils Lake Water Improvement District

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www.DLWID.org

BUDGET

Budget Officer Version

Fiscal Year 2011-2012

Budget Available --- April 29, 2011

Budget Committee Meeting --- May 9, 2011

Budget Hearing --- June 2, 2011

PAUL ROBERTSON

BUDGET OFFICER

Lake.Manager@DLWID.org

NOTE: This is a DRAFT Budget as presented by the Budget Officer. It is inherently incomplete as it is just one step in the budget process. This budget will be reviewed by the Budget Committee and offered with changes to the governing body, The Board of Directors, for approval. The Final Budget will replace this draft.

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Devils Lake Water Improvement District

2011-2012

Budget Committee

MEMBER	POSITION	TERM
Brian Green	Board Chair	Board Term
Joe Barnes	Board Vice Chair	Board Term
Randy Weldon	Secretary/Treasurer	Board Term
David Skirvin	Board Member	Board Term
Jack Strayer	Board Member	Board Term
Don Sell	Position 1	August 31, 2013
Jim Hoover	Position 2	August 31, 2012
Alex Ward	Position 3	August 31, 2013
Jim Park	Position 4	August 31, 2013
Douglas Pirie	Position 5	August 31, 2013

Budget Officer

Paul Robertson

**Devils Lake Water Improvement District
2011-2012
Budget Calendar**

January 6	Appoint Budget Officer (ORS 294.331)
January 6	Establish Budget Calendar
February 3	Appoint Budget Committee (ORS 294.336)
March - April	Budget Officer Prepares Budget (ORS 294.331)
April 13	Publish 1 st Budget Committee Meeting Notice (ORS 294.401)
April 20	Publish 2 nd Budget Committee Meeting Notice (ORS 294.401)
April 29	Proposed Budget Available (ORS 294.401 (6), (8))
May 9	Budget Committee Meets (ORS 294.401)
May 9	Budget Committee Approves Budget (ORS 294.40(6))
May 18	Publish Budget Summary & Hearing Notice (ORS 294.416)
June 2	Budget Hearing Held (ORS 294.430)
June 2	Budget Adopted, Appropriations Made, Taxes Declared and Categorized (ORS 294.435)
July 15	Taxes Submitted to County Assessor: 2 Copies of LB-50, 2 copies of Resolutions (ORS 294.555)
September 30	Copy of Budget Sent to County Clerk (ORS 310.060 (7))

Budget Message

The Devils Lake Water Improvement District was established in 1984 for the “restoration, maintenance, and enhancement of Devils Lake”. In 1988 property owners in the watershed voted to financially support the District with a permanent tax base. This ongoing support is budgeted each year to accomplish specific objectives that seek to meet the overriding goals of the District listed below:

- Improve and maintain the water quality in Devils Lake.
- Improve the environment for fish, wildlife, and humans in Devils Lake and its watershed.
- Improve recreational opportunities in and on Devils Lake.
- Improve and maintain safe and efficient navigation through Devils Lake.
- Increase public access to Devils Lake.
- Improve the economy of north Lincoln County through the restoration and maintenance of Devils Lake.
- Increase public awareness and public education of Devils Lake.

Major Variances from within the Previous Year Budget and with the Upcoming Year

With few exceptions, no major variances were seen between last year’s budget and the revenues and expenditures that occurred. One exception was the \$70,000 worth of grant monies that the District budgeted as potential revenue in the Improvement Fund. The District however decided against seeking such funds, and instead chose to focus only on the existing revenues held in reserve to fund the SOS project and the Project Management Specialist position. This project and position are expected to continue in the upcoming year and again are funded through the Improvement Fund.

In FY 2010-2011, the District also decided to undertake an Erosion Study of the lake. This project was selected to be funded from the Improvement Fund. Changes in the timing of the project have pushed payment of this project into the upcoming fiscal year, and thus appropriations are scheduled for the project in this budget.

For 2011-2012, the most significant change from last year is the provision for Debt Service in the General Fund and the potential use of funds generated by such debt to fund a research based educational science center and permanent home for the District. While the decision to borrow and expend any such monies has not been made, the project is part of the Devils Lake Plan. As a result and with the District’s current evaluation of the project having provisions in the budget for the project is not only prudent, but a requirement of local budget law. The description of the project is laid out in the General Fund under Debt Service and again in the Improvement Fund under Capital Outlay.

Other changes in the two budgets include the provision for expenditures for implementation of the Grass Carp Strategic Plan. An aquatic vegetation study, a topographic study, and an economic study are of those expected to be funded from the Vegetation Management portion of the Improvement Fund. Monies have also been allocated for the purchase of Grass Carp. Notably these funds were in Materials & Services last year, but have been moved to Capital Outlay.

Budget Priorities for FY 2011-2012

In April of 2010, the District's Board of Directors formulated its top five priorities. These priorities continue today and are listed below:

- 1) Develop and implement a strategy for the aquatic vegetation management and control.
- 2) Finish the septic tank revitalization program creating an ordinance which will provide the data necessary to complete the septic systems database. Use that database to estimate septic tank loading as part of the total watershed nutrient load.
- 3) Increase District's time spent on the lake to promote communication to property owners, while conducting a lakeshore photographic survey. Also re-evaluate the cyanobacteria postings from the District.
- 4) Determine the source of *E. coli* on Thompson Creek.
- 5) Determine the methods we can use and those to collaborate with to sewer the rest of the watershed.

Significant accomplishments were made on many of these priorities in the last twelve months. As a major part of Priority # 1, the District developed and adopted The Devils Lake Plan, a watershed management plan. Specified within that plan are the District objectives in managing aquatic vegetation, with particular emphasis on Chinese Grass Carp as an in-lake treatment. A Grass Carp Strategic Plan has since been developed and is currently being implemented.

Priority #2, while stalled through much of last year for many reasons outside of the District's control, is again gaining momentum. A watershed wide, septic inspection ordinance should be coming to the Lincoln City's City Council by summer 2011.

As to Priority #3, communications were greatly increased over the previous year with the District developing an email listserv, quarterly e-newsletters, multiple mailers to lakefront property owners, and is putting the final touches on a recreational brochure. The District was also active at a number of lake wide events, revised its cyanobacteria postings, and through an Erosion Study will be conducting a photographic survey of the lakeshore in May 2011.

For Priority #4, the District in August 2010 took the first steps in identifying the sources of *E. coli* in Thompson Creek. In its DNA based sampling and analysis, canines were determined to be a known source of fecal contamination in the drier, late summer months. Additional sampling and testing is planned for the wet season, and the newly developed program may be replicated in other sub-watersheds.

Lastly, the priority of determining means of sewerage the lake made great strides, thanks to the dedication of the Board Chair, Brian Green and his work in developing a Local Improvement District. This non-traditional sewer system may become the template for similar projects around the lake as aging septic systems are replaced with modern technologies.

The District has several other programs which are running concurrently with the current priorities described above. A list of the additional programs and activities the District maintains are presented below. Projects include ongoing water quality programs, lake level management, and outreach programs. The budget that follows seeks to address the economic needs of all of these programs, plus other projects identified such as the Erosion Study, and the preliminary

plans associated with the research based, educational science center for Devils Lake. The narrative of this budget is followed by worksheets which compare the current budget with the previous one. Audited values from two previous years are also presented within the worksheets.

Ongoing Programs and Activities

- Water Quality Programs
 - *E. coli* monitoring
 - Cyano-Watch & cyanotoxin monitoring
- Lake Level Management
 - Emergency dredging of the D River
 - D River dam and recreational water right administration
- Save our Shorelines (SOS)
- Property Issues
 - Site plan reviews for large developments
 - Water right applications
 - Wetland removal & fill application review
- Database Maintenance
- Internship Program
- Emergency Preparedness
- Outreach Programs
 - Erosion Prevention and Sediment Control Seminar
 - SOLV “Down by the Lakeside”
 - Get the Lead Out!
 - Earth Day
 - Senior Fair
 - Buy Local
 - Lake Steward Award
 - Listserve
 - Devils Lake Radio 1610 AM
 - www.DLWID.org

Fiduciary Responsibility and Financial Summary in Brief

The budget process as a whole is a public one. The public is provided the opportunity and is encouraged to provide input as laid out in the timeline that is the budget calendar. To facilitate public involvement both the annual budget and most recent annual audit are available online at www.DLWID.org or can be obtained directly from the District.

The budgeting process is also by definition an estimation, which makes it incumbent on the budget officer and the budget committee to adjust estimates for both revenues and requirements according to the best information possible. Revenue estimates have and continue to be stable. Over the decade the revenue projections and actual revenues collected have aligned relatively well. In some years projections have exceeded actual collected, while in other years actual revenues have slightly outpaced the estimates (See Figure 1).

Expenditure of these revenues on the other hand since FY 2005-2006 has been significantly reduced. As a result, budget surpluses have been seen in most of the budget years in the last half of the decade. More targeted spending has allowed the District the ability to make substantial transfers into reserve. These transfers have amounted to steady growth in the unrestricted assets

of the District (See Figure 2). These funds are available for future fiscal years which allow the District the capacity to undertake larger scale projects otherwise not afforded within a single fiscal year.

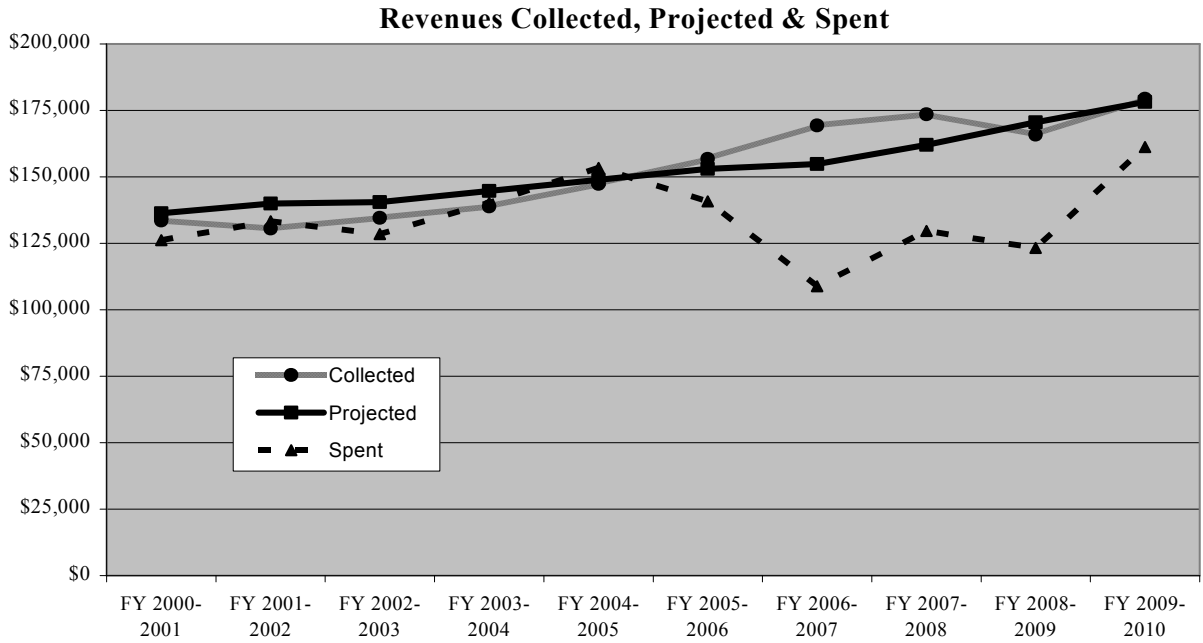


Figure 1. DLWID Revenues collected, projected, and spent annually. Budget surpluses in recent years have allowed substantial transfers into reserve, increasing the Net Assets of the District (See Figure 2).

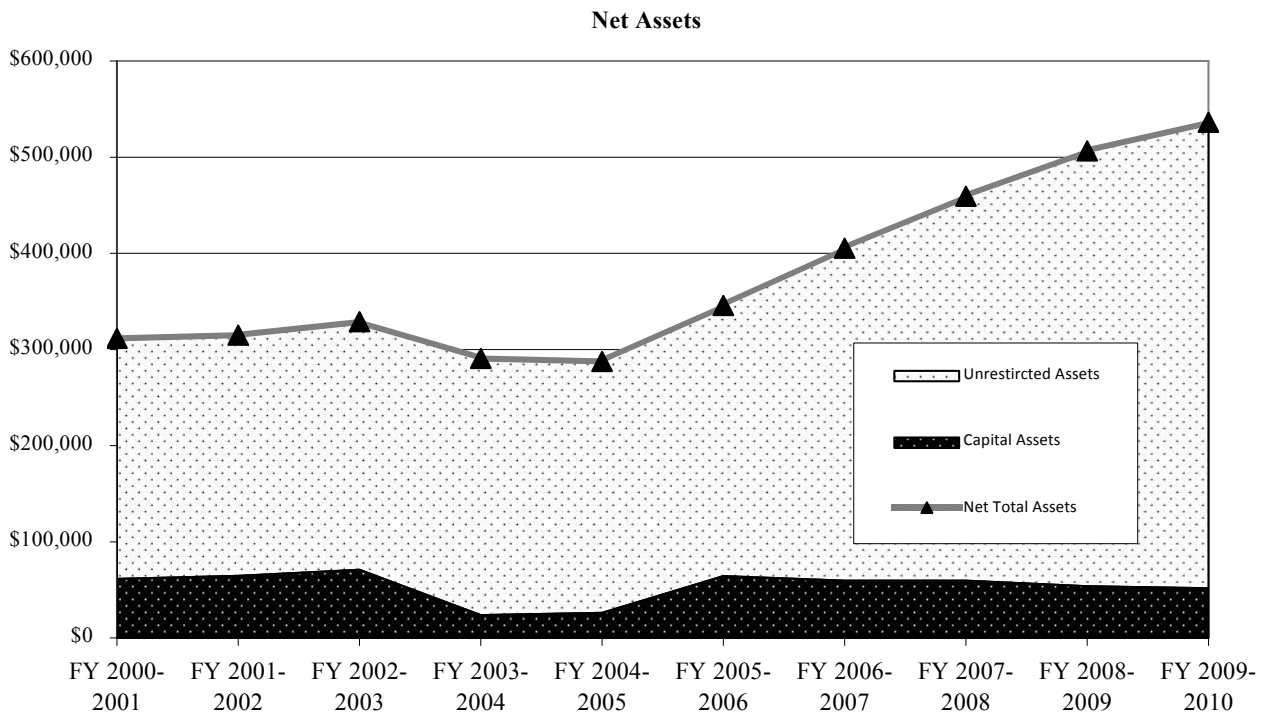
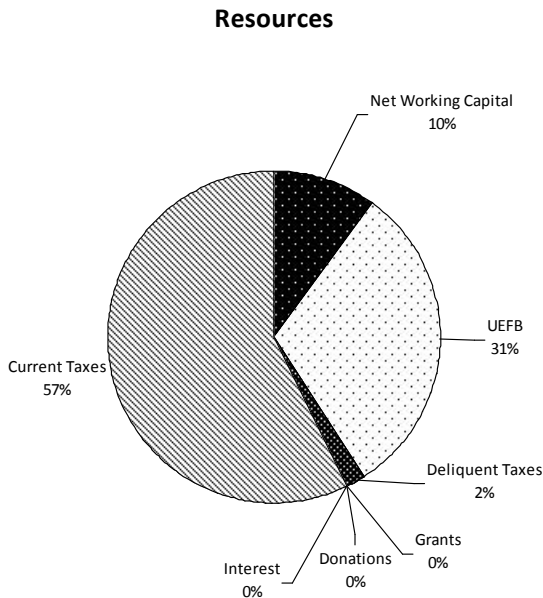


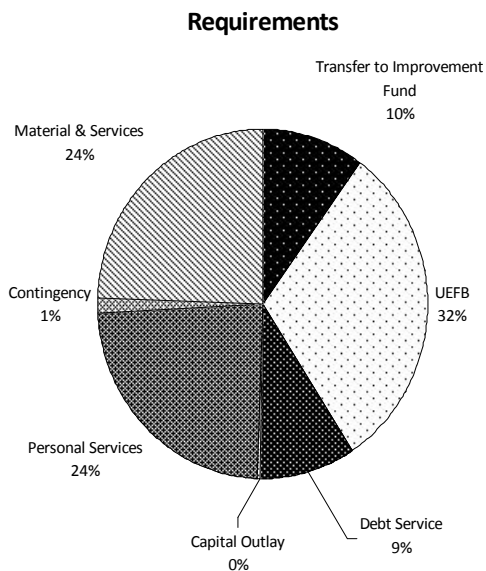
Figure 2. Devils Lake Water Improvement District change in Net Assets.

General Fund

The General Fund is the annual operating fund for the District. In it are the resources and budget requirements for the District in the upcoming year. Funding of the General Fund comes almost strictly from annual tax assessments. The bulk of these *ad valorem* taxes are received in November, making funding in the first half of the fiscal year dependent on savings from the previous fiscal year. This savings account is known as the Unappropriated Ending Fund Balance (UEFB). The UEFB is effectively the District's revolving savings account for the General Fund. Together then, the UEFB and current taxes levied are the primary resources available for allocation.



Other resources available include the Net Working Capital, delinquent taxes, interest, grants and donations. These are listed in detail on the LB-20 worksheet, presented in the pie chart of Resources, and are summarized in Table 1.



Requirements, or expenditures, in the General Fund are costs associated with the annual operations of the District. They include Materials and Services, Personal Services, Capital Outlay, Debt Service, Transfers to Reserve, the reestablishment of the UEFB for the following fiscal year, and Contingency.

In alignment with a 2006 Board of Director mandate the budget for the General Fund must not exceed the current year's resources, and unspent monies are to be transferred into a special reserve fund called the Improvement Fund. This fund is presented separately later in this budget.

General Fund Resources (LB-20)

While an economic downturn has affected many federal, state and county governments, the establishment of Measures 5 and 50 at the state level in the 1990's has provided for modest, yet generally sustained growth opportunities for districts like the Devils Lake Water Improvement District. A detailed explanation is provided in the sidebar. The District has in fact continued to grow during all but one year during the recession and recovery (Figure 1). Audited financial records show a 4.8% average annual increase in the tax base over the last ten years. A rebounding real estate market offset the one year decline (attributed to lower interest rates) in the following year placing the District back on a growth trend. Economic indicators continue to improve, providing confidence that the District can expect sustained funding through this fiscal year and well into the future. This is further addressed in the section on the long-term financial outlook below.

As previously mentioned, resources in the General Fund are primarily from taxes assessed in the Current Year and the revolving savings account, the UEFB. These resources are estimated to be \$184,351 and \$100,000 respectively and are presented along with other resources in Table 1. The Net Working Capital, also shown in Table 1 is the sum of the monies currently in the LGIP (Local Government Investment Pool) General Fund bank account, monies in the District's local bank accounts, anticipated revenues by June 30, 2011, less anticipated expenditures expected by fiscal year end. These ongoing resources and requirements for the District are estimated and summarized in Tables 2 and 3, respectively. In total then, the Net Working Capital is estimated to be \$32,051 all of which will be transferred to reserve.

Not included in the Net Working Capital but available as an "Other Resource" for budgeting in the upcoming fiscal year is the Unappropriated Ending Fund Balance (LB-20, Line 6). For budgeting and clarity of bookkeeping the UEFB has been separated out and is retained in an individual bank

Measures 5 & 50: The Oregon Constitution limits how property taxes are assessed. The limit is based on a property's Maximum Assessed Value or MAV. The values were established for all property in FY 1997-98. Increases to the MAV are allowed, however they are limited (with few exceptions for qualified improvements) to no more than 3% a year. Real Market Values (RMV) since the restriction have largely outpaced this modest, regulated 3% growth, and as a result a large gap between the RMV and MAV has been created. Each year the MAV and RAV for each property are figured. The property is then taxed on the lesser value, which is called the taxable assessed value.

In Lincoln County residential properties Maximum Assessed Values, and thus the taxable assessed values, are 60% of the Real Market Values on average. For commercial and industrial properties the values are 68% and 100% respectively. Even with the recent sharp decline in the real estate market, the Maximum Assessed Values remain significantly less than the market values for most properties in the Devils Lake Water Improvement District. As a result the District can continue to expect a steady funding source into the foreseeable future.

A second constitutional amendment, Measure 5, created limits to the total amount a property could be taxed. At the time of adoption, the amendment created permanent rates for all existing taxing entities, including the Devils Lake Water Improvement District. These permanent rates were subject to a cumulative cap of \$5 per \$1,000 RMV for all local government entities, and up to \$10 per \$1,000 RMV for education. If taxes in either category exceeded the limit for a property, the taxes would then be reduced or "compressed" until the limit was reached. Permanent rates are insulated from this compression to a degree, with local option taxes being the first to be compressed. If the local option tax is compressed to zero, and yet the limit still has not been reached, the other taxes in the category are reduced or compressed proportionally. Historically, compression has not affected the resources of the Devils Lake Water Improvement District. This is not expected to change in the upcoming year.

account at the Oregon Treasury. At the end of FY 2010-2011, the UEFB was bolstered to \$100,000 to provide more even funding in the upcoming year.

The last of the anticipated resources listed on the LB-20 are Grants and Donations to the District. While most grants are accounted for and utilized in the Special Revenue Fund, a placeholder of one dollar has been maintained should grant monies be directed through the General Fund. This is true for potential donations, of which there have historically been few. It is noteworthy that donations to the District are tax deductible to the full extent of tax law, similar to a donation to a 501c3 Non-Profit.

Continuing with the LB-20 Worksheet, on lines 3 & 4 are the Previously Levied Taxes estimated to be \$6,000 and Interest of \$492. These are monies expected to be recovered or received in the upcoming year, and are available for appropriation. As to the contribution of interest to the General Fund, the LGIP interest rate has declined significantly since a high of 5.33% in 2007 to the most recent value of 0.50%. Today's value is the lowest the interest rate has been in ten years and is nearly at the theoretical minimum, zero percent. Thus, with the optimism of interest rates not dropping any further, 0.50% has been incorporated into this year's budget as an average rate. The total resources in the General Fund are then the sums of the Net Working Capital, Previously Levied Taxes, Interest, the Unappropriated Ending Fund Balance, Grants, Donations and the Taxes Estimated to be Received. This currently totals \$322,896 as seen in Table 1 and listed on Line 32 of the LB-20 Worksheet.

Table 1. General Fund Total Resources

GENERAL FUND RESOURCES (As of April 15, 2011)

LGIP General Fund	58,721
TLC Checking	16,706
TLC Money Market	10,117
TLC Share Account	6
Anticipated Revenues	3,333
Anticipated Expenditures	(56,832)
Net Working Capital	\$32,051
Previously Levied Taxes (Estimate)	6,000
Interest on LGIP from Levied Taxes (Estimate)	492
Unappropriated Ending Fund Balance (UEFB)	100,000
Grants	1
Donations	1
Total Resources Except Taxes to be Levied	\$138,545
Current Year Taxes Expected to be Received	\$184,351
TOTAL RESOURCES	\$322,896

Table 2. Resources expected by end of current fiscal year.

Current Year's Taxes	3,000
Previous Year's Taxes	300
LGIP Interest	30
Money Market Account Interest	0
Property Tax Interest	3
	\$3,333

Table 3. Requirements necessary through the end of current fiscal year

Personal Services	(12,290)
Material & Services	(19,242)
Debt Service	0
Capital Outlay	(300)
Transfers (UEFB)	(25,000)
	(\$56,832)

Summary of Taxes Estimated to be Received

The Estimated Taxes to be Received has been calculated using last year's Total Assessed Value of properties in the two taxing districts plus 3% to account for increase valuation. These values are then multiplied by the two permanent rates held by the District. The two taxing districts refer to properties inside the watershed which pay the "Inside" rate and those also in the physical boundaries of the Devils Lake Water Improvement District, but outside the watershed who pay the lesser, "Outside" rate. These tax rates are 0.2499 and 0.1280 per thousand assessed, respectively. The calculations are displayed in Table 4.

Table 4. Taxes Expected to be Received (Gross)

Assessed Property Value "Inside Watershed"	405,556,556
Plus 3% annual accrual	12,166,697
Total Assessed -- Inside	417,723,253
Tax Rate per \$1,000	0.2499
Subtotal	\$104,389
Assessed Property Value "Outside Watershed"	728,114,509
Plus 3% annual accrual	21,843,435
Total Assessed -- Outside	749,957,944
Tax Rate per \$1,000	0.1280
Subtotal	\$95,995
Total Taxes Levied	\$200,384

Tax receipts in Lincoln County were collected by the assessor successfully 92.0% of the time in 2009-2010. Collections have dropped a few tenths of a percentage point each of the last few years since the recent peak in 2005-2006 of 94.2%. However economic trends are showing the beginning of a recovery, and thus, an eight percent loss from the levy has been used in the current year resulting in a net revenue of \$184,351 from the current year's taxes (Table 5).

Table 5. Taxes Expected to be Received (Net)

	Total Taxes Levied	\$200,384
Loss due to uncollected taxes (-8%)		(\$16,031)
Loss due to compression		(2)
Total Taxes Estimated to be Received		<u>\$184,351</u>

Long Range Financial Outlook

Ultimately, over time uncollected taxes are generally collected as property owners either get caught up on their back taxes or ownership changes. These late collections return to the District as income defined as Previously Levied Taxes or Delinquent Taxes for which estimates are made each year (See Figure 3). Also from Figure 3, it is clear that the Total Taxes and the Current Taxes both were less in 2008-2009 than in the previous year. This was the first drop in revenue in a decade. This however, was mostly due to lower interest rates accumulating on these taxes prior to distribution. The assessed values of properties in the District continued to increase over the same period.

As properties did lose value in the marketplace in the last few years, more properties are being assessed at or near the Real Market Value. Should this trend continue for all properties, the tax revenue could plateau and potentially even decrease. Realistically, this is not expected though as most economic indicators suggest a real estate market and economy that is recovering. Additionally and more importantly, 90% of the properties in the District are still assessed well below the market rates. In the District, the average assessed value of a property is currently 63% of the Real Market Value, and thus the real estate markets would necessarily have to lose another 37% of its value before the District would see a contraction of its annual tax revenues. As a result there exists the prospect for consistent economic growth for the District well into the future.

Taxes Received During Fiscal Year

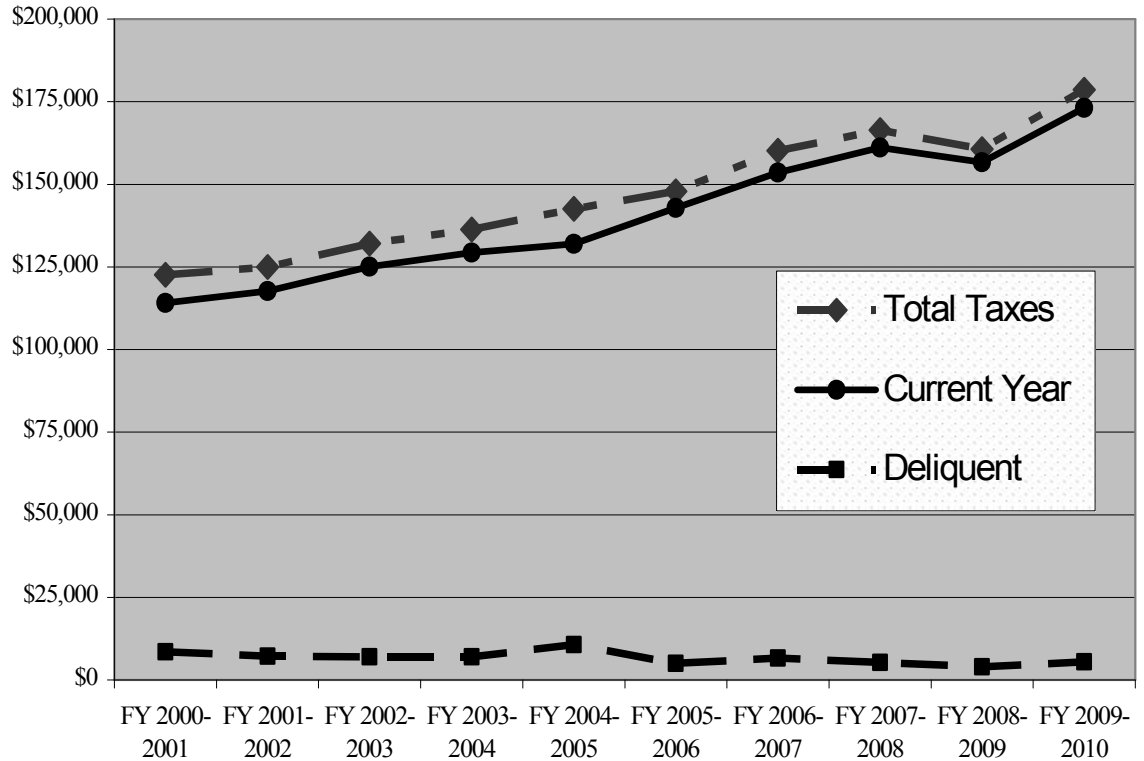


Figure 3. Devils Lake Water Improvement District Annual Tax Base.

The longer range outlook for the District is also strong. In 1988, when the District received its first tax base, another taxing district of sort was formed. The Lincoln City Urban Renewal Agency was developed not by creating a new taxing district, but by using a small fraction of the tax bases of existing districts such as fire, water, or municipal districts. In June 2014, the Lincoln City Urban Renewal Agency is set to sunset, and thus these previously frozen taxable assets will revert to the respected taxing districts at the assessed value they are worth today. For the Devils Lake Water Improvement District this will result in an approximate \$26,000 annual influx of money starting in the 2014-2015 tax year. These dollars will be eligible for up to 3% growth each year based on the current assessments. Overall this amounts to a large annual infusion of revenue (approximately 13% of the current levy) which can fund new projects or service debt the District may have incurred.

General Fund Requirements (LB-30 & LB-31)

The Requirements of the General Fund cover the annual operational needs of the District. This is compared to the Improvement Fund, detailed further on in this budget, which is used to fund special projects which are not reoccurring. The expenditures of the General Fund are summarized in three parts, the LB-30 worksheet, the LB-31 worksheet, and the Detailed Budget (Appendix A). The Detailed Budget was used as an estimating tool to generate the budget, but does not limit the actual appropriations for the year. Appropriation limits are however categorized and listed on the LB-31 and the LB-30.

Requirements Summary LB 30

The LB-30 combines the spending in Materials & Services (listed in detail on the LB-31 worksheet) with the other appropriations made in the General Fund, specifically, Personal Services, Debt Service, Capital Outlay, Transfers, and Contingency. By law these requirements must equal the resources available. Therefore the best understanding of the District's General Fund is rendered by viewing the LB-20 in conjunction with LB-30 and LB-31. In review, for FY 2011-2012 a tax inflow of \$184,351 is expected, which with the Net Working Capital, current year interest, delinquent taxes, and the UEFB provide \$322,896 for appropriations.

PERSONAL SERVICES

The Devils Lake Water Improvement District strives to offer fair and competitive wages and benefit packages to attract and retain high quality employees. Personal Services are those costs associated with having employees in the District past and present. Salary and benefit packages offered by the District include health insurance, disability insurance, a wellness program, and retirement. These together with the requisite employer costs such as worker's compensation, unemployment insurance, and payroll taxes make up the total appropriations in Personal Services. In the previous year the total budgeted, as recommended by the 2010-2011 Budget Committee, was \$76,000. No increase in the appropriation is proposed for the upcoming year.

MATERIALS & SERVICES

Appropriations in this categorization cover a myriad of expenses which are categorized in detail in the LB-31, expounded on below. Labeled the Devils Lake Project, Materials & Services will be appropriated at \$78,951.

DEBT SERVICE

The Devils Lake Water Improvement District has no outstanding debt to service. However, currently the District is investigating a possible property acquisition and/or partnership to establish a permanent home for the District. While the decision to move forward on any such acquisition has yet to be made, it is prudent and a legal requirement for the District to provide for itself the financial tools of debt servicing should it desire to borrow funds for the project. This budget thus acknowledges the potential for Debt Service and provides through the Improvement Fund Capital Outlays of such funds should the Board of Directors choose to incur such debt.

This potential project, known as The Center for Applied Freshwater Ecology, or The CAFÉ, has been in development since 2006, and was originally introduced to the public with a presentation to the Lincoln City Chamber of Commerce that year. Additional scoping over the next few years led to the 2008-2009 budget message which expressly called for formal planning leading to the establishment of The CAFÉ. This and the subsequent budget appropriated up to \$5,000 to pay for an organization plan for the center. Additionally in 2011, the Board adopted the Devils Lake Plan which also calls for the formation of the Center for Applied Freshwater Ecology as part of a

comprehensive approach to watershed management (See Devils Lake Plan, available online at www.DLWID.org).

While descriptively beyond the scope of this budget document, The CAFÉ would serve the District in its long-term educational and outreach goals as well as contribute many other attributes as it is developed. Attributes foreseen include partnerships with the Lincoln City Parks Department, partnerships for research with local and regional academic institutions, and partnerships with the Lincoln City Urban Renewal Agency for economic development. The original charter of the Devils Lake Water Improvement District, as shown on page 3 of this budget, specifically calls for increasing public awareness and public education, increasing public access, increasing recreational opportunities, and the improvement of the economy of north Lincoln County through restoration and maintenance of Devils Lake. All of these overriding District goals and more would be positively impacted through this potential project. Education leads directly to lake stewardship. Thus by providing a tangible educational resource to the public, the other missions of the District of improving water quality and the environment for fish, wildlife and humans are also addressed in many ways by this project.

By way of an example, The CAFÉ is envisioned to house scientific displays of the native flora and fauna of the area and interactive exhibits illustrating watershed functions. The CAFÉ would educate the visiting public and users of the lake through experiential learning. Lake enthusiasts and property owners would be better educated and thus more engaged with the restorative needs of the lake and would be more likely to support and take part in restoration directly. The CAFÉ would also be a center for research and scientific inquiry potentially partnering with educational institutes such as Center for Lakes and Reservoirs at Portland State University and Oregon Coast Community College's Aquarium Science Program. Fostering such partnerships would help diversify the academic and economic offerings of our area while further increasing the standing of Devils Lake at the statewide level. All of the above examples would likely attract additional restoration opportunities through state and federal agencies.

Lastly, as an amenity on the lake with public docks and public access, The CAFÉ would become a destination for tourists and regular lake users alike. This is a great opportunity to expand the offerings of this significant natural resource and thus increase the economic, social and recreational activity of our area. Again, all of these attributes lead to increased awareness and stewardship - the staple requirements of long-term restoration of Devils Lake and its watershed.

As to the specific needs of Debt Service, they too are beyond the scope of this document and are for future discussions. However, as a local government with permanent taxing authority, special discounted rates are available to the District well below commercial lending rates. Currently, these rates are as low as 3.5%. By way of example, a 20 year loan on a \$400,000 note would be serviceable with less \$2,320 a month or \$27,840 annually. That same loan at 4% would cost the District \$2,424 a month or \$29,088. Other lending options include the use of Lincoln City's Urban Renewal Facade Improvement Loan Program and/or speculatively direct partnership with the Agency for acquisition or subsequent leasing. The CAFÉ would also house the District's office and laboratory space. Currently the District pays nearly \$15,000 annually in rent. These funds would become available to offset such an investment and be available for maintenance and operation. Therefore to serve the budgetary requirements of servicing such a loan should it be incurred, \$30,000 has been appropriated from the General Fund for the purpose of Debt Service. The expense of these funds is addressed in the Improvement Fund under Capital Outlay.

CAPITAL OUTLAY

Capital expenses in the General Fund are expected for the purchase of a new computer and waterproof camera/video recorder for the District to replace aging equipment. An appropriation of \$1,250 from Capital Outlay is being made to cover these costs.

TRANSFERS

Under a board directive for managing the General Fund, excess resources from the previous fiscal year are now transferred to reserve. Currently the District has one reserve fund entitled, "The Improvement Fund". At the close of FY 2010-2011, \$32,051 are expected to be available for transfer. This is the amount tallied in the Net Working Capital from Table 1 above. Additional transfers include \$100,000 from the General Fund to the Unappropriated Ending Fund Balance (UEFB) and \$4,644 to Contingency.

Contingency dollars are those monies set aside for expenditures in the current fiscal year which were beyond the reasonable scope of budget visioning. This amount varies from year to year depending on the current state of identified projects requiring known amounts of funding. Typically the contingency fund should not exceed 15% of the total appropriation in a fund as that is the limit that can be transferred by resolution. Transfers in excess of 15% from contingency require a supplemental budget.

The Unappropriated Ending Fund Balance is the reserve money necessary to fund the government activities through the first half of the following fiscal year. At the end of fiscal year 2010-2011, this revolving fund was increased by \$25,000. Currently the District's annual tax base provides nearly \$200,000, but these monies are not available until half way through the fiscal year. Increasing the UEFB to \$100,000 has allowed revenues to be distributed more evenly across the year. The transfer of \$100,000 budgeted in this fiscal year will refortify that fund for FY 2012-2013.

Detailed Expenditures LB 31

MATERIALS & SERVICES

Accounting has in the past included the cost of the audit, filing the audit, bookkeeping and costs related to doing payroll. Most of the bookkeeping needs were absorbed by the manager during a previous year and continue to be at a significant annual cost savings to the District. The cost for the audit however has significantly increased. The most recent contract cost the District \$3,300 up \$962 from two years ago. Additionally, filing fees have increased for the District as it has passed the threshold of \$150,000 worth of expenditures which moved the District into the next higher fee structure with the Oregon Secretary of State. Therefore, the annual appropriation for Accounting will increase to \$4,802 for 2011-2012.

Consulting will be funded at \$1,000. These funds have been allocated for a stipend for an otherwise unpaid internship over the summer.

Elections take place on two-year cycles and will be held in May 2011. It is intended that the District will pay its cost share for the election during the fiscal year that it occurs. Elections then are appropriated at \$0 for the upcoming year.

Equipment Maintenance and Repair should remain mostly unchanged from last year. Level funding is expected for boat storage costs, the bulk of this appropriation. As a result \$1,650 has been allocated.

Erosion and Sediment Control will be budgeted at \$500 in the current year. These monies may be spent on small projects throughout the year, generally providing materials for controlling erosion in emergencies.

Insurance & Bonds saw a large increase two years with the prospect of needing coverage for 20 Whole Lake Circulators. This project is no longer actively being pursued, and thus the need for budgeting for insurance was reduced significantly in FY 2010-2011. In the current year the potential of the District having real property as part of a permanent facility for the District exists. As a result estimates have been made which increase the insurance budget from the last cycle. The total estimated needs for this appropriation is then \$4,506.

Lake Level Management has been modified slightly from last year. A total of \$8,320 has been appropriated of which \$5,000 funds the second full year of the new Lake Contractor. Contractor duties include installation, removal and transport of the dam; daily lake level and precipitation monitoring; and construction projects such as the new sign kiosk at Regatta Grounds. Other monies are set aside for emergency clearing of the D River in the event of a storm, dam maintenance, log removal, and Personal Protective Equipment.

Legal costs this year will again include the cost of publication of legal notices. The Legal Services budget specifically has been allocated at \$1,800 which equates to one hour of attorney time for every month based on anticipated contracted rates for the upcoming year. Budgeting using the billed hourly rate has allowed for better estimation of the resources available and the anticipated costs involved when requesting attorney services. Last year's Budget Committee, recognizing the potential legal cost associated with a Grass Carp application, increased the appropriation. This is being carried forward in this fiscal year. Other expenses in Legal include fees to the Government Ethics Commission. The total budgeted amount proposed by the Budget Committee for this appropriation is \$3,000.

Monitoring expenditures will fund the Bacteria, Cyano-watch, and Physical and Chemical Monitoring programs. Last year the District worked with Oregon Department of Environmental Quality to solidify these programs incorporating approved Quality Assurance and Quality Control measures. The District is also planning to continue and expand its fecal source tracking monitoring program it initiated last summer on Thompson Creek. This program utilizes DNA analysis to determine the sources of bacterial contamination. Sample analysis for DNA identification is however expensive with commercial lab estimates at \$400 a sample. This is compared to the non-species specific *E. coli* analysis done for approximately \$12 a sample. As a result a monitoring program with a combination of DNA and *E. coli* will necessarily require additional funding. Cyanobacteria and cyanotoxin monitoring will also continue to be funded under this budget. Expenses include reagents and supplies for three months of toxicity monitoring, plus the costs in phytoplankton identification and enumeration. The Chemical Monitoring budget will cover the costs of reagents for nutrient analysis. It is proposed that

instrumentation capable of chemical analysis will be purchased this year using dollars in the Improvement Fund. Given the upfront investment, nutrient analysis can be conducted in-house at a fraction of the external lab costs, likely even below the associated shipping costs. Physical parameter monitoring expenditures will be limited to consumables and repair of existing equipment. The overall Monitoring budget is \$12,400.

Nutrient Control will be budgeted at \$500 this year. In previous years these monies have been used for riparian plantings and domestic waterfowl relocation. This year, small projects are expected for the Save Our Shoreline (SOS) Project. These funds though are part of the Improvement Fund, so only a modest amount of money is budgeted from the General Fund.

Office Operations has been merged with Secretarial from previous budgets. Five years ago the Lake Manager took over the bulk of the roles funded by this secretarial allocation identified most recently as Support Staff. The role of minute recording though remains in this appropriation. Office Operations also cover costs such as Rent, Office Supplies, Information Technology (IT), Furnishings, and Telephone. Overall the appropriation will be budgeted at \$24,548 with the largest increase coming from the costs associated with IT.

Public Relations cover costs associated with outreach, education, conferences and communication. Public relations include making presentations, programming on government access television, guests on local radio programs, impromptu chats with lake users, an active website, the email service, and our own low-powered radio station, Devils Lake Radio at 1610 am. The District has also budgeted printing costs for fliers which can be mailed periodically with the 6,000 city water bills. Other funded aspects of Public Relations will be the Lake Steward Award, Senior Fair, Get the Lead Out Campaign, SOLV events, and a new, summer lake celebration event. Additionally, the District will maintain its professional memberships and seek to attend conferences of the Oregon Lake Association (OLA), International Erosion Control Association (IECA), the North American Lake Managers Society (NALMS), and Special Districts Association of Oregon (SDAO). Overall, \$11,075 has been budgeted to cover these costs.

Training was a newly formed budgetary item in FY 2006-2007. Training dollars were allocated and spent on continued education for the manager, contractors, and the board. This year training in HAZMAT for the Lake Contractor and the Lake Manager is expected. Time restraints have precluded gaining this previously approved training. The current budget has \$1,000 set aside for such costs.

Transportation costs are again in flux. Currently regular unleaded gasoline is on the rise, priced at \$3.99 a gallon. Last year at budget time gas was priced at \$2.99 a gallon. In the last 12 months the District has spent \$815 on fuel driving 3,399 miles. When including insurance and maintenance, the District has spent \$2,096, averaging 61.7 cents per mile. These costs are expected to increase again over the next cycle. Maintenance issues are also covered in this appropriation. Monies in this budgetary item may be used for large repairs during the year with the unused funds rolled over into the Improvement Fund to save for a vehicle replacement or repair. It is noteworthy that the vehicle continues to enable the District the capacity to tow the boat, move materials, conduct sampling routines, and provides staff transportation locally and regionally. There are also ancillary benefits of high visibility and recognition as the District's logo, phone number, and web address are prominently displayed on the vehicle. In total, Transportation is budgeted at \$5,150.

Vegetation Management and Control was budgeted into the FY 2005-2006 budget at \$25,000 when actual expenditures were on average 1/10th of that. With severe cost cuttings in subsequent years to meet budget mandates, few to no monies were allocated out of the General Fund for Vegetation Management until 2010-2011. Some projects were however funded in the Improvement Fund. Currently \$500 has been allocated in the General Fund.

Reserve Fund

In April 2007, the District resolved to abolish the three reserve funds it held in favor of creating one new, wholly encompassing "Improvement Fund". The purposes of the fund are for vegetation management, watershed protection, capital improvement, water quality improvements, cyanobacteria control, and other improvements seen necessary by the Devils Lake Water Improvement District Board of Directors. The initial transfer establishing the fund was on the order of \$250,000. This new fund better serves the needs of the District and has saved time and money in accounting.

Growth in the Improvement Fund has come from transfers out of the General Fund. These transfers like the one budgeted this fiscal year are from excess resources from the previous tax year (Net Working Capital). Interest has also been accumulating and has garnished the fund at times over \$1,000 per month.

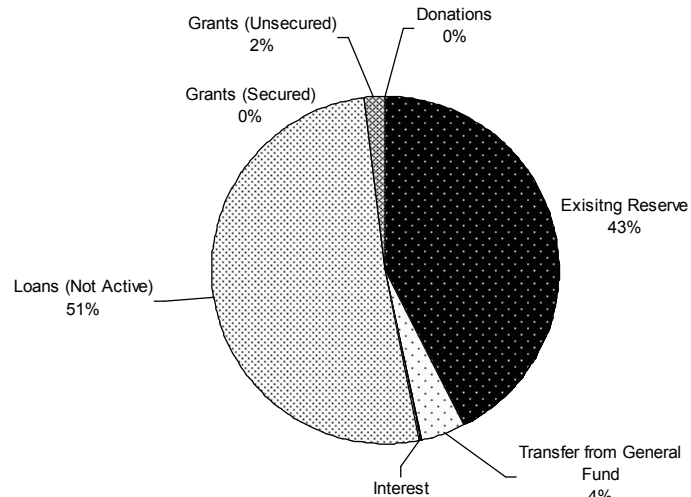
Resources (LB-11)

The resources of reserve fund for the upcoming fiscal year include the existing balance, transfers from the General Fund, interest, loans and grants, less expenditures expected by June 30, 2011. A summary of these resources has been provided in Table 6.

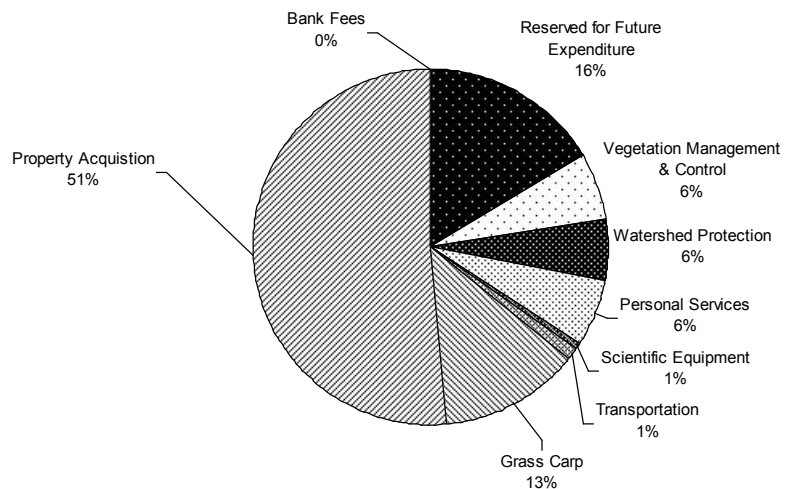
The District expects to have \$332,614 available in the Improvement Fund at the end of the FY 2010-2011. With interest of \$1,861 and an expected transfer of \$32,051 from the General Fund, the special revenue fund will have approximately \$367,000 available for appropriations exclusive of any borrowed funds.

In the current year, there however exists the prospect of the District borrowing money to create a permanent home and science center for the District. The project, known as The CAFÉ, (The Center for Applied Freshwater Ecology) is part of the District's long-term watershed

Improvement Fund Resources



Improvement Fund Requirements



management plan, and is aimed in part at serving the ongoing educational and outreach goals of the District. While the project has yet to be formally authorized by the Board, it is incumbent on the District, and a legal requirement to budget for the resources that could feasibly be required should the project move forward. As such, an influx of loan or other such monies in the amount of \$400,000 has been budgeted to fund this project.

Table 6. The Improvement Fund, Total Resources

RESERVE FUND RESOURCES (As of April 15, 2011)

Existing Account Balance	\$352,146
Plus Revenues by June 30, 2011	4,808
Less Expenses by June 30, 2011	(19,532)
Balance expected at beginning of FY	332,614
Transfers from General Fund	32,051
Interest	1,861
Grants (Secured)	1
Grants (Unsecured)	15,000
Loans (Not active)	400,000
Donations	1
TOTAL RESOURCES	\$781,528

Other revenues may also be sought, which would positively impact the revenue stream of this fund. Monies are available through competitive applications for shoreline restoration, project development, project management, and education. While no specific applications have been made, a successful application would greatly supplement the revenues of the District. As local budget law requires that these resources be accounted for, a provisional estimate of \$15,000 has been added. Potential sources of these monies include the Oregon Watershed Enhancement Board’s Small Grant Program, the USFWS Coastal Program, and NOAA-Fisheries Bay Watershed Education and Training (B-WET) grants.

Requirements (LB-11)

The Requirements of the Improvement Fund are allocated in the same major headings as the General Fund: Materials & Services, Personal Services, Capital Outlay, and Debt Service. However as one project may encompass multiple appropriations, the organization of this narrative is generally by project, then followed by groupings for Capital Outlay, Personal Services, and Debt Service.

PROJECTS (MATERIALS & SERVICES)

Vegetation Management: The current top priority of the District is to create and to implement a strategy for aquatic vegetation management and control. A major step forward in that endeavor

was the revision and adoption of the Devils Lake Plan in March 2011. This plan will seek the approval for the use of additional sterile Chinese Grass Carp (*Ctenopharyngodon idella*) in the lake for vegetation management. Current state rules prohibit the use of these fish in Devils Lake, and the only way of approving the restocking of grass carp is through a variance of the rules by the Oregon Department of Fish and Wildlife Commission and changes to the Wildlife Integrity Rules which the Commission oversees. In seeking the appeal, the District will conduct a number of studies which will require significant funding. These studies are part of the Grass Carp Strategic Plan and are listed below with gross cost estimates:

Aquatic Vegetation Survey and Mapping:	\$25,000	M&S: Veg Mgt
Grass Carp Study:	10,000	M&S: Veg Mgt
Topographic Survey:	2,500	M&S: Veg Mgt
Economic Impact Study	10,000	M&S: Veg Mgt
Grass Carp (5,000 @ \$20)	<u>100,000</u>	Capital Outlay
 TOTAL	 \$147,500	

Given the successful appeal for additional carp, a placeholder of \$100,000 has been provided in this budget for the fish themselves. This was previously listed under Materials & Services, but is more accurately placed as a Capital Outlay. The last stocking took place in 1993 and 5,000 fish were added. Should a similar sized planting take place, one estimate shows that currently 8-10” sterile fish can be purchased for \$12.50 per fish. Transportation cost could increase this significantly, so \$20 per fish is being used in this estimate. As the lake is currently devoid of most vegetation, the actual purchase of these fish would not necessarily be anticipated in the upcoming year. Estimates would be refined in future budget years, but for the current year the placeholder of \$100,000 of these reserve funds has been provided. All total \$147,500 are expected to be spent for this project.

Erosion Study: In FY 2010-2011, the District, through a competitive bid process, contracted with a firm to do an erosion study of the shoreline. This study will include a detailed report regarding issues related to lake level, vegetation, and other shoreline characteristics. A detailed photographic survey will also be conducted as part of the project.

Erosion Study:	\$28,840	M&S: Watershed Protection
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Save our Shoreline (SOS): The Environmental Protection Agency recently released their first National Lakes Study which identified shoreline encroachment by development as the number one correlated activity to a lake’s impairment. Shoreline loss is a major driver in the ongoing input of nutrients and sediment into waterbodies, nationwide and locally. Devils Lake, like other urbanized bodies of water could greatly benefit from revegetation of its shorelines. In 2009-2010, the Devils Lake Water Improvement District initialized the Save our Shorelines (SOS) program to incentivize replanting of the watershed with native vegetation. Overall the District has completed six SOS projects thus far and has three pending. The District plans to continue this project in the upcoming year.

Save Our Shorelines:	\$10,000	M&S: Watershed Protection
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Education & Communication: The District recently formed a Communications Committee which has drafted a Communications Plan. Many aspects of this plan have already been implemented including new ideas developed such as the Listserv and a municipal water billing mailer. These items and more such as the website, sign kiosks, SOLV events, and the Lake Steward Award are already funded through the General Fund. However, additional expenditures for non-reoccurring expenses have been appropriated from the Improvement Fund for an educational DVD to be mailed to lakefront property owners. The video product would also be aired on government access television, and be available on the web and through the public libraries. Phase I of this project is already being developed and includes a short video vignette on the SOS program. Additional segments would also be produced covering other best management practices such as erosion prevention & control, septic system maintenance, and storm water control through the use of rain gardens.

Educational Video and DVDs \$5,000 M&S: Watershed Protection

Other Materials & Services:

Bank Fees: A monthly service charge of \$10 is charged by the Local Government Investment Pool (LGIP) at the Oregon Department of Revenue to hold this account. Additional fees are charged at time of monetary transfer, which are minor. The total appropriation for the year is \$125.

Consulting: No appropriations in FY 2011-2012.

Contracting: No appropriations in FY 2011-2012.

PERSONAL SERVICES

Project Manager: The Board of Directors has authorized a continuation of the Project Manager position through June 30, 2012. The cost of this position to the District would ultimately be decided through contract negotiation, but \$47,000 has been reserved to cover the cost of salary, payroll taxes, and benefits. Changes in cost stem from the fact that last year the position was only for 10 ½ months and insurance was subsidized by another entity. Projects slated for the upcoming fiscal year to be managed by this position include continuation of the SOS program, promotion of Local Improvement Districts for sewer, initiation of the Stormwater Management Plan, and directing outreach and educational events throughout the year. Proposed events include a Lake Appreciation Day, an Erosion and Sediment Control Seminar, and SOLV clean up. Educational partnerships with the K-12 system are also expected.

CAPITAL OUTLAY

Transportation: With the District's purchase of a vehicle in 2006, transportation costs have been generally regulated to insurance, fuel, and routine maintenance. With the late model vehicle chosen, many years of maintenance free operation are expected. This invariably will change, and thus a future replacement or major repair of the vehicle needs to be budgeted. In order to fund this eventual expenditure, money will have to be set aside from the General Fund each year

and transferred into reserve. To initiate the savings, \$5,000 of the surplus in FY 2008-2009's General Fund was placed into this designation. In 2009-2010 an additional \$3,000 was added. Currently, \$2,000 is thought to be available from last year's General Fund Transportation budget, bringing the total in the Improvement Fund up to \$10,000, all of which is appropriated should the immediate need for expenditures arise.

Scientific Equipment: Formerly, the District monitored Devils Lake and its tributaries for the nutrients, phosphorus and nitrogen as well as other parameters such Total Suspended Solids. This data collection was discontinued due to the high cost of shipping samples and the rising cost of analysis by external labs, typically costing the District approximately \$1,500 a month or up to \$18,000 a year. While the data collected were and are of distinct value for monitoring the health and recovery of the watershed, economics involved with the previous method were not favorable. Currently however desktop analyzers and reagent kits can be purchased with a relatively low investment making the continuance of the previous watershed monitoring affordable. Following this initial capital investment, samples could be analyzed for nitrogen and phosphorus for as little as \$1.25 and \$1.75, respectively. This would allow a robust watershed monitoring program to cost as little as \$75 a month. These data would serve the ongoing monitoring of the watershed and be useful TMDL (Total Maximum Daily Load) process which is expected in our watershed in the near future filling critical data gaps and provide data for historical comparison. As a result a capital investment of \$4,200 is proposed in this budget.

Property Acquisition:

The Center for Applied Freshwater Ecology (The CAFÉ): As presented earlier and in greater detail in the General Fund, the prospect of the District establishing a permanent home and science based visitor center for the lake has been actively discussed as part of the Devils Lake Plan. While no formal decision has been made, it is a legal requirement of local budget law that the District budget for activities being considered. This budget provides for the potential lending and expenditures for the project, but in itself is not authorizing the project. That decision would come from the Devils Lake Water Improvement District Board of Director's following a formal vetting process. This budget merely allows for the funding mechanisms to be in place should the board seek to move forward. As with any expenditure of this magnitude the District would conduct a transparent public process before making its decision. This budget provides up to \$400,000 in Capital Outlay for property acquisition for this potential project.

Wetland Grant Match: The Devils Lake Water Improvement District offered a \$1,000 cash match to the City of Lincoln City's Open Space Committee in support of their grant application towards the purchase of a wetland parcel adjacent to Devils Lake. This is a carryover from the previous fiscal year, which did not get funded, but may so in the upcoming year. The parcel is being sought because it holds high value wetlands, provides fish and wildlife habitat, and is adjacent to a large tract of land already in Open Space. It also serves as a sediment and nutrient buffer from upland properties in the watershed. As a condition of the match the grant must be received.

DEBT SERVICE

Debt Service is scheduled within the Improvement Fund. Should the District approve borrowing which would require loan repayment, these funds would come from the General Fund.



Form LB-1: NOTICE OF BUDGET HEARING

A meeting of the Devils Lake Water Improvement District will be held on June 2, 2011 at 8:00 pm at 820 SE Hwy 101 Suite D, Lincoln City, Oregon. The purpose of this meeting will be to discuss the budget for the fiscal year beginning July 1, 2011, as approved by the Devils Lake Water Improvement District's Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at 820 SE Hwy 101 Suite D, Lincoln City, Oregon between the hours of 9 am and 5 pm weekdays or on the web at www.DLWID.org. This budget was prepared on a basis of accounting that is consistent with the basis of accounting used during the preceding year. Major changes, if any, and their effect on the budget, are explained below. This budget is for a one (1) year period.

County Lincoln	City Lincoln City	Chairperson of Governing Body Brian Green	Telephone Number 541-994-5330
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FINANCIAL SUMMARY

<input type="checkbox"/> Check this box if your budget only has one fund		TOTAL OF ALL FUNDS	Adopted Budget This Year 2010-2011	Approved Budget Next Year 2011-2012
Anticipated Requirements	1. Total Personal Services.....		111,000	123,000
	2. Total Materials and Services.....		268,411	170,416
	3. Total Capital Outlay		9,002	516,450
	4. Total Debt Service		1	30,000
	5. Total Transfers		36,130	32,051
	6. Total Contingencies		18,242	4,644
	7. Total Reserves and Special Payments (Future Expenditures).....		248,662	127,863
	8. Total Unappropriated Ending Fund Balance		75,000	100,000
	9. Total Requirements - add Lines 1 through 8.....		766,449	1,104,424
Anticipated Resources	10. Total Resources Except Property Taxes		589,112	920,073
	11. Total Property Taxes Estimated to be Received		177,336	184,351
	12. Total Resources - add Lines 10 and 11.....		766,449	1,104,424
Estimated Ad Valorem Property Taxes	13. Total Property Taxes Estimated to be Received (line 11).....		177,336	184,351
	14. Plus: Estimated Property Taxes Not To Be Received			
	A. Loss Due to Constitutional Limits		-2	-2
	B. Discounts Allowed, Other Uncollected Amounts		-15,421	-16,031
15. Total Tax Levied - add Lines 13 and 14		192,759	200,384	
Tax Levies By Type	16. Permanent Rate Limit Levy		Rate or Amount In .2499 / Out .1280	Rate or Amount In .2499 / Out .1280
	17. Local Option Taxes.....		0	0
	18. Levy for Bonded Debt or Obligations.....		0	0

STATEMENT OF INDEBTEDNESS

<input checked="" type="checkbox"/> None	Debt Outstanding	<input type="checkbox"/> As Summarized Below	<input checked="" type="checkbox"/> None	Debt Authorized, Not Incurred	<input type="checkbox"/> As Summarized Below
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Form LB-2: FUNDS NOT REQUIRING A PROPERTY TAX TO BE LEVIED

Total Anticipated Requirements must equal Total Resources

The Improvement Fund <i>Established 5 April 2007</i>	Actual Data Last Year 2009-2010	Adopted Budget This year 2010-2011	Approved Budget Next Year 2011-2012
1. Total Personal Services.....	0	35,000	47,000
2. Total Materials and Services.....	28,005	179,875	91,465
3. Total Capital Outlay.....	0	8,000	515,200
4. Total Debt Service.....	0	0	0
5. Total Transfers Out.....	0	0	0
6. Total Contingencies.....	0	0	0
7. Total Reserves and Special Payments.....	343,117	248,662	127,863
8. Total Unappropriated Ending Fund Balance.....	0	0	0
9. Total Requirements.....	28,005	471,537	781,528
10. Total Resources Except Property Taxes.....	371,122	471,537	781,528

Form LB-3: FUNDS REQUIRING A PROPERTY TAX TO BE LEVIED

GENERAL FUND	Actual Data Last Year 2009-2010	Adopted Budget This year 2010-2011	Approved Budget Next Year 2011-2012
1. Total Personal Services.....	73,460	76,000	76,000
2. Total Materials and Services.....	55,500	88,536	78,951
3. Total Capital Outlay.....	4,256	1,002	1,250
4. Total Debt Service.....	0	1	30,000
5. Total Transfers.....	47,054	36,130	32,051
6. Total Contingencies.....	0	18,242	4,644
7. Total Reserve Requirements and Special Payments.....	0	0	0
8. Total Unappropriated Ending Fund Balance.....	75,000	75,000	100,000
9. Total Requirements.....	255,270	294,911	322,896
10. Total Resources Except Property Taxes.....	81,252	117,575	138,545
11. Property Taxes Estimated to Be Received.....	173,160	177,336	184,351
12. Total Resources (add lines 10 and 11).....	254,412	294,911	322,896
13. Property Taxes Estimated to be Received (line 11).....		177,336	184,351
14. Estimated Property Taxes Not to be Received.....			
A. Loss Due to Constitutional Limit.....		-2	-2
B. Discounts, Other Uncollected Amounts.....		-15,421	-16,031
15. Total Tax Levied (add lines 13 and 14).....		192,759	200,384
16. Permanent Rate Limit Levy per \$1,000 Assessed		Rate In .2499 / Out .1280	Rate In .2499 / Out .1280
17. Local Option Taxes.....		0	0
18. Levy for Bonded Debt or Obligations.....		0	0



**RESERVE FUND
FORM
LB-11**

The Improvement Fund

This fund was authorized and established by Resolution 07-01 on April 5, 2007 for the following specified purposes: Vegetation Management, watershed protection, capital improvement, water quality improvements, cyanobacteria control, and other improvements seen necessary by the DLWID Board of Directors.

Year this reserve fund will be reviewed to be continued or abolished.
Date can not be more than 10 years after establishment.
Review Year: 2017

Historical Data				DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for 2011-2012		
Actual		Adopted Budget This Year 2010-2011	Proposed By Budget Officer		Approved By Budget Committee	Adopted By Governing Body	
Second Preceding Year 2008-2009	First Preceding Year 2009-2010						
RESOURCES							
1			Beginning Fund Balance:			1	
2			Cash on hand* (cash basis) or			2	
3		0	Working Capital (accrual basis)			3	
4	269,132	321,686	348,523	332,614		4	
5	0		0	0		5	
6	46,400	47,054	36,130	32,051		6	
7	6,274	2,382	1,882	1,861		7	
8	0	0	15,000	1		8	
9	0	0	70,000	15,000		9	
10	0	0	1	400,000		10	
11	0	0	1	1		11	
12	321,806	371,122	471,537	781,528		12	
13			0	0		13	
14	0	0				14	
15	321,806	371,122	471,537	781,528		15	
16	TOTAL RESOURCES					16	
REQUIREMENTS							
17	120	121	125	125		17	
18	0	8,885	35,000	43,840		18	
19	0	2,857	125,000	47,500		19	
20	0	19,000	4,750	0		20	
21	0	0	15,000	0		21	
22	0	0	35,000	47,000		22	
23	*	*	8,000	10,000		23	
24	*	*	*	4,200		24	
25	*	*	*	100,000		25	
26				401,000		26	
27						27	
28						28	
29						29	
30	120	30,863	222,875	653,665		30	
31	321,686	340,259	248,662	127,863		31	
32	321,806	371,122	471,537	781,528		32	

**RESOURCES
FORM
LB-20**

GENERAL FUND

#	Historical Data			RESOURCE DESCRIPTION	Budget for 2011-2012			#
	Actual		Adopted Budget		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2008-2009	First Preceding Year 2009-2010	This Year 2010-2011					
				Beginning Fund Balance:				
1				Available cash on hand (cash basis) or				1
2			36,130	Net working capital (accrual basis)	32,051			2
3	3,936	5,487	6,000	Previously levied taxes estimated to be received	6,000			3
4	5,267	765	443	Interest	492			4
5				OTHER RESOURCES				5
6	75,000	75,000	75,000	Unappropriated Ending Fund Balance PREVIOUS	100,000			6
7	0	0	1	Grants	1			7
8	0	0	1	Donations	1			8
9	0	0	0	Transfers In from other Funds	0			9
10	0	0	0	Refunds	0			10
11								11
12								12
13				General Fund Annual Operating Dollars				13
14	240,887	254,412	258,781	Total Resources from new taxes, UEFB, delinquent taxes, and interest	290,845			14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29	87,422	81,252	117,575	Total resources, except taxes to be levied	138,545			29
30			177,336	Taxes estimated to be received	184,351			30
31	156,684	173,160		Taxes collected in year levied				31
32	248,511	254,412	294,911	TOTAL RESOURCES	322,896			32



**REQUIREMENTS SUMMARY
FORM
LB-30**

GENERAL FUND

#	Historical Data			Adopted Budget This Year 2010-2011	EXPENDITURE DESCRIPTION	Budget for 2010--2011			#	
	Actual		Second Preceding Year 2008-2009			First Preceding Year 2009-2010	Proposed By Budget Officer	Approved By Budget Committee		Adopted By Governing Body
					PERSONAL SERVICES					
1									1	
2	55,414	57,076			Salary Manager				2	
3	3,645	5,046			Payroll Taxes				3	
4	4,878	5,927			Health & Disability Insurance				4	
5	4,987	5,137			Simplified Employee Pension Plan				5	
6	274	274			Wellness Program				6	
7									7	
8									8	
9	69,198	73,460		76,000	TOTAL PERSONAL SERVICES	76,000			9	
					MATERIALS AND SERVICES					
10									10	
11	50,412	52,597		88,536	Devils Lake Project	78,951			11	
12									12	
13	50,412	52,597		88,536	TOTAL MATERIALS AND SERVICES	78,951			13	
					DEBT SERVICE					
14									14	
15	0	0		1	Loan Payment on Capital Outlay in Improvement Fund	30,000			15	
16									16	
17	0	0		1	TOTAL DEBT SERVICE	30,000			17	
					CAPITAL OUTLAY					
18									18	
19	0	0		1,000	Land Acquisition	0			19	
20	0	4,256		2	Field & Office Equipment	1,250			20	
21									21	
22									22	
23	0	4,256		1,002	TOTAL CAPITAL OUTLAY	1,250			23	
					Contingency					
24									24	
25	0	0		18,242	TOTAL CONTINGENCY	4,644			25	
26									26	
27	192,110	205,313		258,781	Total Tax Levy Supported Expenditures	290,845			27	
28									28	
					TRANSFERS TO OTHER FUNDS					
29									29	
30	46,400	47,054		36,130	Improvement Fund	32,051			30	
31									31	
32	46,400	47,054		54,372	TOTAL TRANSFERS AND CONTINGENCIES	36,695			32	
33									33	
34	238,510	252,367		219,911	TOTAL EXPENDITURES	222,896			34	
35	72,500	75,000		75,000	UNAPPROPRIATED ENDING FUND BALANCE	100,000			35	
36	311,010	327,367		294,911	GRAND TOTAL	322,896			36	

**DETAILED EXPENDITURES
FORM
LB-31**

GENERAL FUND: Materials & Services

#	Historical Data			EXPENDITURE DESCRIPTION	Budget for 2011-2012			#
	Actual		Adopted Budget This Year 2010-2011		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2008-2009	First Preceding Year 2009-2010						
1	3,923	4,127	4,192	Accounting	4,802			1
2	5,413	6,398	10,836	Consulting	1,000			2
3	1,739	0	1,750	Elections	0			3
4	1,770	1,332	1,690	Equipment Maintenance & Repair	1,650			4
5	50	0	100	Erosion & Sediment Control	500			5
6	1,590	1,537	2,060	Insurance & Bonds	4,506			6
7	6,813	6,045	7,300	Lake Level Management	8,320			7
8	585	737	3,000	Legal	3,000			8
9	6,331	5,102	11,950	Monitoring	12,400			9
10	0	0	5,000	Nutrient Control	500			10
11	18,486	21,118	20,911	Office Operations	24,548			11
12	4,592	4,047	11,390	Public Relations	11,075			12
13	242	366	1,000	Training	1,000			13
14	1,801	1,788	4,857	Transportation	5,150			14
15	-750	0	2,500	Vegetation Management	500			15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31	52,585	52,597	88,536	TOTAL EXPENDITURES	78,951			31
32	72,500	75,000	75,000	UNAPPROPRIATED ENDING FUND BALANCE	100,000			32
33	125,085	127,597	163,536	TOTAL	178,951			33

Notice of Property Tax and Certification of Intent to Impose a Tax, Fee, Assessment or Charge on Property

FORM
LB-50

To assessor of Lincoln County

2011-2012

To be Filed no later than JULY 15.

Check here if this is an amended form.

The Devils Lake Water Improvement District has the responsibility and authority to place the following property tax, fee, charge or assessment

on the tax roll of Lincoln County. The property tax, fee, charge or assessment is categorized as stated by this form.

<u>PO Box 974</u>	<u>Lincoln City</u>	<u>OR</u>	<u>97367</u>	<u>2010/06/03</u>
Mailing Address of District	City	State	Zip	Date
<u>Paul Robertson</u>	<u>Lake Manager / Budget Officer</u>	<u>541-994-5330</u>	<u>paul@DLWID.org</u>	
Contact Person	Title	Daytime Telephone	Contact Person E-Mail	

CERTIFICATION - Check one box.

- The tax rate of levy amounts certified in Part I are within the tax rate of levy amounts approved by the budget committee.
- The tax rate of levy amounts certified in Part I were changed by the governing body and republished as required in ORS 294.435.

PART I: TOTAL PROPERTY TAX LEVY

		Subject to General Government Limits			
		Rate -or- Dollar Amount			
1. Rate/Amount levied (within permanent rate limit)	Inside Watershed	1	0.2499		
2. Local option operating tax		2	0		
3. Local option capital project tax		3	0		
4. Levy for "Gap Bonds"		4	0	Excluded from Limits Amount of Bond Levy	
5. Levy for Pension and disability obligations		5	0		
6a. Levy for bonded indebtedness from bonds approved by voters prior to October 6, 2001		6a	0		
6b. Levy for bonded indebtedness from bonds approved by voters after October 6, 2001		6b	0		
6c. Total levy for bonded indebtedness not subject to Measure 5 of Measure 50 (total of 6a + 6b)		6c	0		

PART II: RATE LIMIT CERTIFICATION

7. Permanent rate limit in dollars and cents per \$1,000	Inside Watershed	7	0.2499		
8. Date received voter approval for rate limit if new district		8	N/A		
9. Estimated permanent rate limit for newly merged/consolidated district		9	N/A		

PART III: SCHEDULE OF LOCAL OPTION TAXES - Enter all local option taxes on this schedule. If there are more than three taxes, attach a sheet showing the information for each.

Purpose (operating, capital project, or mixed)	Date voters approved local option ballot measure	First year levied	Final year to be levied	Total tax amount -or- rate authorized per year by voters
N/A				

Part IV. SPECIAL ASSESSMENTS, FEES AND CHARGES

Description	Subject to General Gov't. Limitations	Excluded from M5 limitation
1 N/A		
2		

If fees, charges, or assessments will be imposed on specific property within your district, you must attach a complete listing of properties, by assessor's account number, to which fees, charges, or assessments will be imposed. Show the fees, charges, or assessments uniformly imposed on the properties. If these amounts are not uniform, show the amount imposed on each property.

The authority for putting these assessments on the roll is ORS N/A (Must be completed if you have an entry in Part IV)

Notice of Property Tax and Certification of Intent to Impose a Tax, Fee, Assessment or Charge on Property

FORM LB-50

To assessor of Lincoln County

2011-2012

To be Filed no later than JULY 15.

Check here if this is an amended form.

The Devils Lake Water Improvement District has the responsibility and authority to place the following property tax, fee, charge or assessment
Districts Name

on the tax roll of Lincoln County. The property tax, fee, charge or assessment is categorized as stated by this form.
County Name

<u>PO Box 974</u>	<u>Lincoln City</u>	<u>OR</u>	<u>97367</u>	<u>2010/06/03</u>
<small>Mailing Address of District</small>	<small>City</small>	<small>State</small>	<small>Zip</small>	<small>Date</small>
<u>Paul Robertson</u>	<u>Lake Manager / Budget Officer</u>	<u>541-994-5330</u>	<u>paul@DLWID.org</u>	
<small>Contact Person</small>	<small>Title</small>	<small>Daytime Telephone</small>	<small>Contact Person E-Mail</small>	

CERTIFICATION - Check one box.

- The tax rate of levy amounts certified in Part I are within the tax rate of levy amounts approved by the budget committee.
 The tax rate of levy amounts certified in Part I were changed by the governing body and republished as required in ORS 294.435.

PART I: TOTAL PROPERTY TAX LEVY

		Subject to General Government Limits			
		Rate -or- Dollar Amount			
1.	Rate/Amount levied (within permanent rate limit) Outside Watershed	1	0.1280		
2.	Local option operating tax	2	0		
3.	Local option capital project tax	3	0		
4.	Levy for "Gap Bonds"	4	0		Excluded from Measure 5. Limits Amount of Bond Levy
5.	Levy for Pension and disability obligations	5	0		
6a.	Levy for bonded indebtedness from bonds approved by voters prior to October 6, 2001	6a	0		
6b.	Levy for bonded indebtedness from bonds approved by voters after October 6, 2001	6b	0		
6c.	Total levy for bonded indebtedness not subject to Measure 5 of Measure 50 (total of 6a + 6b)	6c	0		

PART II: RATE LIMIT CERTIFICATION

7.	Permanent rate limit in dollars and cents per \$1,000 Outside Watershed	7	0.1280		
8.	Date received voter approval for rate limit if new district	8	N/A		
9.	Estimated permanent rate limit for newly merged/consolidated district	9	N/A		

PART III: SCHEDULE OF LOCAL OPTION TAXES - Enter all local option taxes on this schedule. If there are more than three taxes, attach a sheet showing the information for each.

Purpose (operating, capital project, or mixed)	Date voters approved local option ballot measure	First year levied	Final year to be levied	Total tax amount -or- rate authorized per year by voters
N/A				

Part IV. SPECIAL ASSESSMENTS, FEES AND CHARGES

Description	Subject to General Gov't. Limitations	Excluded from M5 limitation
1 N/A		
2		

If fees, charges, or assessments will be imposed on specific property within your district, you must attach a complete listing of properties, by assessor's account number, to which fees, charges, or assessments will be imposed. Show the fees, charges, or assessments uniformly imposed on the properties. If these amounts are not uniform, show the amount imposed on each property.

The authority for putting these assessments on the roll is ORS N/A (Must be completed if you have an entry in Part IV)



Devils Lake Water Improvement District

Appendix

<i>Detailed Budget Overview</i>	<i>A</i>
<i>Copies of Notices</i>	<i>B</i>
<i>Resolution Adopting the Budget</i>	<i>C</i>
<i>Resolution Levying Ad Valorem Taxes</i>	<i>D</i>
<i>Resolution Making Appropriations</i>	<i>E</i>

Devils Lake Water Improvement District

Detailed Budget Overview

Fiscal Year 2011-2012

	Jul '11 - Jun 12
Ordinary Income/Expense	
Income	
Net Working Capital	32,051.00
Lincoln County Tax CURRENT	184,351.00
Lincoln County Tax PREVIOUS	6,000.00
Interest Income	492.00
Grant	1.00
Donation	1.00
UEFB Previous Year Income	100,000.00
Total Income	322,896.00
Expense	
Capital Outlay	
Office Equipment	750.00
Scientific Equipment	500.00
Total Capital Outlay	1,250.00
Debt Service	30,000.00
Material & Services	
Accounting	
Audit Filing Fee	150.00
Auditor	3,500.00
Bank Fees	252.00
Bookkeeping	900.00
Total Accounting	4,802.00
Consulting	
Intern	1,000.00
Total Consulting	1,000.00
Elections	0.00
Equipment	
Boat	
Maintenance	250.00
Operation	30.00
Storage	1,320.00
Supplies	50.00
Total Boat	1,650.00
Total Equipment	1,650.00
Erosion & Sediment Control	500.00
Insurance	
Crime Premium	450.00
Excess Liability	250.00
General Liability	856.00
Misc Insurance	0.00
Property	2,275.00
Workers Comp	675.00
Total Insurance	4,506.00
Lake Level Management	
D River Dredging	1,500.00
Labor	1,200.00
Lake Contractor	5,000.00
Personal Protective Equipment	120.00
Supplies	500.00
Total Lake Level Management	8,320.00
Legal	
Govt Ethics Comm	70.00
Legal Notices	450.00
Legal Services	2,480.00
Total Legal	3,000.00

Devils Lake Water Improvement District

Detailed Budget Overview

Fiscal Year 2011-2012

	Jul '11 - Jun 12
Monitoring	
Biological	
Cyanobacteria	1,500.00
DNA Source Tracking	5,000.00
E. coli	2,400.00
Phyto & Zooplankton	900.00
Sample Shipping	300.00
Total Biological	10,100.00
Chemical	
Chemical Analysis	1,000.00
Total Chemical	1,000.00
Physical	
Consumables	900.00
Equipment	200.00
Equipment Repair	200.00
Total Physical	1,300.00
Total Monitoring	12,400.00
Nutrient Control	500.00
Office	
Furnishings	200.00
Information Technology (IT)	
Data Storage	600.00
Hardware	200.00
Internet	600.00
Listserv	300.00
Software	225.00
Web Domain Fee	10.00
Web Server	420.00
Total Information Technology (IT)	2,355.00
PO Box	135.00
Postage	332.00
Rent	14,616.00
Safety Deposit Box	60.00
Supplies	2,520.00
Support Staff	2,925.00
Telephone	
Landline	660.00
Long Distance	120.00
Wireless	600.00
Total Telephone	1,380.00
Total Office	24,523.00
Public Relations	
Advertising	500.00
Education	1,000.00
Meetings & Conferences	
Conference Fees	950.00
Meals/Lodging/Transportation	
Staff	200.00
Board	100.00
Manager	3,000.00
Manager Local	0.00
Total Meals/Lodging/Transportation	3,300.00
Total Meetings & Conferences	4,250.00
Membership Dues	
APM	75.00
Buy Local	25.00

Devils Lake Water Improvement District

Detailed Budget Overview

Fiscal Year 2011-2012

	Jul '11 - Jun 12
IECA	175.00
LC Chamber	350.00
NALMS	250.00
OLA	35.00
PADL	25.00
SDAO	200.00
Total Membership Dues	1,135.00
Outreach	
Publications	2,000.00
Erosion Control Seminar	1,000.00
Lake Steward	220.00
Lead Out	100.00
Lions Club Flags	25.00
Senior Fair	200.00
SOLV	250.00
Total Outreach	3,795.00
Signage	300.00
Subscriptions	
News Times	80.00
News Guard	40.00
Total Subscriptions	120.00
Total Public Relations	11,100.00
Training & Continued Education	1,000.00
Transportation	
Auto Insurance	
Auto Liability	300.00
Auto Physical Damage	170.00
Non owned & Hired	130.00
Total Auto Insurance	600.00
Equipment	50.00
Fuel	1,500.00
Maintenance	2,700.00
Mileage	300.00
Total Transportation	5,150.00
Vegetation Management	500.00
Total Material & Services	78,951.00
Personal Services	
Salary	59,119.00
Payroll Taxes	5,248.00
Health & Disability Insurance	6,000.00
SEP	5,343.00
Wellness Program	290.00
Total Personal Services	76,000.00
Transfers to Other Funds	
Improvement Fund	32,051.00
General Operating Contingency	4,644.00
Total Transfers to Other Funds	36,695.00
Unappropriated Ending Fund Bal	100,000.00
Total Expense	322,896.00
Net Ordinary Income	0.00
Net Income	0.00

