



CITY OF SILETZ

AGENDA

Meeting: City Council Work Session
Date: Monday, April 8, 2024
Time: 5:30 PM
Location: Council Chambers, City Hall

1. Call Meeting to Order and Establish a Quorum
2. Auditors Report for the Fiscal Year Ending June 30, 2021- Mercy Hansen
3. Utilities Rate Study- Steve Donovan
4. Dahl Annual Report of Operations- Dave Larmouth
5. Review of Submissions for Statement of Qualifications- Municipal Engineering Services
6. Nesika Illahee Pow Wow Parade Permit Request
7. Sewer Rehabilitation Project Update
8. The City Council may convene into an Open Session and act on any of the above work session agenda items in accordance with Oregon Public Meetings Laws
9. Adjournment

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Siletz City Council Work Session 04.08.24

Page 1 of 1

The meeting is accessible to the disabled. If you need special accommodations to attend or participate in the meeting per the Americans with Disabilities Act (ADA), please contact the City Recorder at (541) 444-2521-48 hrs. in advance of the meeting so the appropriate assistance can be provided. TTY #1-800.735.2900. "This institution is an equal opportunity provider."

Auditors Report for the Fiscal Year Ending
June 30, 2021- Mercy Hansen

MEMORANDUM TO COUNCIL

RE: FY21 Audit

Fr: City Recorder

Date: 04/08/2024

ISSUE: The council entered into an Engagement Agreement with Aldrich LLC. that would provide the City with audited books up to FY2023. This is the completion of the first year that was needing to be audited, FY21. The auditor will present their findings to the city.

HISTORY: The City got behind on audits. The city's prior auditor's firm determined earlier in the year that they would no longer be doing municipal audits. This caused the city to put out an RFP for auditing services. The work has been underway and this is the 1st of the agreed upon services that would be provided.

ACTION: No action is needed at this meeting, as this is a scheduled work session. Unless the council wishes to go into a regular session to approve the audit. Otherwise this item will be moved forward to the April 22, 2024 regular meeting.

March 29, 2024

Honorable Mayor and City Council
City of Siletz
Siletz, Oregon

We were engaged to audit the financial statements of the governmental activities, the business-type activities, and each major fund of City of Siletz (the City) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 16, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of depreciation expense is based on the City's estimated useful lives of capital assets. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of long-term obligations in Note 3 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes the misstatements detected as a result of audit procedures that were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 29, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We do not express an opinion on the financial statements due to our inability to gain sufficient appropriate audit evidence.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedules, as listed in the table of contents under required supplementary information. However, since we do not express an opinion on the financial statements, we also do not express an opinion on the budgetary comparison schedules.

We were engaged to report on the combining financial statements and individual fund schedules which accompany the financial statements but are not RSI. However, since we do not express an opinion on the financial statements, we also do not express an opinion on the combining financial statements and individual fund schedules.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of City of Siletz and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Aldrich CPAs + Advisors LLP

Salem, Oregon

Client: **14854.000 - City of Siletz**
 Period Ending: **6/30/2021**
 Account

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
GF-27				
JE 27 To reverse JE 24. JE 28 will correctly record LGIP interest earned prior to FY21.				
001-0-520-00	Interest Income		7,366.79	
001-0-103-00	Lgip Account			7,366.79
Total			<u>7,366.79</u>	<u>7,366.79</u>
Adjusting Journal Entries JE # 2				
GF-27				
JE28 To correctly record LGIP interest earned prior to FY21.				
001-0-103-00	Lgip Account		247.06	
002-0-103-00	Lgip Account		8.51	
003-0-103-00	Lgip Account		1,249.66	
005-0-103-00	Lgip Account		34.41	
006-0-103-00	Lgip Account		281.86	
008-0-103-00	Lgip Account		153.15	
010-0-103-00	Lgip Account		70.73	
012-0-103-00	Lgip Account		2.78	
013-0-103-00	Lgip Account		215.63	
015-0-103-00	Lgip Account		1,066.16	
016-0-103-00	Lgip Account		575.00	
017-0-103-00	Lgip Account		315.77	
020-0-103-00	Lgip Account		371.71	
022-0-103-00	Lgip Account		0.20	
024-0-103-00	Lgip Account		140.13	
001-0-350-00	Prior Period Adjustment			247.06
002-0-350-00	Prior Period Adjustment - Library			8.51
003-0-350-00	Prior Period Adjustment - Water			1,249.66
005-0-350-00	Prior Period Adjustment - Camp 12 Utility Bond			34.41
006-0-350-00	Prior Period Adjustment - Sewer			281.86
008-0-350-00	Prior Period Adjustment - Streets			153.15
010-0-350-00	Prior Period Adjustment - State Revenue Sharing			70.73
012-0-350-00	Prior Period Adjustment - FMHA Revenue Bond			2.78
013-0-350-00	Prior Period Adjustment - FMHA Revenue Bond Reserve			215.63
015-0-350-00	Prior Period Adjustment - Water Facilities Reserve			1,066.16
016-0-350-00	Prior Period Adjustment - Sewer Facilities I/II Reserve			575.00
017-0-350-00	Prior Period Adjustment - SRF Loan Reserve			315.77
020-0-350-00	Prior Period Adjustment - Street Improvement Reserve			371.71
022-0-350-00	Prior Period Adjustment - I/II Revenue Bond			0.20
024-0-350-00	Prior Period Adjustment - RUS Revenue Bond Reserve			140.13
Total			<u>4,732.76</u>	<u>4,732.76</u>
Adjusting Journal Entries JE # 3				
GF-27				
JE 29 To reclassify LGIP interest for July and August 2021 that was recorded each fund's cash control account.				
001-0-103-00	Lgip Account		36.03	
002-0-103-00	Lgip Account		226.56	
003-0-103-00	Lgip Account		184.30	
006-0-103-00	Lgip Account		209.27	
008-0-103-00	Lgip Account		71.46	
010-0-103-00	Lgip Account		26.02	
012-0-103-00	Lgip Account		1.23	
013-0-103-00	Lgip Account		80.69	
015-0-103-00	Lgip Account		369.28	
016-0-103-00	Lgip Account		174.31	
020-0-103-00	Lgip Account		143.64	
024-0-103-00	Lgip Account		17.10	
001-0-102-00	Cash Control/Checking			36.03
002-0-102-00	Cash Control/Checking			226.56
003-0-102-00	Cash Control/Checking			184.30
006-0-102-00	Cash Control/Checking			209.27
008-0-102-00	Cash Control/Checking			71.46
010-0-102-00	Cash Control			26.02
012-0-102-00	Cash Control			1.23
013-0-102-00	Cash Control			80.69
015-0-102-00	Cash Control			369.28
016-0-102-00	Cash Control			174.31
020-0-102-00	Cash Control			143.64
024-0-102-00	Cash Control			17.10
Total			<u>1,539.89</u>	<u>1,539.89</u>

Adjusting Journal Entries JE # 4

JE30 To reverse JE 03 and JE 04, See 4201.10

001-0-520-00	Interest Income		90.13	
001-0-102-00	Cash Control/Checking			90.13
Total			<u>90.13</u>	<u>90.13</u>

GF-27

Adjusting Journal Entries JE # 5

JE31 To correct three different error in how the City recorded BOW interest revenue. See 4201.10 'BOW Interest Change' Tab.

001-0-102-00	Cash Control/Checking		61.48	
001-0-520-00	Interest Income		32.47	
001-0-580-00	Miscellaneous		61.12	
003-0-520-00	Interest Income		61.48	
001-0-102-00	Cash Control/Checking			32.47
001-0-520-00	Interest Income			61.48
001-0-520-00	Interest Income			61.12
003-0-102-00	Cash Control/Checking			61.48
Total			<u>216.55</u>	<u>216.55</u>

GF-27

Adjusting Journal Entries JE # 6

JE32 To adjust LGIP interest revenue recorded in JE 02 after the allocations were corrected for Sept-Jun 2021. See 4201.10

001-0-103-00	Lgip Account		143.98	
002-0-520-00	Interest		1.53	
003-0-520-00	Interest Income		3.32	
005-0-103-00	Lgip Account		36.33	
006-0-520-00	Interest Income		381.66	
008-0-520-00	Interest Income		70.19	
010-0-520-00	Interest Income		9.77	
012-0-520-00	Interest Income		1.05	
013-0-520-00	Interest Income		34.20	
015-0-520-00	Interest Income		72.65	
016-0-103-00	Lgip Account		41.46	
017-0-103-00	Lgip Account		333.53	
020-0-520-00	Interest Income		73.67	
022-0-103-00	Lgip Account		0.22	
024-0-103-00	Lgip Account		92.52	
001-0-520-00	Interest Income			143.98
002-0-103-00	Lgip Account			1.53
003-0-103-00	Lgip Account			3.32
005-0-520-00	Interest Income			36.33
006-0-103-00	Lgip Account			381.66
008-0-103-00	Lgip Account			70.19
010-0-103-00	Lgip Account			9.77
012-0-103-00	Lgip Account			1.05
013-0-103-00	Lgip Account			34.20
015-0-103-00	Lgip Account			72.65
016-0-520-00	Interest Income			41.46
017-0-520-00	Interest Income			333.53
020-0-103-00	Lgip Account			73.67
022-0-520-00	Interest			0.22
024-0-520-00	Interest Income			92.52
Total			<u>1,296.08</u>	<u>1,296.08</u>

GF-27

Adjusting Journal Entries JE # 8

JE34 To record CRF funding received following year end but for reimbursements prior to year end.

001-0-105-00	Accounts Receivable		25,518.36	
001-0-540-00	Grants From Other Sources			25,518.36
Total			<u>25,518.36</u>	<u>25,518.36</u>

GF-27

Adjusting Journal Entries JE # 9

JE35 To adjust State Revenue sharing revenue for duplicate receipt, MCO reviewed revenue balance at year end and the difference was amount above. MCO is not sure where the \$1,556 amount went.

010-0-500-00	State Revenue Sharing		62.22	
010-0-102-00	Cash Control			62.22
Total			<u>62.22</u>	<u>62.22</u>

GF-27

Adjusting Journal Entries JE # 10

JE36 To adjust UB accounts receivable for prepayment made by customers.

003-0-105-00	Accounts Receivable		2,524.30	
003-0-205-00	Unearned Revenue			2,524.30
Total			<u>2,524.30</u>	<u>2,524.30</u>

GF-27

Adjusting Journal Entries JE # 11

JE37 To adjust placement of expenses.

GF-27

001-2-740-00	Street Lights	3,242.72	
001-0-592-00	Street Lighting Fee		3,242.72
Total		<u>3,242.72</u>	<u>3,242.72</u>
Adjusting Journal Entries JE # 12			
JE38 To remove accrued invoice that shouldn't have been accrued at 6/30/21. GF-27			
006-0-201-00	Accounts Payable	1,546.00	
006-2-690-00	Equipment, Maint. & Repair		1,546.00
Total		<u>1,546.00</u>	<u>1,546.00</u>
Adjusting Journal Entries JE # 13			
JE39 To accrue Q2 payroll taxes that were paid after YE. See 4201.01. GF-27			
001-1-640-00	Fica-MC	15,642.70	
001-0-210-00	Payroll Taxes Payable		15,642.70
Total		<u>15,642.70</u>	<u>15,642.70</u>
Adjusting Journal Entries JE # 14			
JE40 To adjust cash control accounts as needed based on calculations in the bank reconciliation. GF-27			
001-0-102-00	Cash Control/Checking	2,115.66	
001-0-580-00	Miscellaneous		2,115.66
Total		<u>2,115.66</u>	<u>2,115.66</u>
Adjusting Journal Entries JE # 15			
JE41 To record City's Parks and Rec bank balance at year end that wasn't reported in Vision. See 4201.20. GF-27			
001-0-102-10	Park and Rec Checking	6,971.09	
001-4-920-00	Parks Materials and Services	430.32	
001-0-350-00	Prior Period Adjustment		7,401.41
Total		<u>7,401.41</u>	<u>7,401.41</u>
Adjusting Journal Entries JE # 16			
PBC JE42 To record City's accrued payroll at year end for 6/25/2021-6/30/2021. See 5200.02 GF-27			
001-1-620-00	City Recorder	395.00	
001-1-630-00	Deputy Recorder	161.00	
003-1-600-00	Public Works Superintendent	234.00	
003-1-610-00	Utility Worker I	166.00	
003-1-611-00	Utility Worker II/III/Temp	381.00	
003-1-620-00	City Recorder	184.00	
003-1-630-00	Deputy Recorder	121.00	
006-1-600-00	Public Works Superintendent	234.00	
006-1-600-00	Public Works Superintendent	121.00	
006-1-610-00	Utility Worker I	88.00	
006-1-611-00	Utility Worker II/III/Temp	211.00	
006-1-620-00	City Recorder	184.00	
008-1-600-00	Public Works Superintendent	117.00	
008-1-610-00	Utility Worker I	48.00	
008-1-610-00	Utility Worker I	254.00	
008-1-620-00	City Recorder	114.00	
001-0-205-00	Accrued Payroll		556.00
003-0-204-00	Accrued Payroll		1,086.00
006-0-205-00	Accrued Payroll		838.00
008-0-205-00	Accrued Payroll		533.00
Total		<u>3,013.00</u>	<u>3,013.00</u>
Adjusting Journal Entries JE # 17			
PBC JE 43 To reverse JE 39 and record adjustment to outstanding errors on the bank reconciliation GF-27			
001-0-102-00	Cash Control/Checking	20,608.00	
001-1-640-00	Fica-MC		15,643.00
001-1-640-00	Fica-MC		4,965.00
Total		<u>20,608.00</u>	<u>20,608.00</u>
Adjusting Journal Entries JE # 18			
PBC JE44 To reverse JE39 and record adjustment to outstanding errors on the bank reconciliations. See 4201.01 GF-27			
001-0-102-00	Cash Control/Checking	16,091.00	
001-1-620-00	City Recorder		1,221.00
001-1-640-00	Fica-MC		2,898.00
001-1-650-00	Saif-Unemployment		26.00
001-1-670-00	Medical/dental Insurance		10,706.00
001-1-671-00	Sep		1,240.00
Total		<u>16,091.00</u>	<u>16,091.00</u>
Adjusting Journal Entries JE # 19			
PBC JE45 To record bank account x836 held by the City at 6/30/21. See 4201.02 in the FY21-22 section GF-27			
001-0-102-00	Cash Control/Checking	1,361.00	
001-0-580-00	Miscellaneous		1,361.00

Total		<u>1,361.00</u>	<u>1,361.00</u>
Adjusting Journal Entries JE # 20	GF-27		
PBC JE46 To record adjustment to cash to agree Vision to the bank reconciliations/statements.			
001-0-102-00	Cash Control/Checking	3,844.00	3,844.00
001-0-580-00	Miscellaneous		
Total		<u>3,844.00</u>	<u>3,844.00</u>
Total Adjusting Journal Entries		<u>118,212.57</u>	<u>118,212.57</u>
Total All Journal Entries		<u>118,212.57</u>	<u>118,212.57</u>

To the City Council and Management
City of Siletz
Siletz, Oregon

We were engaged to audit of the financial statements of the governmental activities, the business-type activities, and each major fund of City of Siletz (the City) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America. We considered the City's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, though we did not express an opinion on the financial statements of the City. We did not consider the City's internal control for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the following deficiencies in internal control to be material weaknesses:

The City did not have internal controls in place to ensure that key accounting functions were being performed in a timely manner and that proper accounting records were kept. Functions that were not timely include recording and depositing of cash receipts and reconciliations, especially bank and payroll reconciliations. Missing records include the City's utility deposits policy and support for nature of cash receipts. As a result, the financial statements are unreliable, and fraud may have occurred that was not prevented nor detected.

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.

This communication is intended solely for the information and use of management, City Council, and others within the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Aldrich CPAs + Advisors LLP

Salem, Oregon
March 29, 2024

CITY OF SILETZ, OREGON
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended
June 30, 2021

with

Independent Auditor's Report

**CITY OF SILETZ, OREGON
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INTRODUCTORY SECTION

**CITY OF SILETZ, OREGON
CITY OFFICIALS
June 30, 2021**

City Officials

Willie Worman, Mayor
PO Box 740
Siletz, Oregon 97380

Term Expires

December 31, 2024

Council Members

Leslie Fawver
PO Box 740
Siletz, Oregon 97380

December 31, 2022

Jennifer Whitehead
PO Box 740
Siletz, Oregon 97380

December 31, 2024

Susan Tachsel, President
PO Box 740
Siletz, Oregon 97380

December 31, 2024

Gail Freer
PO Box 740
Siletz, Oregon 97380

December 31, 2022

Recorder/Treasurer

Tracey Viar
Siletz, Oregon 97380

Attorney

Douglas Holbrook
Newport, Oregon 97380

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Siletz
Siletz, Oregon

Report on the Audit of the Financial Statements

Disclaimer of Opinions

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Siletz (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We do not express an opinion on the financial statements of the City of Siletz referred to above. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinions

We are unable to provide opinions on the financial statements and supplementary information because certain records and supporting data were not available for our audit. Due to turnover of the City's employees, proper documentation was not retained to permit the application of auditing procedures. Therefore, we were not able to obtain sufficient appropriate audit evidence to serve as a basis for expressing opinions on the financial statements and supplementary information.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the City's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinions section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions on these financial statements.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Required Supplementary Information

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

The budgetary comparison schedules, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinions section of our report, it is inappropriate to, and the auditor does not, express an opinion on the budgetary comparison schedules.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinions section of our report, it is inappropriate to, and the auditor does not, express an opinion on the supplementary information.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated March 29, 2024, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Salem, Oregon
March 29, 2024

CITY OF SILETZ, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Fiscal Year Ended June 30, 2021

As management of the City of Siletz, Oregon (the "City"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. Information in this Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions. We encourage readers to consider the information presented here in conjunction with additional information provided in the basic financial statements and the accompanying notes to the financial statements, which are also included in this report.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded the sum of its liabilities at the close of the most recent fiscal year by \$6,917,133 (net position). Of this amount, \$2,133,471 is the City's net investment in capital assets, \$330,357 is restricted for specific purposes, and \$4,453,305 (unrestricted) may be used to meet the City's obligations to creditors and to meet service expectations by its citizens. The City's total net position decreased by \$77,500 from the prior year.

The City's governmental activities reported total net position of \$1,260,642. Of this amount, \$404,735 is unrestricted and thus available for spending at the City's discretion.

The City's business-type activities reported total net position of \$5,656,491. Of this amount, \$4,048,570 is unrestricted and thus available for spending at the City's discretion.

The City's governmental funds reported combined ending fund balances of \$501,511 an increase of \$102,528 compared to the prior year. The increase is primarily due to increased revenues in the General Fund, along with expenditures in the General Fund and Street Fund in line with prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The report also contains required and other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

These two statements present an overview of the City's finances, in a manner similar to the private sector. Each statement presents highly condensed, entity-wide information and uses the full accrual basis of accounting.

The Statement of Net Position presents information on the City's total assets and liabilities, with the resulting difference between them presented as net position. Over time, increases or decreases to net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. The financial position of the City is best indicated by changes in cash flow and cash reserves as noted in the City's most recent budget.

CITY OF SILETZ, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Fiscal Year Ended June 30, 2021

The Statement of Activities focuses on the change in net position over the last year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Governmental activities of the City reports on general government, highways and streets, community development, and culture and recreation. Business-type activities consist of water and sewer operations.

FUND FINANCIAL STATEMENTS

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of state and local governments can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Library Fund, State Revenue Sharing Fund, Street Fund and Street Improvement Reserve Fund. The City combined these funds into two major funds: Combined General Fund and Combined Street Fund.

Proprietary Funds. Proprietary funds represent two segments of operations, water and sewer, used to account for activities that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing these services to the general public on a continuing basis be financed primarily through user charges.

Fiduciary Funds. The City currently reports no fiduciary funds.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes combining schedules and budgetary comparison schedules for the General Fund and Street Fund, and disclosures that are required by the GASB but are not considered part of basic financial statements.

CITY OF SILETZ, OREGON

**MANAGEMENT'S DISCUSSION AND ANALYSIS
for the Fiscal Year Ended June 30, 2021**

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information contains the budgetary comparison schedule for the Library Fund, State Revenue Sharing Fund, and Street Improvement Reserve Fund, along with the combining schedules and budgetary comparison schedules for the proprietary funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$6,917,133 at the close of the most recent fiscal year.

**Statement of Net Position
June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Cash and investments	\$ 493,546	\$ 404,795	\$ 4,324,046	\$ 4,036,889	\$ 4,817,592	\$ 4,441,684
Other assets	50,361	1,141	101,676	102,615	152,037	103,756
Capital assets	779,340	902,353	2,874,466	3,235,014	3,653,806	4,137,367
Total assets	1,323,247	1,308,289	7,300,188	7,374,518	8,623,435	8,682,807
Other liabilities	62,605	6,953	182,518	160,469	245,123	167,422
Non-current liabilities	-	-	1,461,179	1,520,752	1,461,179	1,520,752
Total liabilities	62,605	6,953	1,643,697	1,681,221	1,706,302	1,688,174
Net investment in capital assets						
assets	779,340	902,353	1,354,131	1,657,663	2,133,471	2,560,016
Restricted	76,567	96,260	253,790	250,205	330,357	346,465
Unrestricted	404,735	302,723	4,048,570	3,785,429	4,453,305	4,088,152
Total net position	\$ 1,260,642	\$ 1,301,336	\$ 5,656,491	\$ 5,693,297	\$ 6,917,133	\$ 6,994,633

The City reported investment in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation) less any related outstanding debt used to acquire those assets of \$2,133,471, which represents 30.8% of the total net position. Although the City's net investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot, nor are expected to, be used to liquidate liabilities or for future spending. An additional portion of the City's net position, \$330,357, or 4.7%, represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position totaling \$4,453,305 or 64.4%. As of June 30, 2021, the City had positive balances in all three categories of net position for the City as a whole.

GOVERNMENTAL ACTIVITIES

Total net position of governmental activities decreased by \$40,694 or -3.1% for the year. The \$14,958 increase in total assets included increases in cash and other assets of \$88,751 and \$49,220, respectively, and a decrease in capital assets of \$123,013 due to depreciation expense and no capital asset purchases in fiscal year 2021.

Other liabilities increased by \$55,652 due to increases in accrued payroll liabilities in fiscal year 2021.

CITY OF SILETZ, OREGON

**MANAGEMENT'S DISCUSSION AND ANALYSIS
for the Fiscal Year Ended June 30, 2021**

BUSINESS-TYPE ACTIVITIES

Total net position of business-type activities decreased by \$36,806 or -0.6% for the year. The \$74,330, decrease in total assets included increases in cash of \$287,157, a decrease in other assets of \$939, and a decrease in capital assets of \$360,548 due to depreciation expense and no capital asset purchases in fiscal year 2021.

Non-current liabilities decreased by \$59,573 as the City made its annual principal payments on outstanding debt in fiscal year 2021.

**Statement of Activities
For Fiscal Years Ended June 30, 2021 and 2020**

	Governmental Activities		Primary Government Business-Type Activities		Total City	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for service	\$ 19,447	\$ 17,763	\$ 950,158	\$ 948,129	\$ 969,605	\$ 965,892
Operating grants & contributions	117,510	150,198	-	-	117,510	150,198
General revenues:						
Property taxes	13,070	12,609	-	-	13,070	12,609
Franchise taxes	30,537	29,285	-	-	30,537	29,285
Public service taxes and revenue sharing	87,369	74,021	-	-	87,369	74,021
Other	31,755	4,349	6,897	14,643	38,652	18,992
Total revenues	299,688	288,225	957,055	962,772	1,256,743	1,250,997
Expenses:						
Governmental activities:						
General government	136,626	210,096	-	-	136,626	210,096
Highways and streets	168,329	79,325	-	-	168,329	79,325
Community development	2,412	896	-	-	2,412	896
Culture and recreation	59,567	3,000	-	-	59,567	3,000
Business-type activities:						
Water operations	-	-	501,714	457,266	501,714	457,266
Sewer operations	-	-	407,184	384,378	407,184	384,378
Total expenses	366,934	293,317	908,898	841,644	1,275,832	1,134,961
Change in net position	(67,246)	(5,092)	48,157	121,128	(19,089)	116,036
Beginning net position as previously reported	1,301,336	1,306,428	5,693,297	5,572,169	6,994,633	6,878,597
Prior period adjustment	26,552	-	(84,963)	-	(58,411)	-
Beginning net position as restated	1,327,888	1,306,428	5,608,334	5,572,169	6,936,222	6,878,597
Total net position	\$ 1,260,642	\$ 1,301,336	\$ 5,656,491	\$ 5,693,297	\$ 6,917,133	\$ 6,994,633

GOVERNMENTAL ACTIVITIES

Net position of governmental activities decreased by \$36,806. Total revenues increased by \$11,463, or 4.0% from the prior year, while total expenses increased by \$73,617, or 25%. This increase in expenses was due in part to an increase in depreciation expense. The City also reported a prior period adjustment to increase its beginning net position of \$26,552. Specific information on this adjustment can be found in Note 4.C of the Notes to the Financial Statements.

BUSINESS-TYPE ACTIVITIES

Net position of business-type activities increased by \$48,157. Total revenues decreased by \$5,717, or -0.6% from the prior year, while total expenses increased by \$67,254, or 8.0%. The City also reported a

CITY OF SILETZ, OREGON

**MANAGEMENT'S DISCUSSION AND ANALYSIS
for the Fiscal Year Ended June 30, 2021**

prior period adjustment to decrease its beginning net position of \$84,963. Specific information on this adjustment can be found in Note 4.C of the Notes to the Financial Statements.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year as they have not been limited to use for a particular purpose.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$501,511.

**Governmental Fund - Ending Fund Balances
June 30, 2021 and 2020**

	Major Funds					
	Combined General		Combined Street		Total	
	2021	2020	2021	2020	2021	2020
Nonspendable	\$ 2,509	\$ -	\$ -	\$ -	\$ 2,509	\$ -
Restricted	-	-	76,567	96,260	76,567	96,260
Committed	7,909	7,880	61,465	40,213	69,374	48,093
Assigned	-	36,559	-	-	-	36,559
Unassigned	353,061	218,071	-	-	353,061	218,071
Ending Fund Balance	\$ 363,479	\$ 262,510	\$ 138,032	\$ 136,473	\$ 501,511	\$ 398,983

Combined General Fund. The combined general fund includes the General fund, Library Fund and State Revenue Sharing Fund. The General Fund is the City's main operating fund. Its ending fund balance increased by \$100,969 or 38.5% from the prior year. This increase is mainly due to higher revenues in the current fiscal year related to higher franchise fees revenues and Coronavirus Relief Fund (CRF) grant revenues in the current fiscal year. Additionally, the fund reported a prior period adjustment to increase its beginning fund balance by \$23,722. Specific information on this adjustment can be found in Note 4.C of the Notes to the Financial Statements. Expenditures were lower than appropriated on the budget.

Combined Street Fund. The Street Fund experienced minimal change in its ending fund balance as it increased by \$1,559 or 1.1% from prior year. Additionally, the fund reported a prior period adjustment to increase its beginning fund balance by \$9,783. Specific information on this adjustment can be found in Note 4.C of the Notes to the Financial Statements.

PROPRIETARY FUNDS

The City has two major proprietary funds: the Water Fund and Sewer Fund. Both funds reported decreases in net position mainly due to prior period adjustments to decreased beginning net position. Specific information on this adjustment can be found in Note 4.C of the Notes to the Financial Statements.

CITY OF SILETZ, OREGON

**MANAGEMENT'S DISCUSSION AND ANALYSIS
for the Fiscal Year Ended June 30, 2021**

**Business-type Activities - Ending Net Position
June 30, 2021 and 2020**

	Ending Net Position					
	Water Operations		Sewer Operations		Total	
	2021	2020	2021	2020	2021	2020
Unrestricted	\$2,108,389	\$1,999,705	\$1,940,181	\$1,785,724	\$4,048,570	\$3,785,429
Restricted	88,967	88,621	164,823	161,584	253,790	250,205
Net investment in capital assets	1,091,396	1,232,994	262,735	424,669	1,354,131	1,657,663
Ending Net Position	\$3,288,752	\$3,321,320	\$2,367,739	\$2,371,977	\$5,656,491	\$5,693,297

BUDGETARY HIGHLIGHTS

The City made no budget adjustments in the current year ended June 30, 2021.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

	Capital Assets June 30, 2021 and 2020					
	Governmental Activities		Business-Type Activities		Total City	
	2021	2020	2021	2020	2021	2020
Land	\$ -	\$ -	\$ 39,400	\$ 39,400	\$ 39,400	\$ 39,400
Buildings and improvements	1,064,885	1,064,885	6,326,408	6,326,408	7,391,293	7,391,293
Equipment and vehicles	98,397	98,397	392,295	392,295	490,692	490,692
Infrastructure	1,177,745	1,177,745	2,762,220	2,762,220	3,939,965	3,939,965
Construction in progress	-	-	-	88,844	-	88,844
Total capital assets	2,341,027	2,341,027	9,520,323	9,609,167	11,861,350	11,950,194
Accumulated depreciation	(1,561,687)	(1,438,674)	(6,645,857)	(6,374,155)	(8,207,544)	(7,812,829)
Net capital assets	\$ 779,340	\$ 902,353	\$ 2,874,466	\$ 3,235,012	\$ 3,653,806	\$ 4,137,365

The City had total capital asset decreases of \$483,559 from the prior year. There were no capital asset additions during the fiscal year. The City recognized depreciation expenses of \$123,013 and \$271,703 for governmental activities and business-type activities, respectively. Additionally, the City recorded a prior period adjustment to removed construction in progress that was incorrectly capitalized in the prior fiscal year.

CITY OF SILETZ, OREGON

**MANAGEMENT'S DISCUSSION AND ANALYSIS
for the Fiscal Year Ended June 30, 2021**

LONG-TERM DEBT

**Long-Term Debt Outstanding
June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total City	
	2021	2020	2021	2020	2021	2020
Revenue bonds	\$ -	\$ -	\$ 1,232,957	\$ 1,273,002	\$ 1,232,957	\$ 1,273,002
SRF loan	-	-	287,378	304,350	287,378	304,350
Total long term debt	\$ -	\$ -	\$ 1,520,335	\$ 1,577,352	\$ 1,520,335	\$ 1,577,352

At the end of the current fiscal year, the City had total debt outstanding of approximately \$1,520,335. All debt is reported in the proprietary funds. The City's total debt outstanding represents long term borrowings.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The largest revenue sources of the City's governmental activities are property taxes, franchise fees, and state shared revenues. Oregon has no sales tax, resulting in local government's heavy reliance on property taxes and other self-generated revenues including charges for services. The State Constitution limits the annual growth of maximum assessed value to 3%, other than new development, and caps maximum property tax rates. In 2022, the City's assessed value increased 2.376%. The City's business-type activities are funded through water and sewer rates; these rates are generally adjusted annually for inflation.

The City budgets on an annual basis and during preparation of the budget for the ensuing year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The City's adopted budget for the fiscal year July 1, 2021 through June 30, 2022 was \$1,486,303. The current budget, after adjustments, is \$1,461,383.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the City Recorder at P.O. Box 318, Siletz, Oregon 97380.

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BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF SILETZ, OREGON
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 493,546	\$ 4,324,046	\$ 4,817,592
Accounts receivable	47,852	86,108	133,960
Prepays	2,509	5,468	7,977
Inventories	-	10,100	10,100
Total current assets	<u>543,907</u>	<u>4,425,722</u>	<u>4,969,629</u>
Noncurrent assets:			
Capital assets not being depreciated:			
Land	-	39,400	39,400
Capital assets, net of accumulated depreciation:			
Buildings	617,742	1,615,980	2,233,722
Machinery, equipment, and vehicles	1,061	112,637	113,698
Infrastructure	160,537	1,106,449	1,266,986
Total noncurrent assets	<u>779,340</u>	<u>2,874,466</u>	<u>3,653,806</u>
Total assets	<u>1,323,247</u>	<u>7,300,188</u>	<u>8,623,435</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	42,396	8,309	50,705
Deposits	-	37,162	37,162
Unearned revenue	-	2,524	2,524
Interest payable	-	35,720	35,720
Compensated absences	20,209	39,647	59,856
Bonds and notes payable due within one year	-	59,156	59,156
Total current liabilities	<u>62,605</u>	<u>182,518</u>	<u>245,123</u>
Noncurrent liabilities:			
Bonds and notes payable due in more than one year	-	1,461,179	1,461,179
Total noncurrent liabilities	<u>-</u>	<u>1,461,179</u>	<u>1,461,179</u>
Total liabilities	<u>62,605</u>	<u>1,643,697</u>	<u>1,706,302</u>
NET POSITION			
Net investment in capital assets	779,340	1,354,131	2,133,471
Restricted for:			
Debt service	-	191,288	191,288
System development	-	62,502	62,502
Street	76,567	-	76,567
Unrestricted	404,735	4,048,570	4,453,305
Total net position	<u>\$ 1,260,642</u>	<u>\$ 5,656,491</u>	<u>\$ 6,917,133</u>

CITY OF SILETZ, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net Expense Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business Type Activities	Total
GOVERNMENTAL ACTIVITIES						
General government	\$ 136,626	\$ 19,447	\$ 25,518	\$ (91,661)	\$ -	\$ (91,661)
Highways and streets	168,329	-	91,992	(76,337)	-	(76,337)
Community development	2,412	-	-	(2,412)	-	(2,412)
Culture and recreation	59,567	-	-	(59,567)	-	(59,567)
Total governmental activities	366,934	19,447	117,510	(229,977)	-	(229,977)
BUSINESS-TYPE ACTIVITIES						
Water operations	501,714	505,079	-	-	3,365	3,365
Sewer operations	407,184	445,079	-	-	37,895	37,895
Total business-type activities	908,898	950,158	-	-	41,260	41,260
Total government	<u>\$ 1,275,832</u>	<u>\$ 969,605</u>	<u>\$ 117,510</u>	<u>(229,977)</u>	<u>41,260</u>	<u>(188,717)</u>
General revenues:						
Property taxes				13,070	-	13,070
Franchise taxes				30,537	-	30,537
Public service taxes and revenue sharing				87,369	-	87,369
Interest and investment earnings				1,905	6,897	8,802
Miscellaneous revenues				29,850	-	29,850
Total general revenues				162,731	6,897	169,628
Change in net position				(67,246)	48,157	(19,089)
NET POSITION - beginning				1,301,336	5,693,297	6,994,633
Prior period adjustments				26,552	(84,963)	(58,411)
NET POSITION - ending				<u>\$ 1,260,642</u>	<u>\$ 5,656,491</u>	<u>\$ 6,917,133</u>

FUND FINANCIAL STATEMENTS
Major Governmental Funds

Combined General Fund

The Combined General Fund includes the City's General, Library, and State Revenue Sharing Funds. The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Combined Street Fund

The Combined Street Fund includes both the Street Fund and the Street Improvement Reserve Fund. These funds account for the maintenance, operation and construction of the City's streets. The primary source of revenues is State shared highway funds.

CITY OF SILETZ, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	Combined General Fund	Combined Street Fund	Total Governmental
ASSETS			
Cash and cash equivalents	\$ 363,151	\$ 130,395	\$ 493,546
Accounts receivable	39,682	8,170	47,852
Prepays	2,509	-	2,509
Total assets	<u>\$ 405,342</u>	<u>\$ 138,565</u>	<u>\$ 543,907</u>
LIABILITIES			
Accounts payable	\$ 1,440	\$ 533	\$ 1,973
Accrued liabilities	40,423	-	40,423
Total liabilities	<u>41,863</u>	<u>533</u>	<u>42,396</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	2,509	-	2,509
Restricted for:			
Street	-	76,567	76,567
Committed to:			
Library	7,909	-	7,909
Improvements reserve	-	61,465	61,465
Unassigned	<u>353,061</u>	<u>-</u>	<u>353,061</u>
Total fund balances	<u>363,479</u>	<u>138,032</u>	<u>501,511</u>
Total liabilities and fund balances	<u>\$ 405,342</u>	<u>\$ 138,565</u>	

Amounts reported in the statement of net position are different because:

The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole.

Net capital assets	\$ 779,340
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Liabilities and deferred inflows of resources, including accrued liabilities and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds:

Accrued compensated absences	<u>(20,209)</u>
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Net position of governmental activities	<u>\$ 1,260,642</u>
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CITY OF SILETZ, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	Combined General Fund	Combined Street Fund	Total Governmental
REVENUES			
Property taxes	\$ 13,070	\$ -	\$ 13,070
Public service taxes	57,953	-	57,953
Franchise fees	30,537	-	30,537
Grants	25,518	-	25,518
Licenses and permits	4,476	-	4,476
Intergovernmental	29,416	91,992	121,408
Fines and forfeitures	1,339	-	1,339
Fees and charges	13,632	-	13,632
Interest	792	1,113	1,905
Miscellaneous	29,850	-	29,850
Total revenues	<u>206,583</u>	<u>93,105</u>	<u>299,688</u>
EXPENDITURES			
Current:			
General government	123,924	-	123,924
Highways and streets	-	101,329	101,329
Community development	2,412	-	2,412
Culture and recreation	3,000	-	3,000
Total expenditures	<u>129,336</u>	<u>101,329</u>	<u>230,665</u>
Revenues over (under) expenditures	<u>77,247</u>	<u>(8,224)</u>	<u>69,023</u>
Net changes in fund balance	77,247	(8,224)	69,023
FUND BALANCE, BEGINNING	262,510	136,473	398,983
Prior period adjustment	<u>23,722</u>	<u>9,783</u>	<u>33,505</u>
FUND BALANCE, ENDING	<u>\$ 363,479</u>	<u>\$ 138,032</u>	<u>\$ 501,511</u>

**CITY OF SILETZ, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021**

Amounts reported in the statement of activities are different because:

Net change in fund balances	\$ 69,023
<p>The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>	
Depreciation	(123,013)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	<u>(13,256)</u>
Change in net position of governmental activities	<u>\$ (67,246)</u>

FUND FINANCIAL STATEMENTS
Proprietary Funds

Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent two segments of operations – Water and Sewer. Included in these segments are:

Water Operations

Water operations account for financial activity related to the supply, treatment, and distribution of water. The primary source of revenues consists of water sales and related charges. Water operations include the following funds:

Water Fund

Water Facilities Reserve Fund

Camp 12 Utility Bond Fund

RUS Revenue Bond Fund

RUS Revenue Bond Reserve Fund

Water System Development Fund

SDWR Loan Fund

Sewer Operations

Sewer operations account for the resources and expense related to collection and treatment of wastewater. The primary source of revenue consists of charges for sewer services. Sewer operations include the following funds:

Sewer Fund

Sewer Facilities (I/I) Reserve Fund

FmHA Revenue Bond Fund

FmHA Reserve Fund

SRF Loan Reserve Fund

I/I Revenue Bond Fund

I/I Revenue Bond Reserve Fund

Wastewater System Development Fund

**CITY OF SILETZ, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2021**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,224,968	\$ 2,099,078	\$ 4,324,046
Accounts receivables, net	47,046	39,062	86,108
Prepaid items	3,184	2,284	5,468
Inventories	10,100	-	10,100
Total current assets	<u>2,285,298</u>	<u>2,140,424</u>	<u>4,425,722</u>
Noncurrent assets:			
Capital assets not being depreciated:			
Land	-	39,400	39,400
Capital assets, net of accumulated depreciation			
Buildings	893,732	722,248	1,615,980
Machinery, equipment, and vehicles	64,824	47,813	112,637
Infrastructure	1,106,449	-	1,106,449
Total noncurrent assets	<u>2,065,005</u>	<u>809,461</u>	<u>2,874,466</u>
Total assets	<u>4,350,303</u>	<u>2,949,885</u>	<u>7,300,188</u>
LIABILITIES			
Current liabilities:			
Accounts payable	250	6,135	6,385
Accrued liabilities	1,086	838	1,924
Deposits payable	37,162	-	37,162
Unearned revenue	2,524	-	2,524
Accrued interest payable	27,409	8,311	35,720
Compensated absences	19,511	20,136	39,647
Bonds payable - due within one year	21,900	20,114	42,014
Loans payable - due within one year	17,142	-	17,142
Total current liabilities	<u>126,984</u>	<u>55,534</u>	<u>182,518</u>
Noncurrent liabilities:			
Bonds payable	664,331	526,612	1,190,943
Loans payable	270,236	-	270,236
Total noncurrent liabilities	<u>934,567</u>	<u>526,612</u>	<u>1,461,179</u>
Total liabilities	<u>1,061,551</u>	<u>582,146</u>	<u>1,643,697</u>
NET POSITION			
Net investment in capital assets	1,091,396	262,735	1,354,131
Restricted for:			
Debt service	66,772	124,516	191,288
System development	22,195	40,307	62,502
Unrestricted	2,108,389	1,940,181	4,048,570
Total net position	<u>\$ 3,288,752</u>	<u>\$ 2,367,739</u>	<u>\$ 5,656,491</u>

**CITY OF SILETZ, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 For the Fiscal Year Ended June 30, 2021**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Total</u>
OPERATING REVENUES			
Charges for service	\$ 505,079	\$ 445,079	\$ 950,158
Total operating revenues	<u>505,079</u>	<u>445,079</u>	<u>950,158</u>
OPERATING EXPENSES			
Personal services	220,548	157,830	378,378
Materials and services	112,473	87,495	199,968
Depreciation	<u>136,753</u>	<u>134,950</u>	<u>271,703</u>
Total operating expenses	<u>469,774</u>	<u>380,275</u>	<u>850,049</u>
Operating income	<u>35,305</u>	<u>64,804</u>	<u>100,109</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	4,350	2,547	6,897
Interest expense	<u>(31,940)</u>	<u>(26,909)</u>	<u>(58,849)</u>
Total non-operating revenues (expense)	<u>(27,590)</u>	<u>(24,362)</u>	<u>(51,952)</u>
Change in net position	7,715	40,442	48,157
NET POSITION - beginning	3,321,320	2,371,977	5,693,297
Prior period adjustment	<u>(40,283)</u>	<u>(44,680)</u>	<u>(84,963)</u>
NET POSITION - ending	<u>\$ 3,288,752</u>	<u>\$ 2,367,739</u>	<u>\$ 5,656,491</u>

CITY OF SILETZ, OREGON
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u> <u>Operations</u>	<u>Sewer</u> <u>Operations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 511,932	\$ 448,835	\$ 960,767
Cash paid to employees and others for salaries/benefits	(209,609)	(145,065)	(354,674)
Cash paid to suppliers and others	(120,918)	(88,888)	(209,806)
Net cash flows provided by operating activities	<u>181,405</u>	<u>214,882</u>	<u>396,287</u>
CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES			
Debt principal payments	(37,928)	(19,088)	(57,016)
Interest paid	(34,867)	(28,026)	(62,893)
Net cash used for capital and related financing activities	<u>(72,795)</u>	<u>(47,114)</u>	<u>(119,909)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6,840	3,939	10,779
Net cash provided by investing activities	<u>6,840</u>	<u>3,939</u>	<u>10,779</u>
Net increase in cash and cash equivalents	115,450	171,707	287,157
CASH AND CASH EQUIVALENTS - beginning	<u>2,109,518</u>	<u>1,927,371</u>	<u>4,036,889</u>
CASH AND CASH EQUIVALENTS - ending	<u>\$ 2,224,968</u>	<u>\$ 2,099,078</u>	<u>\$ 4,324,046</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 35,305	\$ 64,804	\$ 100,109
Adjustments to reconcile operating income to net cash used by operating activities:			
Depreciation of capital assets	136,753	134,950	271,703
Change in assets and liabilities:			
Accounts receivable	3,015	3,756	6,771
Prepaid expenses	(3,184)	(2,284)	(5,468)
Inventories	(364)	-	(364)
Accounts payable and accrued expenses	(3,811)	1,729	(2,082)
Deposits	1,314	-	1,314
Unearned revenue	2,524	-	2,524
Accrued compensated absences	9,853	11,927	21,780
Net cash provided by operating activities	<u>\$ 181,405</u>	<u>\$ 214,882</u>	<u>\$ 396,287</u>

CITY OF SILETZ, OREGON

NOTES TO FINANCIAL STATEMENTS for the Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Siletz have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting standards. The more significant accounting policies of the City are described below.

A. Reporting Entity

The City of Siletz is a municipal corporation and therefore is exempt from federal taxes. It operates under the provisions of the City Charter established in 1951 which authorizes a mayor and council form of government. The mayor is elected for a term of two years, and the four city council members are elected for a period of four years. Two council members are elected alternately every two years. The recorder/treasurer is appointed by the council.

There are various other governmental agencies and special service districts which provide services within the City's boundaries. However, the City is not financially accountable for any of these entities and accordingly their financial information is not included in these financial statements.

B. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include all the financial activities of the City. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental and proprietary, even though the latter are excluded from government-wide financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

CITY OF SILETZ, OREGON

NOTES TO FINANCIAL STATEMENTS for the Year Ended June 30, 2021

Government-wide financial statements and the proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are reported when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reporting using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when the payment is due.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund-based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Street Fund accounts for the maintenance, operation and construction of the City's streets. The primary source of revenues is State shared highway funds.

The government reports the following major proprietary funds:

Water Fund accounts for financial activity related to supply, treatment and distribution of water, with the primary revenue coming from user fees.

Sewer Fund accounts for the resources and expense related to collection and treatment of wastewater. The primary source of revenue is user fees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include licenses, permits and fees, capital grants, and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources to the limits of the policies and statutes governing them first, then unrestricted resources as they are needed.

CITY OF SILETZ, OREGON

NOTES TO FINANCIAL STATEMENTS for the Year Ended June 30, 2021

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments included in cash and cash equivalents are reported at fair value. The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The City maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

E. Inventory

Inventories are valued at cost, which approximates a net realizable value, using the first-in/first-out (FIFO) method. The cost of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

F. Restricted Assets

Assets that may be refunded or are committed to be used for the payment of bonded debt are classed as restricted assets on the balance sheet. Restricted resources are expended first to fund appropriations for which those restrictions were to be utilized.

G. Capital Assets

Capital assets, which include buildings and improvements, plant, equipment and vehicles, and infrastructure (e.g. streets, roads, sidewalks and similar public domain items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined in the City's capitalization policy as having a historic cost or fair value in excess of \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are valued at their estimated fair value at the date of the donation.

Additions, improvements and other capital outlays that significantly improve the useful life or increase the capacity of an asset are capitalized. Other costs incurred for maintenance and repairs are expensed. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings and structures	18 - 37 years
Equipment	3 - 10 years
Vehicles	5 - 7 years
Infrastructure	20 - 40 years

CITY OF SILETZ, OREGON

NOTES TO FINANCIAL STATEMENTS for the Year Ended June 30, 2021

H. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in the year of issue and are shown as other financing uses.

I. Compensated Absences

It is the City'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 government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements.

J. Interfund Transactions

Quasi-external transactions and reimbursements between funds are reported as exchange transactions. All other interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as equity transfers. All other interfund transfers are reported as operating transfers.

K. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance - represents amounts that are not immediately converted to cash. The nonspendable fund balance represents inventories and prepaid items.

Restricted fund balance - represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

Committed fund balance - represents amounts that have been committed by resolution of the Council which is the City's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the Council removes the constraint by similar Council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned fund balance - represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.

Unassigned fund balance - is the residual classification of the General Fund used for those balances not assigned to another category. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

CITY OF SILETZ, OREGON

**NOTES TO FINANCIAL STATEMENTS
for the Year Ended June 30, 2021**

The City considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. For unrestricted fund balance amounts, the City considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

L. Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation, less outstanding principal of capital-related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments). The remaining net position is considered unrestricted.

M. Use of Estimates

The preparation of financial statements in conformity with GAAP requires that management make estimates and assumptions which affect the reporting amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DETAILED NOTES ON ALL FUNDS

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2021 consist of the following:

Cash on hand	\$	200
Deposits with financial institutions		3,989,631
Investments - external investments pool		827,761
Total	\$	<u>4,817,592</u>

Deposits

At the end of the fiscal year, the City's total deposits with financial institutions had a bank balance of \$4,010,687.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy addressing custodial credit risk. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. None of the City's bank balances were exposed to custodial credit risk as they were fully insured or collateralized under PFCP.

CITY OF SILETZ, OREGON

NOTES TO FINANCIAL STATEMENTS for the Year Ended June 30, 2021

Investments

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. At the end of the fiscal year, the fair value of the City's deposits with the LGIP approximately equals the value of the pool shares.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

Oregon Statutes limit investments to general obligations of U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, high-grade commercial paper and the State Treasurer's Local Government Investment Pool. The City's investment is in compliance with State statutes. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The LGIP is not credit rated.

Concentration of credit risk

At June 30, 2021, the City held 100% of its investments in the Oregon State Treasury's Local Government Investment Pool. The City places no limit on the amount it may invest in any one issuer.

B. RECEIVABLES

Property Taxes

Uncollected receivables are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible accounts has been established.

Property taxes are levied on July 1, payable in three installments: November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Due to the size of its collections, the City receives its full levy each year.

CITY OF SILETZ, OREGON

**NOTES TO FINANCIAL STATEMENTS
for the Year Ended June 30, 2021**

C. CAPITAL ASSETS

The following is a summary of changes in the governmental-type assets:

Total Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Depreciable:				
Buildings	\$ 1,064,885	\$ -	\$ -	\$ 1,064,885
Machinery and equipment	98,397	-	-	98,397
Infrastructure	1,177,745	-	-	1,177,745
Total depreciable	<u>2,341,027</u>	<u>-</u>	<u>-</u>	<u>2,341,027</u>
Accumulated depreciation:				
Buildings	(418,207)	(28,936)	-	(447,143)
Machinery and equipment	(95,207)	(2,129)	-	(97,336)
Infrastructure	(925,260)	(91,947)	-	(1,017,207)
Total accumulated depreciation	<u>(1,438,674)</u>	<u>(123,013)</u>	<u>-</u>	<u>(1,561,687)</u>
Governmental activities capital assets, net	<u>\$ 902,353</u>	<u>\$ (123,013)</u>	<u>\$ -</u>	<u>\$ 779,340</u>

Depreciation expense within governmental activities was charged to functions/programs as follows:

Depreciation is charged to:	
General Government	\$ 9,825
Streets	56,621
Culture and Recreation	56,567
	<u>\$ 123,013</u>

CITY OF SILETZ, OREGON

**NOTES TO FINANCIAL STATEMENTS
for the Year Ended June 30, 2021**

Below is a summary of business-type depreciable capital assets:

	<u>Unadjusted Beginning Balance</u>	<u>Adjustments</u>	<u>Adjusted Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Non-depreciable:						
Land	\$ 39,400	\$ -	\$ 39,400	\$ -	\$ -	\$ 39,400
Construction in progress	88,845	(88,845)	-	-	-	-
Total non-depreciable	<u>128,245</u>	<u>(88,845)</u>	<u>39,400</u>	<u>-</u>	<u>-</u>	<u>39,400</u>
Depreciable:						
Buildings	6,326,408	-	6,326,408	-	-	6,326,408
Machinery and equipment	392,295	-	392,295	-	-	392,295
Infrastructure	2,762,220	-	2,762,220	-	-	2,762,220
Total depreciable	<u>9,480,923</u>	<u>-</u>	<u>9,480,923</u>	<u>-</u>	<u>-</u>	<u>9,480,923</u>
Accumulated depreciation:						
Buildings	(4,540,627)	-	(4,540,627)	(169,801)	-	(4,710,428)
Machinery and equipment	(256,209)	-	(256,209)	(23,449)	-	(279,658)
Infrastructure	(1,577,318)	-	(1,577,318)	(78,453)	-	(1,655,771)
Total accumulated depreciation	<u>(6,374,154)</u>	<u>-</u>	<u>(6,374,154)</u>	<u>(271,703)</u>	<u>-</u>	<u>(6,645,857)</u>
Business-type activities capital assets, net	<u>\$ 3,235,014</u>	<u>\$ (88,845)</u>	<u>\$ 3,146,169</u>	<u>\$ (271,703)</u>	<u>\$ -</u>	<u>\$ 2,874,466</u>

Depreciation expense within business-type activities was charged as follows:

Depreciation charged to:	
Water	\$ 136,753
Sewer	134,950
	<u>\$ 271,703</u>

D. LONG-TERM DEBT

Business-Type – Bonds Payable

Bonds consist of three Revenue Bonds issued in 1995, 2000 and 2005. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Revenue bonds are retired from pledged income derived from acquired or constructed assets. Bonds payable as of June 30, 2021, consist of the following:

1995 Revenue Bond, rate 5.625%, mature 2034	\$ 270,258
2000 Revenue Bond, rate 4.50%, mature 2041	686,231
2005 Revenue Bond, rate 4.25%, mature 2045	276,468
	<u>\$ 1,232,957</u>

CITY OF SILETZ, OREGON

**NOTES TO FINANCIAL STATEMENTS
for the Year Ended June 30, 2021**

Annual debt requirements to maturity:

Fiscal Year	Totals	
	Principal	Interest
2022	\$ 42,014	\$ 57,877
2023	44,036	55,855
2024	46,196	53,695
2025	48,350	51,541
2026	50,717	49,173
2027-31	292,791	206,664
2032-36	341,117	128,604
2037-41	300,716	55,410
2042-46	67,020	7,261
	<u>\$ 1,232,957</u>	<u>\$ 666,080</u>

NOTE - This is an estimated proration of bond and interest payments. The USDA has interest computed to the day payment is received, thus causing a variation between bond and interest payments.

Business Type - Loan Payable

The City received a State Revolving Fund Loan to finance the RUS Water Tank project. The original loan was \$728,241. Of this amount \$250,000 was forgiven, leaving a balance of \$478,241 with interest at 1%. Annual payments of \$20,015 began November 30, 2011, with final payment due November 30, 2037. The current balance is \$287,378.

Annual debt requirements to maturity:

Fiscal Year	Totals	
	Principal	Interest
2022	\$ 17,142	\$ 2,873
2023	17,313	2,702
2024	17,486	2,529
2025	17,661	2,354
2026	17,838	2,177
2027-31	91,899	8,176
2032-36	96,587	3,488
2037-41	11,452	115
	<u>\$ 287,378</u>	<u>\$ 24,414</u>

CITY OF SILETZ, OREGON

NOTES TO FINANCIAL STATEMENTS
for the Year Ended June 30, 2021

During the year, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities					
Compensated absences	<u>\$ 6,953</u>	<u>\$ 13,256</u>	<u>\$ -</u>	<u>\$ 20,209</u>	<u>\$ 20,209</u>
Business-type Activities					
Revenue bonds	\$ 1,273,002	\$ -	\$ 40,045	\$ 1,232,957	\$ 42,014
SRF loan	304,350	-	16,972	287,378	17,142
Compensated absences	<u>17,867</u>	<u>21,780</u>	<u>-</u>	<u>39,647</u>	<u>39,647</u>
Total business-type activities	<u>\$ 1,595,219</u>	<u>\$ 21,780</u>	<u>\$ 57,017</u>	<u>1,559,982</u>	<u>98,803</u>
Total Long-term Debt				<u>\$ 1,580,191</u>	<u>\$ 119,012</u>

In the governmental funds, the General Fund pays 42% and Street Fund pays 58% of the compensated absences.

Total interest expense was \$58,849, with the Water fund reporting \$31,940 and the Sewer fund \$26,909. There was no capitalized interest.

E. DEFERRED COMPENSATION

Employees of the City over 21 years of age and who have worked at least 30 days are included in a Simplified Employee Pension Plan. Under this plan, each eligible employee establishes an Individual Retirement Account. The City of Siletz's IRA is in the form of a flexible premium Deferred Annuity Policy issued by Farmers Life Insurance. The City contributes 6% of employee's payroll, and the employees can contribute up to an additional 3%. The total contribution (employer and employee) did not exceed \$16,500.

F. NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

The amount of net position restricted by enabling legislation is as follows:

Business-type Activities:

System Development – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charges are made

\$ 62,502

CITY OF SILETZ, OREGON

NOTES TO FINANCIAL STATEMENTS
for the Year Ended June 30, 2021

NOTE 4 - OTHER INFORMATION

A. Tax Abatement

GASB Statement No. 77, *Tax Abatement Disclosures*, requires governments that enter into tax abatement agreements to disclose information about those agreements. The City has not entered into any tax abatement agreements as of the end of the fiscal year; therefore, there are no amounts to disclose.

B. Risk Management

The City is exposed to various risks of loss related to theft of, damage to and destruction of assets; tort; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

C. Prior Period Adjustments

Government-Wide

The City recorded the following adjustments to its beginning net position on the City's statement of net position:

	Governmental Activities	Business-Type Activities
	<u> </u>	<u> </u>
Net position - beginning	\$ 1,301,336	\$ 5,693,297
Prior period adjustments:		
Unrecorded bank balances	16,237	-
Unrecorded LGIP interest	852	3,882
Unrecorded accounts receivable	9,463	-
Improper capitalization of assets	<u> -</u>	<u> (88,845)</u>
Total adjustments	<u> 26,552</u>	<u> (84,963)</u>
Adjusted net position - beginning	<u><u>\$ 1,327,888</u></u>	<u><u>\$ 5,608,334</u></u>

CITY OF SILETZ, OREGON

NOTES TO FINANCIAL STATEMENTS
for the Year Ended June 30, 2021

Fund Financial Statements

The prior period adjustments also affected fund balance for the following funds:

	<u>General Fund</u>	<u>Street Fund</u>	<u>Water Operations</u>	<u>Sewer Operations</u>
Fund Balance - beginning	\$ 262,510	\$ 136,473	\$ 3,321,320	\$ 2,371,977
Prior period adjustments:				
Unrecorded bank balances	9,463	-	-	-
Unrecorded LGIP interest	328	525	2,490	1,392
Unrecorded accounts receivable	11,036	5,201	-	-
Improper capitalization of assets	-	-	(42,773)	(46,072)
Improperly recorded compensated absences	2,895	4,057	-	-
Total adjustments	<u>23,722</u>	<u>9,783</u>	<u>(40,283)</u>	<u>(44,680)</u>
Adjusted fund balance - beginning	<u>\$ 286,232</u>	<u>\$ 146,256</u>	<u>\$ 3,281,037</u>	<u>\$ 2,327,297</u>

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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Combined General Fund Statement
- Budgetary Comparison Schedules
 - General Fund
- Combined Street Fund Statement
- Budgetary Comparison Schedules
 - Street Fund
- Notes to Required Supplementary Information

**CITY OF SILETZ, OREGON
 COMBINED GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 For the Fiscal Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Library Fund</u>	<u>State Revenue Sharing Fund</u>	<u>Combined General Fund</u>
REVENUES				
Property taxes	\$ 13,070	\$ -	\$ -	\$ 13,070
Public service taxes	45,854	-	12,099	57,953
Franchise fees	30,537	-	-	30,537
Grants	25,518	-	-	25,518
Licenses and permits	4,476	-	-	4,476
Intergovernmental	29,416	-	-	29,416
Fines and forfeitures	1,339	-	-	1,339
Fees and charges	13,632	-	-	13,632
Interest	671	20	101	792
Miscellaneous	29,850	-	-	29,850
	<u>194,363</u>	<u>20</u>	<u>12,200</u>	<u>206,583</u>
EXPENDITURES				
General government	123,924	-	-	123,924
Community development	-	-	2,412	2,412
Cultural and recreation	-	3,000	-	3,000
	<u>123,924</u>	<u>3,000</u>	<u>2,412</u>	<u>129,336</u>
Revenues over (under) expenditures	<u>70,439</u>	<u>(2,980)</u>	<u>9,788</u>	<u>77,247</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,000	-	3,000
Transfers out	(2,000)	-	(1,000)	(3,000)
	<u>(2,000)</u>	<u>3,000</u>	<u>(1,000)</u>	<u>-</u>
Net changes in fund balance	68,439	20	8,788	77,247
FUND BALANCE, BEGINNING	218,071	7,880	36,559	262,510
Prior period adjustment	<u>23,642</u>	<u>9</u>	<u>71</u>	<u>23,722</u>
FUND BALANCE, ENDING	<u>\$ 310,152</u>	<u>\$ 7,909</u>	<u>\$ 45,418</u>	<u>\$ 363,479</u>

**CITY OF SILETZ, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 11,900	\$ 11,900	\$ 13,070	\$ 1,170
Public service taxes	23,300	23,300	45,854	22,554
Franchise fees	25,700	25,700	30,537	4,837
Grants	400	400	25,518	25,118
Licenses and permits	3,500	3,500	4,476	976
Intergovernmental	40,000	40,000	29,416	(10,584)
Fines and forfeitures	300	300	1,339	1,039
Fees and charges	11,000	11,000	13,632	2,632
Interest	700	700	671	(29)
Miscellaneous	2,000	2,000	29,850	27,850
Total revenues	<u>118,800</u>	<u>118,800</u>	<u>194,363</u>	<u>75,563</u>
EXPENDITURES				
General government:				
Personal services	94,300	94,300	80,040	14,260
Materials and service	59,200	59,200	43,884	15,316
Capital outlay	10,500	10,500	-	10,500
Total expenditures	<u>164,000</u>	<u>164,000</u>	<u>123,924</u>	<u>40,076</u>
Revenues over (under) expenditures	<u>(45,200)</u>	<u>(45,200)</u>	<u>70,439</u>	<u>115,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
Net changes in fund balance	(47,200)	(47,200)	68,439	115,639
FUND BALANCE, BEGINNING	61,000	61,000	218,071	157,071
Prior period adjustment	<u>-</u>	<u>-</u>	<u>23,642</u>	<u>23,642</u>
FUND BALANCE, ENDING	<u>\$ 13,800</u>	<u>\$ 13,800</u>	<u>\$ 310,152</u>	<u>\$ 296,352</u>

**CITY OF SILETZ, OREGON
 COMBINED STREET FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE
 For the Fiscal Year Ended June 30, 2021**

	Street Fund	Street Improvement Reserve Fund	Combined General Fund
REVENUES			
Intergovernmental	\$ 91,992	\$ -	\$ 91,992
Interest	233	880	1,113
Total revenues	<u>92,225</u>	<u>880</u>	<u>93,105</u>
EXPENDITURES			
Highways and streets	<u>101,329</u>		<u>101,329</u>
Total expenditures	<u>101,329</u>	<u>-</u>	<u>101,329</u>
Revenues over (under) expenditures	<u>(9,104)</u>	<u>880</u>	<u>(8,224)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	20,000	20,000
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
Total other financing sources (uses)	<u>(20,000)</u>	<u>20,000</u>	<u>-</u>
Net changes in fund balance	(29,104)	20,880	(8,224)
FUND BALANCE, BEGINNING	96,260	40,213	136,473
Prior period adjustment	<u>9,411</u>	<u>372</u>	<u>9,783</u>
FUND BALANCE, ENDING	<u>\$ 76,567</u>	<u>\$ 61,465</u>	<u>\$ 138,032</u>

CITY OF SILETZ, OREGON
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 91,992	\$ 21,992
Interest	500	500	233	(267)
Miscellaneous	500	500	-	(500)
Total revenues	71,000	71,000	92,225	21,225
EXPENDITURES				
Street operations:				
Personal services	79,500	79,500	96,727	(17,227)
Materials and service	15,250	15,250	4,602	10,648
Capital outlay	14,050	14,050	-	14,050
Total expenditures	108,800	108,800	101,329	7,471
Revenues over (under) expenditures	(37,800)	(37,800)	(9,104)	28,696
OTHER FINANCING SOURCES (USES)				
Transfers out	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	(20,000)	(20,000)	(20,000)	-
Net changes in fund balance	(57,800)	(57,800)	(29,104)	28,696
FUND BALANCE, BEGINNING	67,540	67,540	96,260	28,720
Prior period adjustment	-	-	9,411	9,411
FUND BALANCE, ENDING	\$ 9,740	\$ 9,740	\$ 76,567	\$ 66,827

CITY OF SILETZ, OREGON

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
for the Year Ended June 30, 2021**

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budget Law and Practice

A budget is prepared for each governmental fund type in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. Reconciliation adjustments bring the funds up to generally accepted accounting principles. Expenditures cannot legally exceed the following appropriation levels: personnel services, materials and services, capital outlay, interfund transactions and operating contingency.

In June, the City adopts the annual fiscal year appropriated budget. The legally adopted budget may be amended when unexpected modifications are required in estimated revenues and appropriations. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified only by the City Council by the use of appropriation transfers between the levels of control. In addition, Oregon Local Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require approval by the City Council by adoption of a resolution. Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the City Council. Appropriations are limited to a single fiscal year; therefore, all spending authority of the City lapse at year end.

B. Excess of Expenditures Over Appropriations

The following fund reported expenditures in excess of appropriations:

<u>Fund</u>	<u>Appropriation Category</u>	<u>Amount</u>
Street Fund	Personal services	\$ 17,227

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Funds

NONMAJOR GOVERNMENTAL FUNDS

Library Fund

The Library Fund accounts for certain expenditures related to the Siletz Public Library which is administered by the Lincoln County Library District.

State Revenue Sharing Fund

The State Revenue Sharing Fund accounts for certain State shared revenues used by the City to support the City's parks and library, as well as other capital projects within the City.

Street Improvement Reserve Fund

The Street Improvement Reserve Fund accounts for funds reserved for future street improvement projects.

CITY OF SILETZ, OREGON
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 20	\$ 20	\$ 20	\$ -
Total revenues	20	20	20	-
EXPENDITURES				
Culture and recreation:				
Materials and service	3,000	3,000	3,000	-
Total expenditures	3,000	3,000	3,000	-
Revenues over (under) expenditures	(2,980)	(2,980)	(2,980)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,000	3,000
Total other financing sources (uses)	-	-	3,000	3,000
Net changes in fund balance	(2,980)	(2,980)	20	3,000
FUND BALANCE, BEGINNING	7,800	7,800	7,880	80
Prior period adjustment	-	-	9	9
FUND BALANCE, ENDING	<u>\$ 4,820</u>	<u>\$ 4,820</u>	<u>\$ 7,909</u>	<u>\$ 3,089</u>

CITY OF SILETZ, OREGON
STATE REVENUE SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Public service taxes	\$ 8,500	\$ 8,500	\$ 12,099	\$ 3,599
Interest	300	300	101	(199)
Total revenues	<u>8,800</u>	<u>8,800</u>	<u>12,200</u>	<u>3,400</u>
EXPENDITURES				
Community development:				
Materials and service	4,750	4,750	2,412	2,338
Capital outlay	10,000	10,000	-	10,000
Total expenditures	<u>14,750</u>	<u>14,750</u>	<u>2,412</u>	<u>12,338</u>
Revenues over (under) expenditures	<u>(5,950)</u>	<u>(5,950)</u>	<u>9,788</u>	<u>15,738</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net changes in fund balance	<u>(6,950)</u>	<u>(6,950)</u>	<u>8,788</u>	<u>15,738</u>
FUND BALANCE, BEGINNING	16,980	16,980	36,559	19,579
Prior period adjustment	<u>-</u>	<u>-</u>	<u>71</u>	<u>71</u>
FUND BALANCE, ENDING	<u>\$ 10,030</u>	<u>\$ 10,030</u>	<u>\$ 45,418</u>	<u>\$ 35,388</u>

**CITY OF SILETZ, OREGON
STREET IMPROVEMENT RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 400	\$ 400	\$ 880	\$ 480
Total revenues	400	400	880	480
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
Total other financing sources (uses)	20,000	20,000	20,000	-
Net changes in fund balance	20,400	20,400	20,880	480
FUND BALANCE, BEGINNING	39,000	39,000	40,213	1,213
Prior period adjustment	-	-	372	372
FUND BALANCE, ENDING	\$ 59,400	\$ 59,400	\$ 61,465	\$ 2,065

BUDGETARY COMPARISON SCHEDULES

Enterprise Funds

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- **Water Operations**
 - **Water Fund**
 - **Water Facilities Reserve Fund**
 - **Camp 12 Utility Bond Fund**
 - **RUS Revenue Bond Fund**
 - **RUS Revenue Bond Reserve Fund**
 - **Water System Development Fund**
 - **SDWR Loan Fund**

- **Sewer Operations**
 - **Sewer Fund**
 - **Sewer Facilities (I/I) Reserve Fund**
 - **FmHA Revenue Bond Fund**
 - **FmHA Reserve Fund**
 - **SRF Loan Reserve Fund**
 - **I/I Revenue Bond Fund**
 - **I/I Revenue Bond Reserve Fund**
 - **Wastewater System Development Fund**

CITY OF SILETZ, OREGON
WATER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	<u>Water Fund</u>	<u>Water Facilities Reserve Fund</u>	<u>Camp 12 Utility Bond Fund</u>
REVENUES			
Charges for service	\$ 505,079	\$ -	\$ -
Interest	1,728	2,379	37
Total revenues	<u>506,807</u>	<u>2,379</u>	<u>37</u>
EXPENDITURES			
Water operations:			
Personal services	210,695	-	-
Materials and service	94,252	-	-
Capital outlay	18,584	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>323,531</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>183,276</u>	<u>2,379</u>	<u>37</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	40,000	-
Transfers out	(112,796)	-	-
Total other financing sources (uses)	<u>(112,796)</u>	<u>40,000</u>	<u>-</u>
Net changes in fund balance	70,480	42,379	37
FUND BALANCE, BEGINNING	1,442,679	499,379	6,515
Prior period adjustment	<u>82,640</u>	<u>1,066</u>	<u>34</u>
FUND BALANCE, ENDING	<u>\$ 1,595,799</u>	<u>\$ 542,824</u>	<u>\$ 6,586</u>

Reconciliation to net position - GAAP Basis

- Adjustment for inventory
- Adjustment for compensated absences being accrued
- Adjustment for interest payable being accrued
- Adjustment for capital assets, net of accumulated depreciation
- Adjustment for bonds payable
- Adjustment for notes payable

Net position - GAAP Basis

<u>RUS Revenue Bond Fund</u>	<u>RUS Revenue Bond Reserve Fund</u>	<u>Water System Development Fund</u>	<u>SDWR Loan Fund</u>	<u>Total Water Operations</u>
\$ -	\$ -	\$ -	\$ -	\$ 505,079
-	206	-	-	4,350
-	206	-	-	509,429
-	-	-	-	210,695
-	-	-	-	94,252
-	-	-	-	18,584
20,957	-	-	16,972	37,929
31,823	-	-	3,044	34,867
52,780	-	-	20,016	396,327
(52,780)	206	-	(20,016)	113,102
52,780	-	-	20,016	112,796
-	-	-	-	(112,796)
52,780	-	-	20,016	-
-	206	-	-	113,102
641	61,398	22,195	4,387	2,037,194
-	140	-	-	83,880
<u>\$ 641</u>	<u>\$ 61,744</u>	<u>\$ 22,195</u>	<u>\$ 4,387</u>	2,234,176
				10,100
				(19,511)
				(27,409)
				2,065,005
				(686,231)
				(287,378)
				<u>\$ 3,288,752</u>

CITY OF SILETZ, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for service	\$ 502,000	502,000	\$ 505,079	\$ 3,079
Interest	1,000	1,000	1,728	728
Miscellaneous	500	500	-	(500)
Total revenues	503,500	503,500	506,807	3,307
EXPENDITURES				
Water operations:				
Personal services	222,400	222,400	210,695	11,705
Materials and service	113,350	113,350	94,252	19,098
Capital outlay	58,000	58,000	18,584	39,416
Contingency	40,000	40,000	-	40,000
Total expenditures	433,750	433,750	323,531	110,219
Revenues over (under) expenditures	69,750	69,750	183,276	113,526
OTHER FINANCING SOURCES (USES)				
Transfers out	(112,816)	(112,816)	(112,796)	20
Total other financing sources (uses)	(112,816)	(112,816)	(112,796)	20
Net changes in fund balance	(43,066)	(43,066)	70,480	113,546
FUND BALANCE, BEGINNING	94,000	94,000	1,442,679	1,348,679
Prior period adjustment	-	-	82,640	82,640
FUND BALANCE, ENDING	<u>\$ 50,934</u>	<u>\$ 50,934</u>	<u>\$ 1,595,799</u>	<u>\$ 1,544,865</u>

CITY OF SILETZ, OREGON
WATER FACILITIES RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 2,000	2,000	\$ 2,379	\$ 379
Total revenues	2,000	2,000	2,379	379
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	40,000	-
Total other financing sources (uses)	40,000	40,000	40,000	-
Net changes in fund balance	42,000	42,000	42,379	379
FUND BALANCE, BEGINNING	537,132	537,132	499,379	(37,753)
Prior period adjustment	-	-	1,066	(37,753)
FUND BALANCE, ENDING	<u>\$ 579,132</u>	<u>\$ 579,132</u>	<u>\$ 542,824</u>	<u>\$ (75,127)</u>

**CITY OF SILETZ, OREGON
 CAMP 12 UTILITY BOND FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 37	\$ 37
Total revenues	-	-	37	37
Net changes in fund balance	-	-	37	37
FUND BALANCE, BEGINNING	-	-	6,515	6,515
Prior period adjustment	-	-	34	34
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,586</u>	<u>\$ 6,586</u>

**CITY OF SILETZ, OREGON
RUS REVENUE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt service:				
Principal	45,000	45,000	20,957	24,043 *
Interest	7,780	7,780	31,823	(24,043) *
Total expenditures	52,780	52,780	52,780	-
OTHER FINANCING SOURCES (USES)				
Transfers in	52,800	52,800	52,780	(20)
Total other financing sources (uses)	52,800	52,800	52,780	(20)
Net changes in fund balance	20	20	-	(20)
FUND BALANCE, BEGINNING	590	590	641	51
FUND BALANCE, ENDING	\$ 610	\$ 610	\$ 641	\$ 31

* Appropriation level is debt service.

**CITY OF SILETZ, OREGON
RUS REVENUE BOND RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ 120	\$ 120	\$ 206	\$ 86
Total revenues	120	120	206	86
Net changes in fund balance	120	120	206	86
FUND BALANCE, BEGINNING	61,035	61,035	61,398	363
Prior period adjustment	-	-	140	140
FUND BALANCE, ENDING	\$ 61,155	\$ 61,155	\$ 61,744	\$ 589

**CITY OF SILETZ, OREGON
WATER SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Fees and charges	\$ 1,762	\$ 1,762	\$ -	\$ (1,762)
Total revenues	1,762	1,762	-	(1,762)
Net changes in fund balance	1,762	1,762	-	(1,762)
FUND BALANCE, BEGINNING	22,195	22,195	22,195	-
FUND BALANCE, ENDING	<u>\$ 23,957</u>	<u>\$ 23,957</u>	<u>\$ 22,195</u>	<u>\$ (1,762)</u>

CITY OF SILETZ, OREGON
SDWR LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 15,830	\$ 15,830	\$ 16,972	\$ (1,142) *
Interest	4,186	4,186	3,044	1,142 *
Total expenditures	20,016	20,016	20,016	-
Revenues over (under) expenditures	(20,016)	(20,016)	(20,016)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	20,016	20,016	20,016	-
Total other financing sources (uses)	20,016	20,016	20,016	-
Net changes in fund balance	-	-	-	-
FUND BALANCE, BEGINNING	4,200	4,200	4,387	187
FUND BALANCE, ENDING	<u>\$ 4,200</u>	<u>\$ 4,200</u>	<u>\$ 4,387</u>	<u>\$ 187</u>

* Appropriation level is debt service.

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**CITY OF SILETZ, OREGON
SEWER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021**

	Sewer Fund	Sewer Facilities (I/I) Reserve Fund	FmHA Revenue Bond Fund	FmHA Reserve Fund
REVENUES				
Charges for service	\$ 445,079	\$ -	\$ -	\$ -
Interest	506	1,199	7	502
Total revenues	445,585	1,199	7	502
EXPENDITURES				
Sewer operations:				
Personal services	145,903	-	-	-
Materials and service	87,495	-	-	-
Debt service:				
Principal	-	-	12,514	-
Interest	-	-	15,998	-
Total expenditures	233,398	-	28,512	-
Revenues over (under) expenditures	212,187	1,199	(28,505)	502
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	28,512	-
Transfers out	(48,976)	-	-	-
Total other financing sources (uses)	(48,976)	-	28,512	-
Net changes in fund balance	163,211	1,199	7	502
FUND BALANCE, BEGINNING	1,630,399	248,072	544	37,826
Prior period adjustment	(74,828)	575	3	216
FUND BALANCE, ENDING	\$ 1,718,782	\$ 249,846	\$ 554	\$ 38,544

Reconciliation to net position - GAAP Basis
 Adjustment for compensated absences being accrued
 Adjustment for interest payable being accrued
 Adjustment for capital assets not being depreciated
 Adjustment for capital assets, net of accumulated depreciation
 Adjustment for bonds payable

Net position - GAAP Basis

<u>SRF Loan Reserve Fund</u>	<u>I/I Revenue Bond Fund</u>	<u>I/I Revenue Bond Reserve Fund</u>	<u>Wastewater System Development Fund</u>	<u>Total Sewer Operations</u>
\$ -	\$ -	\$ -	\$ -	\$ 445,079
333	-	-	-	2,547
<u>333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>447,626</u>
-	-	-	-	145,903
-	-	-	-	87,495
-	6,574	-	-	19,088
-	12,028	-	-	28,026
<u>-</u>	<u>18,602</u>	<u>-</u>	<u>-</u>	<u>280,512</u>
<u>333</u>	<u>(18,602)</u>	<u>-</u>	<u>-</u>	<u>167,114</u>
-	18,603	1,861	-	48,976
-	-	-	-	(48,976)
<u>-</u>	<u>18,603</u>	<u>1,861</u>	<u>-</u>	<u>-</u>
333	1	1,861	-	167,114
54,575	407	27,925	40,307	2,040,055
316	-	-	-	(73,718)
<u>\$ 55,224</u>	<u>\$ 408</u>	<u>\$ 29,786</u>	<u>\$ 40,307</u>	<u>2,133,451</u>
				(20,136)
				(8,311)
				39,400
				770,061
				<u>(546,726)</u>
				<u>\$ 2,367,739</u>

CITY OF SILETZ, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for service	\$ 436,050	\$ 436,050	\$ 445,079	\$ 9,029
Interest	1,000	1,000	506	(494)
Miscellaneous	500	500	-	(500)
Total revenues	<u>437,550</u>	<u>437,550</u>	<u>445,585</u>	<u>8,035</u>
EXPENDITURES				
Sewer operations:				
Personal services	230,300	230,300	145,903	84,397
Materials and service	104,900	104,900	87,495	17,405
Capital outlay	67,000	67,000	-	67,000
Contingency	30,000	30,000	-	30,000
Total expenditures	<u>432,200</u>	<u>432,200</u>	<u>233,398</u>	<u>198,802</u>
Revenues over (under) expenditures	<u>5,350</u>	<u>5,350</u>	<u>212,187</u>	<u>206,837</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(48,976)</u>	<u>(48,976)</u>	<u>(48,976)</u>	<u>-</u>
Total other financing sources (uses)	<u>(48,976)</u>	<u>(48,976)</u>	<u>(48,976)</u>	<u>-</u>
Net changes in fund balance	(43,626)	(43,626)	163,211	206,837
FUND BALANCE, BEGINNING	83,000	83,000	1,630,399	1,547,399
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(74,828)</u>	<u>(74,828)</u>
FUND BALANCE, ENDING	<u>\$ 39,374</u>	<u>\$ 39,374</u>	<u>\$ 1,718,782</u>	<u>\$ 1,679,408</u>

CITY OF SILETZ, OREGON
SEWER FACILITIES (I/I) RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 800	\$ 800	\$ 1,199	\$ 399
Total revenues	800	800	1,199	399
Net changes in fund balance	800	800	1,199	399
FUND BALANCE, BEGINNING	488,410	488,410	248,072	(240,338)
Prior period adjustment	-	-	575	575
FUND BALANCE, ENDING	<u>\$ 489,210</u>	<u>\$ 489,210</u>	<u>\$ 249,846</u>	<u>\$ (239,364)</u>

CITY OF SILETZ, OREGON
FMHA REVENUE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ 10	\$ 10	\$ 7	\$ (3)
Total revenues	10	10	7	(3)
EXPENDITURES:				
Debt service:				
Principal	4,200	4,200	12,514	(8,314) *
Interest	24,312	24,312	15,998	8,314 *
Total expenditures	28,512	28,512	28,512	-
Revenues over (under) expenditures	(28,502)	(28,502)	(28,505)	(3)
OTHER FINANCING SOURCES (USES)				
Transfers in	28,512	28,512	28,512	-
Total other financing sources (uses)	28,512	28,512	28,512	-
Net changes in fund balance	10	10	7	(3)
FUND BALANCE, BEGINNING	521	521	544	23
Prior period adjustment	-	-	3	3
FUND BALANCE, ENDING	\$ 531	\$ 531	\$ 554	\$ 23

* Appropriation level is debt service.

CITY OF SILETZ, OREGON
FMHA RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ 500	\$ 500	\$ 502	\$ 2
Total revenues	500	500	502	2
Net changes in fund balance	500	500	502	2
FUND BALANCE, BEGINNING	37,000	37,000	37,826	826
Prior period adjustment	-	-	216	216
FUND BALANCE, ENDING	\$ 37,500	\$ 37,500	\$ 38,544	\$ 1,044

CITY OF SILETZ, OREGON
SRF LOAN RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 333	\$ 333
Total revenues	-	-	333	333
Net changes in fund balance	-	-	333	333
FUND BALANCE, BEGINNING	-	-	54,575	54,575
Prior period adjustment	-	-	316	316
FUND BALANCE, ENDING	\$ -	\$ -	\$ 55,224	\$ 55,224

CITY OF SILETZ, OREGON
I/I REVENUE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 15,082	\$ 15,082	\$ 6,574	\$ 8,508 *
Interest	3,521	3,521	12,028	(8,507) *
Total expenditures	18,603	18,603	18,602	1
Revenues over (under) expenditures	(18,603)	(18,603)	(18,602)	1
OTHER FINANCING SOURCES (USES)				
Transfers in	18,603	18,603	18,603	-
Total other financing sources (uses)	18,603	18,603	18,603	-
Net changes in fund balance	-	-	1	1
FUND BALANCE, BEGINNING	120	120	407	287
FUND BALANCE, ENDING	<u>\$ 120</u>	<u>\$ 120</u>	<u>\$ 408</u>	<u>\$ 288</u>

* Appropriation level is debt service.

CITY OF SILETZ, OREGON
I/I REVENUE BOND RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,861	\$ 1,861	\$ 1,861	\$ -
Total other financing sources (uses)	1,861	1,861	1,861	-
Net changes in fund balance	1,861	1,861	1,861	-
FUND BALANCE, BEGINNING	27,950	27,950	27,925	(25)
FUND BALANCE, ENDING	\$ 29,811	\$ 29,811	\$ 29,786	\$ (25)

**CITY OF SILETZ, OREGON
WASTEWATER SYSTEM DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
FUND BALANCE, BEGINNING	\$ -	\$ -	\$ 40,307	\$ 40,307
FUND BALANCE, ENDING	\$ -	\$ -	\$ 40,307	\$ 40,307

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AUDIT COMMENTS AND DISCLOSURES

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

To the Honorable Mayor and City Council
City of Siletz
Siletz, Oregon

We have audited the basic financial statements of the City of Siletz (the City) as of and for the year ended June 30, 2021, and have issued our report thereon dated March 29, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its 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.**
- **Highway revenues used for public highways, roads, and streets.**
- **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 City 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, except as follows:

Deposit of public funds with financial institutions (ORS Chapter 295)

- The City did not notify the State Treasurer of use of approved depositories and subsequent changes as required by ORS 295.006.

Budgets legally required (ORS Chapter 294)

- ORS 294.388 requires the "total amount of expenditures and other requirements in each fund equals the total amount of resources in the fund for the same period." For the 2020-2021 adopted and 2021-22 approved budget, the Library Fund had requirements totaling \$3,000 while resources totaled \$10,820.
- ORS 294.438 requires the financial summary portion of the LB-1 to agree to the amounts presented in the detail budget sheets. The financial summary LB-1 showed 2021-2022 approved budget total resources and requirements of \$2,706,022. The budget document showed 2021-2022 approved budget total resources of \$2,677,349 and total requirements of \$2,669,529.

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS,
CONTINUED**

Compliance, continued

- After the budget has been approved by the budget committee, ORS 294.456(1) requires changes to budgeted expenditures by fund to be below 10 percent or \$5,000. Otherwise, the amended budget document must be republished, and another public hearing held. Expenditures in the Street Fund increased by \$23,000 from \$128,800 to \$151,800 between approval by the budget committee and adoption by the City Council. The budget was not republished, nor another public hearing held.
- ORS 294.358 requires actual resources and requirements for the two years preceding the current year to be presented in the budget document. Amounts presented for the first preceding year of 2019-2020 were budget amounts instead of actual. Amounts for the second preceding year of 2018-19 differed from audited financial statements by the following:

<u>Fund</u>	<u>Budget Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
General	Resources	\$337,016	\$329,173	\$7,843
Water	Requirements	474,718	407,125	67,593

- ORS 294.361 requires the City to estimate budget resources including net working capital that will remain in each fund on the last day of the current year. The City's estimated net working capital differed significantly from actual ending budgetary fund balance as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Water	\$94,000	\$1,586,590	\$(1,492,590)
Sewer	83,000	1,684,408	(1,601,408)

- Expenditures in the following funds exceeded appropriations for the year ended June 30, 2021:

<u>Fund</u>	<u>Budget Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Over Expenditure</u>
Street	Personnel services	79,500	96,727	(17,227)

Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

- The City entered into a contract related to the Wastewater Treatment Plant project but did not document the bid (solicitation) document as required by ORS Chapter 279C.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City'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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City'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.

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS,
CONTINUED**

OAR 162-10-0230 Internal Control, continued

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain a deficiency in internal control, described in a separate letter to the City Council, that we consider to be a material weakness.

Restriction on Use

This report is intended solely for the information and use of the City Council and management of the City of Siletz and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Salem, Oregon
March 29, 2024

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Siletz
Siletz, Oregon

Report on the Audit of the Financial Statements

Disclaimer of Opinions

We were engaged to audit the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Siletz (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

We do not express an opinion on the financial statements of the City of Siletz referred to above. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinions

We are unable to provide opinions on the financial statements and supplementary information because certain records and supporting data were not available for our audit. Due to turnover of the City's employees, proper documentation was not retained to permit the application of auditing procedures. Therefore, we were not able to obtain sufficient appropriate audit evidence to serve as a basis for expressing opinions on the financial statements and supplementary information.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the City's financial statements in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinions section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for audit opinions on these financial statements.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

INDEPENDENT AUDITOR'S REPORT, CONTINUED

Required Supplementary Information

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

The budgetary comparison schedules, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinions section of our report, it is inappropriate to, and the auditor does not, express an opinion on the budgetary comparison schedules.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinions section of our report, it is inappropriate to, and the auditor does not, express an opinion on the supplementary information.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated March 29, 2024, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Aldrich CPAs + Advisors LLP

By:



Andrew Maffia, CPA, Partner
Salem, Oregon
March 29, 2024

Utilities Rate Study- Steve Donovan



Utilities Rate Study Final Report

April 8, 2024



D O B Y A N
enterprises, inc.



Agenda ...

- Water rates recommendations
- Wastewater rates recommendations
- Funding updates for the Wastewater Treatment Plant project
- Next steps

WATER RATES RECOMMENDATIONS

Forecast Fiscal Years Starting July 1

	Actual	2025	2026	2027	2028	2029
Inside City:						
Base charge (monthly per ERU) ¹	\$ 42.00	\$ 42.98	\$ 44.65	\$ 46.04	\$ 47.43	\$ 48.83
Base charge credit for Master Metered Accounts: Monthly per ERU	-	3.52	3.66	3.78	3.89	4.00
Use Charge (\$/kgal)	\$ 5.00	\$ 5.36	\$ 5.48	\$ 5.58	\$ 5.69	\$ 5.80
Outside City:						
Base charge (monthly) ¹	\$ 42.00	\$ 42.98	\$ 44.65	\$ 46.04	\$ 47.43	\$ 48.83
Use Charge (\$/kgal)	\$ 5.00	\$ 5.36	\$ 5.48	\$ 5.58	\$ 5.69	\$ 5.80

¹ The monthly base charge includes the first 1,000 gallons of metered water consumption.

WASTEWATER RATES RECOMMENDATIONS

Monthly Bill Calculations:

Wastewater Rate Component	Effective on July 1					
	Estimated 2024	2025	2026	2027	2028	2029
Calculation of monthly sewer rates:						
Monthly base charge:						
Operations & maintenance - all customers (City and CTSI)	\$ 51.00	\$ 51.60	\$ 52.73	\$ 53.88	\$ 55.08	\$ 56.30
Prospective debt service - City only	\$ -	\$ 5.20	\$ 10.49	\$ 15.86	\$ 26.98	\$ 26.65
Monthly base charge City customers	\$ 51.00	\$ 56.80	\$ 63.21	\$ 69.74	\$ 82.05	\$ 82.95
Wastewater volume charge: \$/kgal						
Operations & maintenance - all customers	\$ 3.00	\$ 4.39	\$ 4.48	\$ 4.58	\$ 4.68	\$ 4.79
Monthly wastewater bill analysis (assuming 4 kgal/month):						
City customers	\$ 60.00	\$ 69.97	\$ 76.67	\$ 83.49	\$ 96.11	\$ 97.32
CTSI customers	\$ 60.00	\$ 64.76	\$ 66.18	\$ 67.63	\$ 69.13	\$ 70.67

FUNDING UPDATES FOR THE WASTEWATER TREATMENT PLANT PROJECT



Funding for Planning

- 2016 WW master plan must be updated.
- DEQ can offer \$100k planning loan with 100% principal forgiveness.
- Time is of the essence; next application deadline is April 12th. If we miss, next deadline is August 9th.



Funding for Planning

- Business Oregon has \$20k planning grant to pair with the DEQ planning grant.
- \$3 million grant from the legislature is pending in SB 1530; not yet signed by the Governor.
- \$3 million can be spent on projects right away (when approved by Governor).



Federal Funding Support

- Congressionally Directed Spending (CDS) for FY25 has not opened yet.
- HUD Block Grant possible but with substantial "strings attached".
- Any direct federal support must come from congress representative and/or Senators.

NEXT STEPS



APRIL 8, 2024

SILETZ CITY COUNCIL PRESENTATION

Presented by:



April

2024

Utilities Rate Study

Final
Report

Prepared for:



Donovan Enterprises, Inc.
9600 SW Oak Street, Suite 335
Tigard, Oregon 97223-6596
503.517.0671

Utilities Rates and Cost of Service Study

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Executive Summary

The City of Siletz is the sole provider of water and wastewater services to customers within the urban services boundary of the city. Revenues required to fund the delivery of these services are obtained from monthly user fees which are set by the City Council via its City charter authority. This study addresses the revenue required from rates needed to support future operations and maintenance costs for the utilities along with a funding plan for capital needs identified by City Staff and from facilities plans and plan updates.

With the active involvement of City staff, and input from the City Council, twenty-year planning models were developed for this project; however, the focus for the rate study is the five-year near-term forecast of fiscal 2025 through fiscal 2029. These financial models have been reviewed with the City as they were developed and will be provided as a project deliverable enabling the City to make future updates.

The purpose of this study is to develop a cost of service-based methodology that will accurately determine the cost the city incurs to deliver water and wastewater services. The models developed for this project have been populated with budget data for fiscal 2024 along with actual results for fiscal 2023. These models simulated the current service levels (CSL) of the utilities, and sensitivity cases for several funding issues facing the City's utilities. The results of each model run were expressed in terms of the rate impacts on the average single family residential customer's monthly bill for utility services.

On March 11, 2024, the project team presented the base case rate forecasts to the City Council at a work session. Each of these cases contained several unique forecast variables that included capital funding strategies, cash positions at the end of the five-year forecasts, and multiple other dependent variables. After considerable discussion and deliberation, the City Council coalesced on their preferred rate strategy which calls for inflation-based rate increases for water and substantial, above inflation rate increases for wastewater. The anticipated substantial wastewater rate increases are due to the estimated \$11 million investment the city and its partner, the Confederated Tribes of the Siletz Indians (CTSI) will be making over the next three years to retrofit the wastewater treatment plant. The cost of this project is expected to be shared between the City and CTSI at a ratio of roughly 57% City and 43% CTSI. Current planning calls for the City to issue new debt for its share of the cost with CTSI providing funding for its share from their own resources. Because of this bifurcated funding approach, we will be recommending differential wastewater rates for the City and CTSI. We will discuss this bifurcated rate strategy in detail in the body of this report.

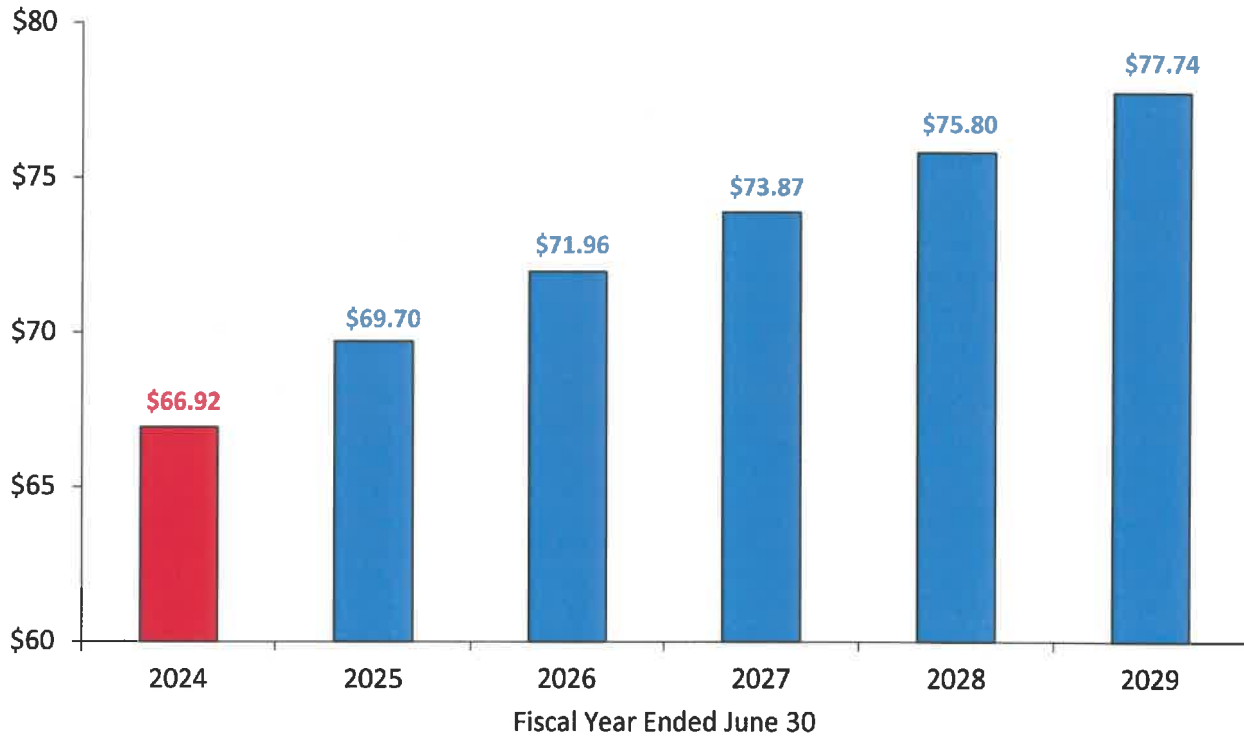
Water

We recommend the city increase water rates on or near July 1, 2024. After this immediate rate increase, we are projecting annual water system rate increases of about 3% per year, every year over the balance of the five-year water system financial forecast. Our modeling indicates these rate increases will generate sufficient revenues to fund the projected operations, maintenance, and capital improvement requirements of the water system. The base case plan does not anticipate any new borrowings by the city over the five-year forecast horizon. Over the five-year forecast, the city will also spend approximately \$795,000 on other water system capital improvements. These projects will be funded with cash on hand. Our modeling indicates by the end of fiscal 2029, the water fund will have \$2.6 million in cash if all future recommended rate increases are implemented.

The immediate impact on the average single family residential customer is an increase in the water bill of approximately \$2.78 per month. The average single family residential monthly water bill will go from the current amount of \$66.92 to \$69.70. This funding scenario was presented to the City Council at the March 11, 2024, work session. At that meeting, the Councilors in attendance moved to a consensus that the

proposed funding plan was rational and necessary for the city. The five-year forecast of average single-family residential water bill is shown in Figure 1.

Figure 1 - Forecast of Monthly Average Single-Family Residential Water Bills



The complete schedule of projected water rates that results from this funding strategy are shown below in Table 1.

Table 1 - Five Year Forecast of Recommended Water Rates

	Actual	Forecast Fiscal Years Starting July 1				
		2025	2026	2027	2028	2029
Inside City:						
Base charge (monthly per ERU) ¹	\$ 42.00	\$ 42.98	\$ 44.65	\$ 46.04	\$ 47.43	\$ 48.83
Base charge credit for Master Metered Accounts: Monthly per ERU	-	3.52	3.66	3.78	3.89	4.00
Use Charge (\$/kgal)	\$ 5.00	\$ 5.36	\$ 5.48	\$ 5.58	\$ 5.69	\$ 5.80
Outside City:						
Base charge (monthly) ¹	\$ 42.00	\$ 42.98	\$ 44.65	\$ 46.04	\$ 47.43	\$ 48.83
Use Charge (\$/kgal)	\$ 5.00	\$ 5.36	\$ 5.48	\$ 5.58	\$ 5.69	\$ 5.80

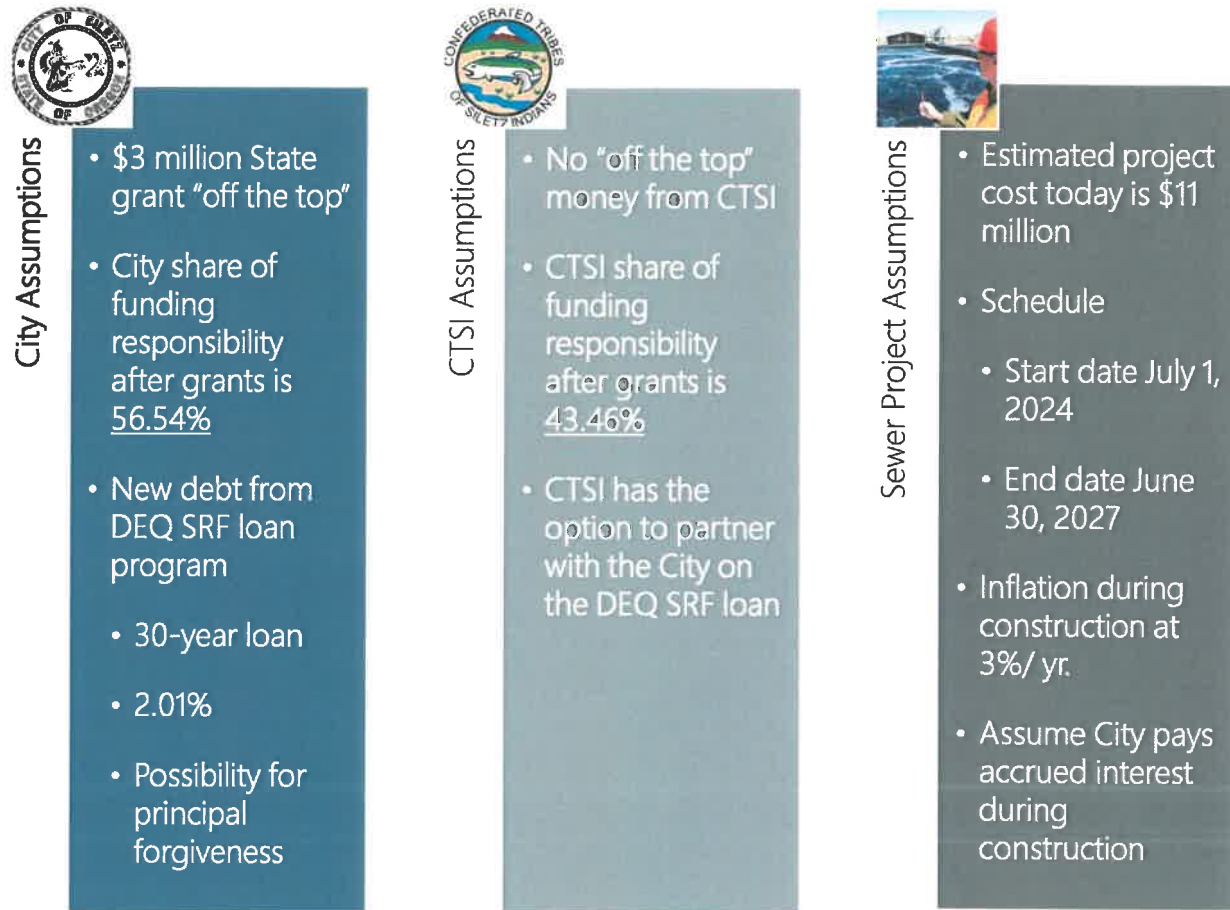
¹ The monthly base charge includes the first 1,000 gallons of metered water consumption.

Wastewater

The city owns and operates the Siletz Wastewater Treatment Plant (WWTP), which was constructed in 1972. The original facility consisted of two lagoons (or oxidation ponds) in series, providing secondary treatment. Previously, only primary treatment was provided when the facility hydraulically overloaded. It was originally designed for a service population of 700 people and provided storage of dry weather flows for four months. As a result of leakage, beginning in 1980, improvements and repairs were made within a brief period while the larger lagoon drained. Two additional repairs were performed in 1982 and 1986. Major improvements were required by DEQ in the late 1980s. The design population had exceeded capacity by 51% and new regulatory rules, at the time, required the City to hold dry weather flow for six months. Furthermore, the lagoons continued to leak. The sewer system has had significant problems with Infiltration and Inflow (I/I) since 1973. The wastewater system evaluation was completed in March of 1988 and the facility plan for upgrade of the plant was completed in June of 1990. Construction of the current facilities began in late 1992 and was completed in 1993.

In November of 2017, the city completed its current wastewater facilities plan. That plan identified numerous deficiencies throughout the wastewater treatment plant process trains. The total estimated costs to correct overall collection and treatment system deficiencies in 2017 was \$6,310,000. Current cost estimates are \$11,000,000. Now the City is in the process of updating the 2017 wastewater facilities plan to clearly identify the costs to retrofit and upgrade the wastewater treatment plant. For this rate analysis, we are working with the \$11 million figure for total cost to retrofit the wastewater treatment plant and to make modest collection system improvements. We have also developed a base case financial forecast that includes the following key planning assumptions shown below in Figure 2.

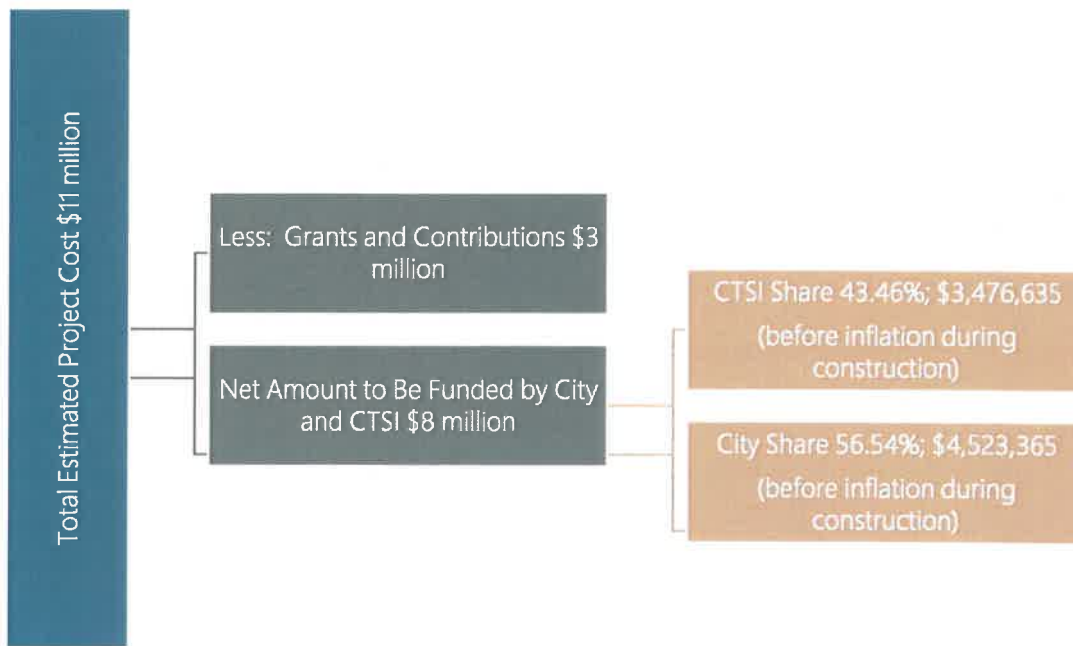
Figure 2 – Key Planning Assumptions for the Funding of Wastewater System Improvements



Our modeling indicates the city will be facing substantial future wastewater rate increases to pay for this project. As discussed above, a critical assumption in this financial analysis is the funding splits between the City and CTSI. The second and equally important planning assumption centers on how the City will fund its share of the capital improvement costs. Our base case assumes the city will secure a 30-year loan from the State of Oregon’s Clean Water State Revolving Loan program at an interest rate of 2.01%. All the future debt service (principal and interest) originating from this loan will be borne by City ratepayers. CTSI customers will not be participating in the payment of these future costs. From a future rates perspective, this means the city will have differential wastewater rates going forward; one set of rates for city customers, and one set for CTSI customers.

Itemized below in Figure 3 is the cost sharing profile for this project. A complete breakdown of the derived funding splits is shown in the body of this report.

Figure 3 - Derivation of Funding Responsibilities for the Wastewater Treatment Plant Upgrade Project



We recommend the City chart a financial course for the wastewater system that follows the base case planning scenario. This means the city should increase wastewater rates on or near July 1, 2024. The projected wastewater rates for City and CTSI customers are shown in Figure 4.

We also recommend the city change its billing practice relative to the wastewater volume charge. We recommend the city move to a consumption-based rate (CBR) strategy for its residential customers. Commercial customers can continue to have their volume charges based on actual monthly metered water consumption. Under a CBR methodology, a portion of the wastewater bill is based on how much water a customer uses during the non-irrigation or winter average period, as winter water use is a reasonable estimate of a customer’s wastewater discharge to the city’s sewer system. A CBR structure enhances the equity of the wastewater rates by relating a portion of an individual’s wastewater bill to the actual discharge into the collection and treatment system. When coupled with a service charge per account that continues to assess most wastewater system costs on a fixed monthly basis, a CBR structure generally balances revenue stability and equity objectives. The policy workings of the City’s winter average billing methodology for residential accounts would be:

1. Volume will be based on a 6-month winter averaging of water consumption. The winter average period will be defined as the 6-month period starting with the first full billing cycle starting on or after November of each year.
2. Accounts with an average usage of less than 1 kgal of water consumption are automatically assessed at the system average (currently estimated to be 4 kgal per month).
3. Customers may request in writing to have the sewer bill based on actual usage if the property is vacant (transition between tenants, foreclosure, etc.) or consistently averages below 1 kgal per billing cycle over a 12-month period.
4. The assigned average for water consumption may be appealed to the City Administrator, or his/her designee, and could be modified pending a review of the account and findings thereof.

Figure 4 - Forecast of Monthly Wastewater Rates – Monthly Base Charge

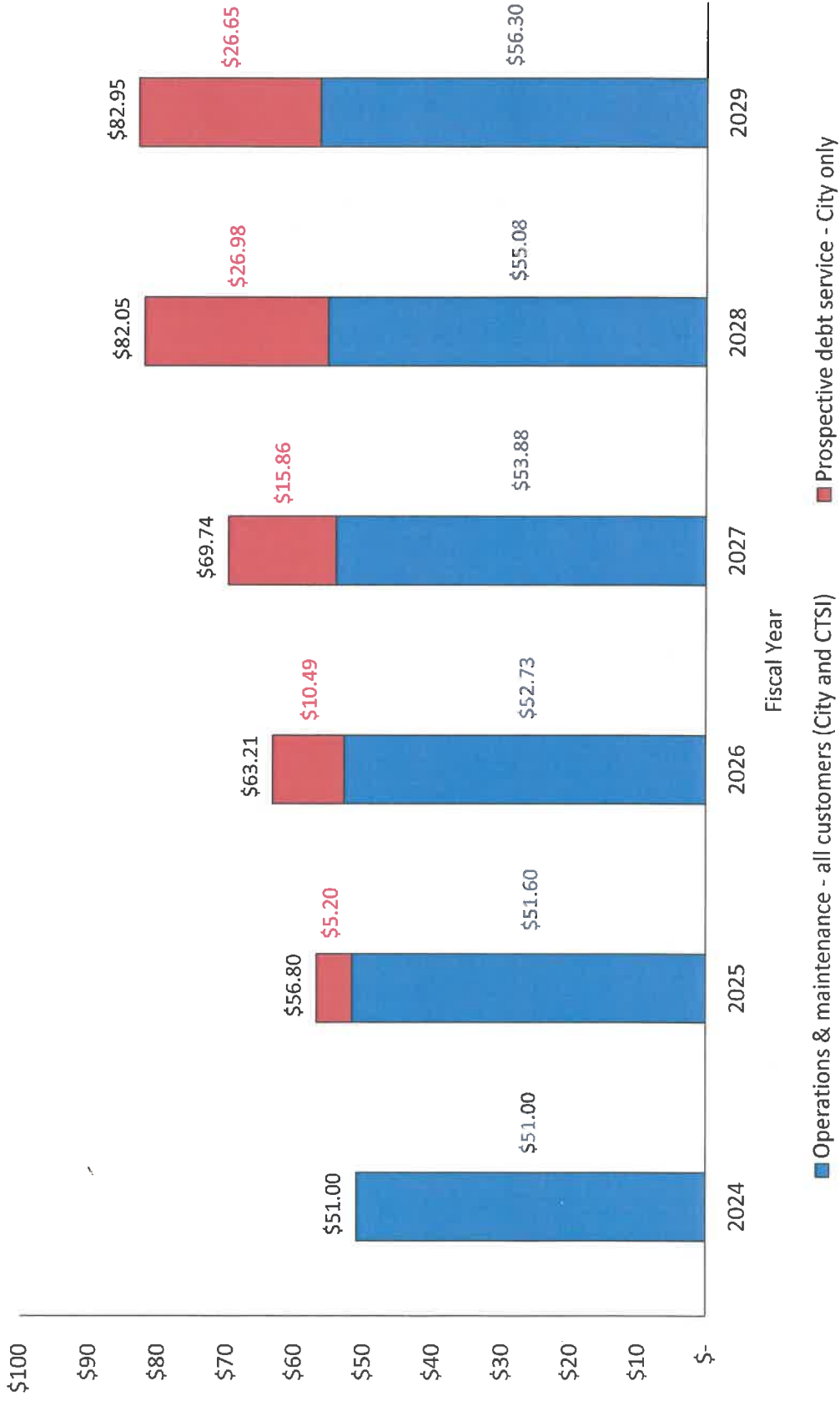
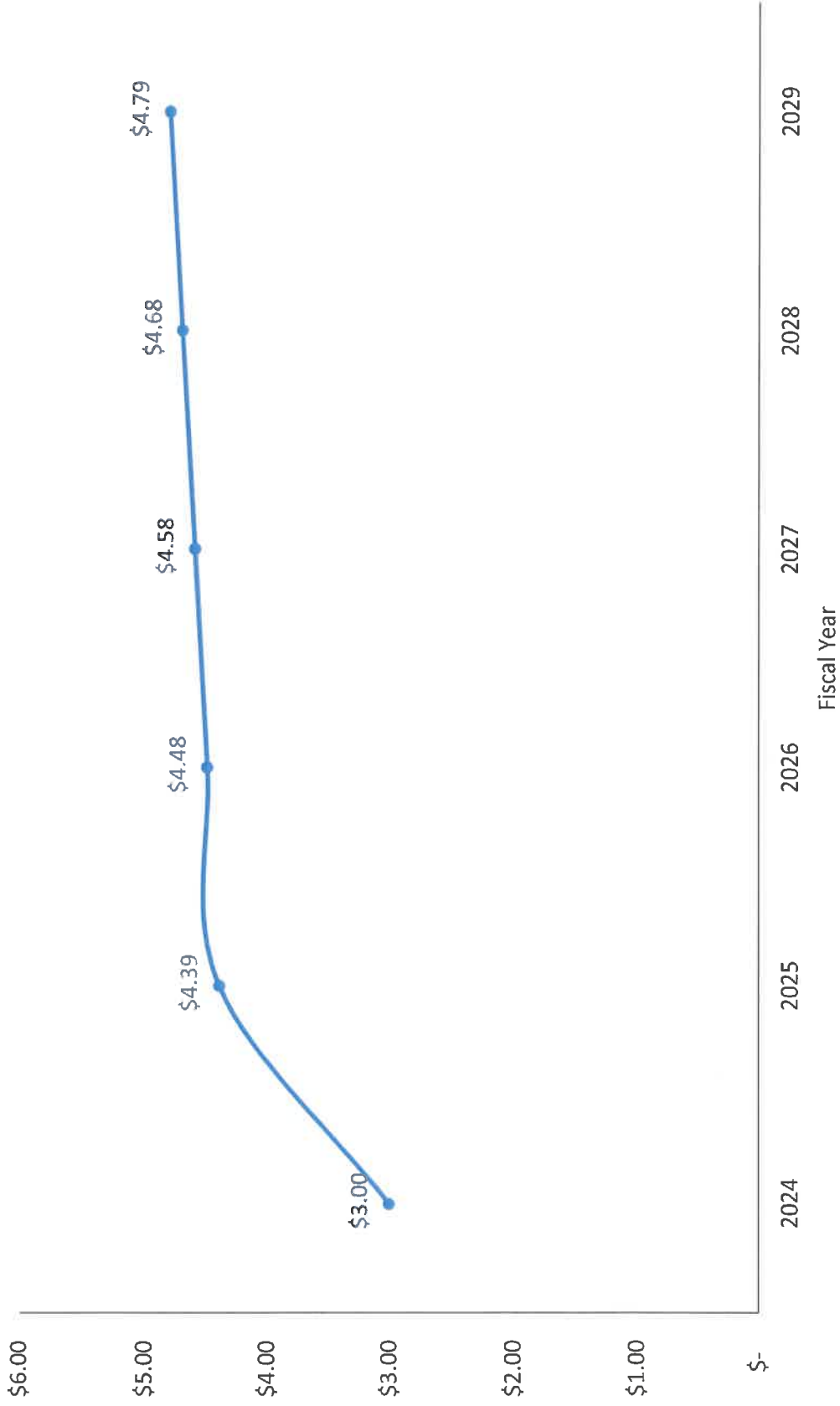
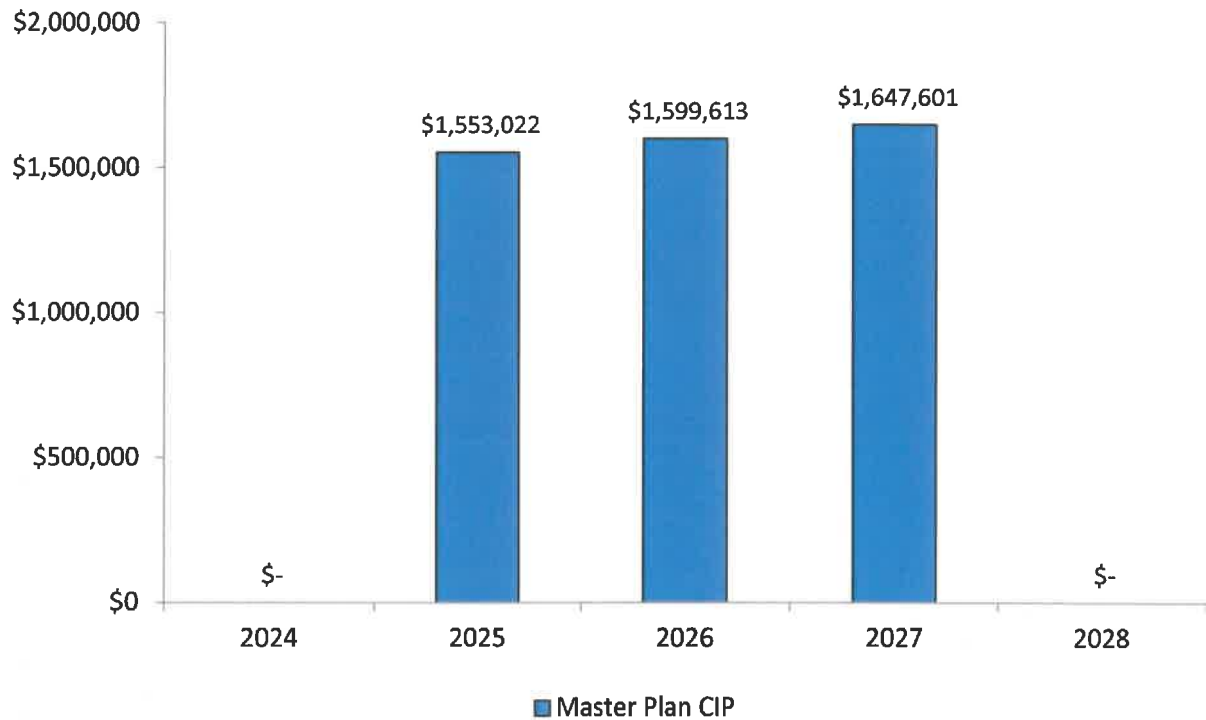


Figure 4 - Forecast of Monthly Wastewater Rates – Monthly Volume Charge



Regardless of the planning scenario, the city will be facing future wastewater rate increases. Our modeling indicates these future rate increases will generate sufficient wastewater system revenues to fully fund operations, maintenance, and the replacement of the WWTP. As part of this plan, we anticipate the City will have to borrow additional funds of approximately \$4.8 million to fund the construction of the expanded WWTP. The derivation of this future indebtedness is shown below in Figure 5.

Figure 5 - Forecasted Future Borrowings for the Wastewater Treatment Plant Upgrade Project



Over the five-year forecast horizon, the city will also spend approximately \$584,000 on other wastewater system capital improvements. These projects will be funded with cash on hand. Our modeling indicates by the end of fiscal 2029, the wastewater utility will have \$1.5 million in cash if all future recommended rate increases are implemented.

The complete schedule of projected wastewater rates by growth scenario is shown below in Table 2.

Table 2 - Five Year Forecast of Wastewater Rates

Wastewater Rate Component	Effective on July 1					
	Estimated 2024	2025	2026	2027	2028	2029
Monthly Bill Calculations:						
Common sewer system revenue requirements:						
Personal services	\$ 161,873	\$ 167,609	\$ 173,569	\$ 179,764	\$ 186,205	\$ 192,901
Materials and services	153,682	158,292	163,041	167,932	172,970	178,159
Capital outlay	37,950	110,000	113,300	116,699	120,200	123,806
Legacy debt service	47,111	47,111	47,111	47,111	47,111	47,111
Subtotal common sewer system revenue requirements	\$ 400,617	\$ 483,012	\$ 497,021	\$ 511,506	\$ 526,485	\$ 541,977
City-specific sewer system revenue requirements:						
Prospective debt service - 2025 WWTP upgrade (Use)/replacement of fund balance	\$ -	\$ 23,451	\$ 47,605	\$ 72,484	\$ 224,163	\$ 223,524
Subtotal City only sewer system revenue requirements	\$ -	\$ 23,451	\$ 47,605	\$ 72,484	\$ 124,163	\$ 123,524
Total sewer system revenue requirements	\$ 400,617	\$ 506,463	\$ 544,626	\$ 583,990	\$ 750,648	\$ 765,501
EDU assumptions:						
City	373	376	378	381	384	386
CTSI	208	209	211	212	214	215
Total	581	585	589	593	597	602
Estimated wastewater flows (Q): kgal	34,298	34,538	34,780	35,023	35,269	35,515
less: 1kgal included in monthly base charge	6,972	7,021	7,070	7,119	7,169	7,219
Estimated wastewater flows subject to volume charge	27,326	27,517	27,710	27,904	28,099	28,296
Calculation of monthly sewer rates:						
Monthly base charge:						
Operations & maintenance - all customers (City and CTSI)	\$ 51.00	\$ 51.60	\$ 52.73	\$ 53.88	\$ 55.08	\$ 56.30
Prospective debt service - City only	\$ -	\$ 5.20	\$ 10.49	\$ 15.86	\$ 26.98	\$ 26.65
Monthly base charge City customers	\$ 51.00	\$ 56.80	\$ 63.21	\$ 69.74	\$ 82.05	\$ 82.95
Wastewater volume charge: \$/kgal						
Operations & maintenance - all customers	\$ 3.00	\$ 4.39	\$ 4.48	\$ 4.58	\$ 4.68	\$ 4.79

The schedules of utility rates shown above were developed through consultation with City staff and the members of the rate study project team. The study process included an evaluation of revenue requirements, cost of service, and rate design for the five-year forecast (fiscal 2025 through fiscal 2029). The revenue requirements analysis determined the amount of annual revenue needed to be generated by water and wastewater rates. This analysis addressed the level, rather than the structure of rates. The cost-of-service analysis provided an analytical basis for assigning costs to customers, addressing equity among customer classes. Finally, the rate design element established the structure of rates for cost recovery through fixed and variable rate components. This step addressed equity within customer classes.

Several specific conclusions and policy recommendations were developed through this collaboration and are briefly discussed in this executive summary. Itemized below is a listing of these conclusions and recommendations.

Conclusions

- We estimate the water fund will end this fiscal year (i.e., June 30, 2024) with a cash balance of \$2.584 million. With 3% per year general water rate increases we project this fund will have a cash balance of \$2.586 million on June 30, 2029. With these modest future rate increases and the prudent use of cash reserves, there should be adequate funds available to pay for planned water system expenditures over the balance of the five-year forecast horizon. No new borrowings are planned over the five-year forecast.
- The City's current water rate structure conforms to industry practice. This structure consists of a monthly base charge that includes the first 1,000 gallons of metered water and a volume charge for every 1,000 gallons of metered water consumed thereafter. However, we did find an issue with master metered accounts. There are two entities that master meter a substantial number of dwelling units: CTSI and the Wilson mobile home park. In the case of CTSI, five (5) master meters supply water to 185 unique dwelling units. In the case of the Wilson mobile home park, one master meter supplies water to 75 unique dwelling units. It has been the City's business practice to charge these entities a full monthly base charge for each unique dwelling unit, effectively recovering meter reading costs from all dwelling units when only six master meters are read.
- We performed a water cost of service analysis and concluded the City's current rate structure is close to the cost of service-based rates. In our judgement, we see no need to make any changes to the current rate structure other than crediting CTSI and Wilson mobile home park for over recovery of meter reading costs. In the future, we suggest the city consider implementing tiered conservation rates (i.e., inverted block pricing).
- We estimate the wastewater fund will end this fiscal year (i.e., June 30, 2024) with a cash balance of \$1.744 million. To fund the WWTP replacement project, we estimate the City will have substantially increase the current wastewater rate of about \$60 per Equivalent Residential Unit (ERU) per month by the end of fiscal 2028. Our base case analysis indicates the rate will need to be \$96 at that time. This rate forecast is based on best available project cost and schedule data. Any changes in project cost or construction schedule will materially impact the calculation of future rates. Another dependent variable in this analysis is the projected growth rate in billable wastewater EDUs. Low growth will cause higher rates while robust growth will cause lower rate projections.
- If the City implements our base case wastewater rate increases, we project the wastewater fund will have a cash balance of \$1.496 million on June 30, 2029. With these future rate increases and the prudent use of cash reserves, there should be adequate funds available to pay for planned wastewater system expenditures over the balance of the five-year forecast horizon. This also accounts for the

planned borrowings of approximately \$4.8 million for the construction of the new wastewater treatment plant.

- The City's current wastewater rate structure does not conform to industry practice. The current residential wastewater volume charge is based on year-round monthly metered water consumption. Industry practice for residential customers is to base the volume charge on the winter average method as discussed earlier in this executive summary.

Recommendations

Water:

- *Water rates* - We recommend the city increase water rates on or near July 1, 2024, by 3%, and by 3% on July 1st every year thereafter until 2029. The immediate impact on the average single family residential customer is an increase in the water bill of approximately \$2.78 per month. The average single family residential monthly water bill will go from the current amount of \$66.92 to \$77.74 by the end of fiscal 2029.
- *Credit to CTSI and Wilson mobile home park for over recovery of meter reading costs* – Based on our analysis of the City's meter reading costs, we recommend the city credit CTSI and Wilson mobile home park \$3.52 per ERU per month for over recovery of meter reading costs from the standard monthly water base charge. This allows the city to stay with its business practice of charging a monthly water base charge per ERU in concert with a volume charge.
- *Funding of water capital repairs and replacements* – In our five-year forecast, we have budgeted \$150k per year on average for water system capital expenditures; all funded from cash. We recommend the city adopt this strategy in annual water system budget preparations.
- *Funding of the new Master Plan priority capital improvements* – At the time of this report, the city is working on implementation of the 2020 water system master plan. Our water system financial modeling has not accounted for any new Plan priority capital improvements. When the Plan update is completed, it is highly likely there will be a list of new projects that will require funding. We recommend the city implement a five-year funding strategy for the new priority water projects that come from the Plan update. We also recommend the city consult with its engineering team to verify planning assumptions and estimated project costs. In these inflationary times, estimating future costs can be difficult.

Wastewater:

- *Wastewater rates* - We recommend the city increase wastewater rates on or near July 1, 2024, by at least \$10.00 per EDU per month. For future years, we recommend the city implement the rates contained in the wastewater base case growth forecast. The average single family residential monthly water bill will go from the current amount of \$60 to \$96 by the end of fiscal 2028.
- *Funding of the wastewater inflow and infiltration (I&I) abatement program* – We recommend the city continue to focus on its I&I abatement through regular annual expenditures. In our five-year forecast, we have budgeted \$30k per year for this program; all funded from wastewater rates. We recommend the city adopt this strategy in annual wastewater system budget preparations.
- *Funding of wastewater capital repairs and replacements* – Over the last two fiscal years, the city has been spending on average approximately \$38k per year on wastewater collection system capital repairs and replacements. In our five-year forecast, we have budgeted \$110k per year in the wastewater fund for these types of expenditures; all funded from rates. We recommend the city

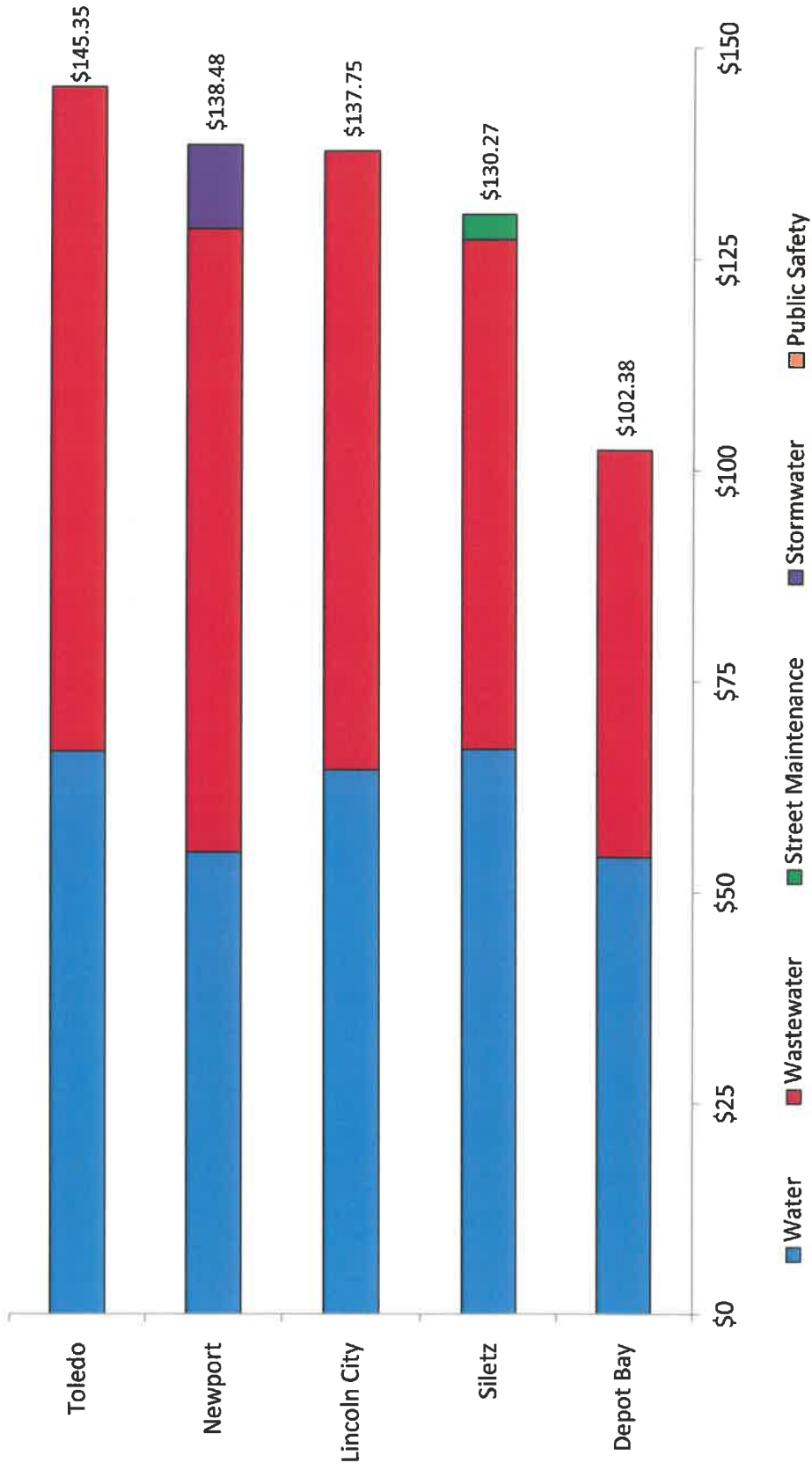
adopt this strategy in annual wastewater system budget preparations. As the wastewater collection and treatment systems age, these types of system repairs and replacements will become more common.

- *Funding of WWTP replacement project* – Our wastewater system financial modeling assumes the City’s share of the WWTP replacement project will net out to \$4.8 million (adjusted for inflation) over the three-year construction forecast. We have developed a funding plan that calls for the issuance of new debt for the construction of the WWTP, and cash expenditures for all other master plan projects. We recommend the city implement this five-year funding strategy. We also recommend the city consult with its engineering team to verify our planning assumptions and estimated project costs. In these inflationary times, estimating future costs can be difficult.
- *Consumption-based wastewater rates* – We recommend the Council direct city staff to implement residential consumption-based rates based on the winter average water consumption method.

Neighboring Communities' Utility Rates

Shown below in Figure 6 is a chart that compares the current utility rates for a single-family customer in Siletz to the same charges in similar communities in the region.

Figure 6 - Neighboring Communities' Single Family Utility Bills by Service- April 2023



Analysis Section

Water Rates

Analysis of Water System Revenue Requirements

This analytical task determines the amount of revenue needed from water rates. This is driven by utility cash flow or income requirements, constraints of bond covenants, and specific fiscal policies related to the water utility. Based on the adopted budget for fiscal 2024, the base case analysis was developed. This case is predicated on several planning assumptions. These planning assumptions are discussed in detail below.

For the current budget year (fiscal 2024), the water utility will generate sufficient revenues from rates, charges, and fees to meet its obligations and produce an unappropriated ending balance in the water operating fund of \$2,583,970. The beginning balance for the water operating fund in this same fiscal year was \$2,662,331. To establish and maintain cash balances in the water operating fund while continuing to support the funding of future capital requirements, general water rate increases will be required over the five-year forecast horizon. We recommend the city increase water rates on or near July 1, 2024, by 3%. After this immediate rate increase, we are projecting annual water system rate increases of 3% per year, every year over the balance of the five-year water system financial forecast. Our modeling indicates these rate increases will generate sufficient revenues to fund the projected operations, maintenance, and capital improvement requirements of the water system. For the forecast of revenue requirements, the following assumptions were made based on discussions with City staff:

Inflation in costs and growth in the customer base – In order to accurately reflect likely future conditions, the revenue requirements model was programmed to allow for inflation and cost escalation factors by budget line item. Per guidance from City staff, the following factors were applied for estimating future cost escalation:

- All direct labor line items – The model uses an annual average increase of 3.0% per year.
- Retirement (City cost) – 3.0% per year. This line item includes employer contributions to the defined benefit pension plan (i.e., PERS) that covers City employees.
- Health, vision, and dental insurance (City cost) – 6.0% per year for employer contributions to health insurance premiums.
- Materials and services – 3.0% per year.
- Construction cost inflation – 3.0% per year based on the most recent five-year average growth rate in the Engineering News Record's percent change in the Construction Cost Index.
- The growth forecast expressed in the annual increase in 5/8" meter equivalents is estimated to be 0.77% per year over the five (5) year forecast horizon. This growth rate is consistent with the latest certified population growth rates as published by the Population Research Center at Portland State University.

Capital Improvement Plan Funding – The last water master plan was adopted by the City Council in 2020. The city is now working on implementation of the Plan. It is likely this effort will produce a new set of water system capital improvement plans. This new capital improvement plan will have to be evaluated in future water rate reviews. For rate making purposes, our forecast contains a water capital improvement plan that includes budgets for service installations, small works construction, minor equipment and tools, and the funding for an ongoing meter replacement program. Funding for these types of projects and emergency repairs to the water distribution system is funded from the following sources. These future costs are expected to be completely funded from rates.

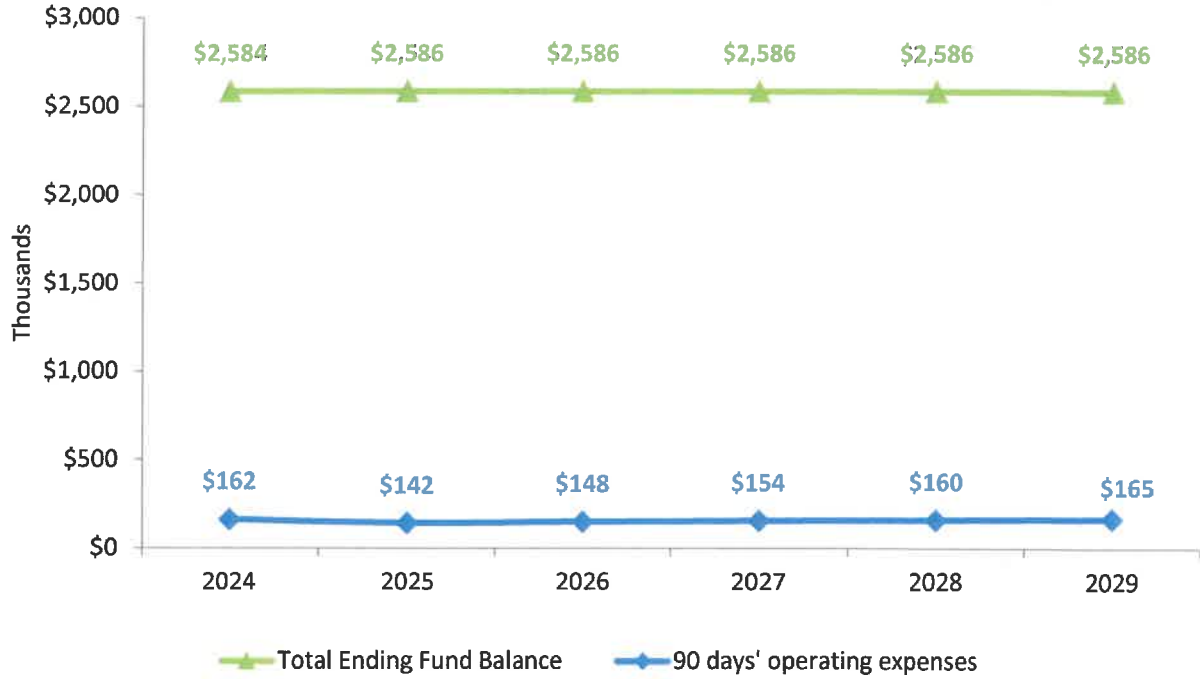
Water fund\$159,000 per year (five-year total of \$795,000)

Operating Costs in Excess of Inflation – In most rate studies, there are certain operating cost categories that tend to grow more than the general price index. We have identified two such categories in this analysis: a) the City’s pension costs, and b) health care premiums. These cost categories have been accounted for in the revenue requirements model. We have not identified any other areas of concern for this forecast, but the city should monitor the cost structure of the water utility on an ongoing basis. Two key areas of future concern are:

- *Administrative charges* – We have not estimated or accounted for any unusual increases in City/General Fund administrative charges. The City provides administrative services such as accounting, legal, and billing to the water system. It is assumed the General Fund support services will continue over the forecast horizon, and likely increase with inflation. While modest, we do not know exactly how much these costs will be, but estimates have been included within the operations and maintenance expense forecast. The city should monitor this situation.
- *Staffing Costs* – We have not planned or budgeted for any additional labor. If the water utility does add staff, these costs will impact the current revenue requirements forecast.

Modeling for Contingencies, Reserves, and Ending Fund Balances - The financial engine of the water utility is the water operating fund. Because the utility cash finances all its operations, the ending fund balance in the water operating fund is in effect the contingency fund for the utility. For planning purposes, we are expecting the Water Operating Fund will end all forecast years with a target ending fund balance more than ninety days of operating expenses. This target balance gives the water utility enough contingency to fund unforeseen operating cost spikes. The five-year forecast of targeted water operating fund balances and operating reserve requirements is shown below in Figure 7.

Figure 7 - Forecast of Water Operating Fund Balances and Operating Reserve Requirements



Revenue Requirements Forecast & Results

All the above cost elements are contained in the revenue requirements model which is the platform for the base case forecast. This case assumes the utility will fund the master plan priority projects in fiscal 2025-2029. Also, the utility would fund the operating costs as adjusted for inflation. This case resulted in the following forecast of water system revenue requirements (Table 3).

Table 3 – City Council-Preferred Case Forecast of Water System Revenue Requirements

	Budget	Forecast				
	2024	2025	2026	2027	2028	2029
Projection of Cash Flow:						
Revenues:						
Licenses and permits	-	-	-	-	-	-
Service charges	576,876	576,876	576,876	601,954	624,552	647,603
Interest earnings	-	-	-	-	-	-
Other financing sources	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-
Subtotal gross operating revenues	576,876	576,876	576,876	601,954	624,552	647,603
Operations & Maintenance Expense:						
Personal services	182,397	188,958	195,782	202,879	210,263	217,946
Materials and services	172,850	178,036	183,377	188,878	194,544	200,381
Total capital outlay	227,195	135,000	150,000	160,000	170,000	180,000
Debt service	72,795	72,795	72,795	72,795	72,795	72,795
Total operations and maintenance expense	655,237	574,789	601,954	624,552	647,603	671,122
(Use)/replacement of fund balance	(78,361)	2,087				
Net Cash	0	0	(25,077)	(22,599)	(23,050)	(23,520)
Net Deficiency/(Surplus)	(0)	(0)	25,077	22,599	23,050	23,520
Test of Coverage Requirement:						
Gross Revenues:						
Operating revenues	576,876	576,876	576,876	601,954	624,552	647,603
System Development Charges	-	-	-	-	-	-
Total Gross Revenues	576,876	576,876	576,876	601,954	624,552	647,603
Operating Expenses:						
Personal services	182,397	188,958	195,782	202,879	210,263	217,946
Materials and services	172,850	178,036	183,377	188,878	194,544	200,381
Transfers to/(from) the rate stabilization account	-	-	-	-	-	-
Total Operating Expenses	355,247	366,994	379,158	391,757	404,807	418,327
Net Revenues	221,629	209,883	197,718	210,197	219,745	229,276
Debt Service	72,795	72,795	72,795	72,795	72,795	72,795
Coverage Recognized	3.04	2.88	2.72	2.89	3.02	3.15
Coverage Required	1.20	1.20	1.20	1.20	1.20	1.20
Net Deficiency/(Surplus)	(134,275)	(122,528)	(110,364)	(122,842)	(132,391)	(141,921)
Projection of Revenue Sufficiency and Forecasted Rates:						
Maximum Deficiency	-	-	25,077	22,599	23,050	23,520
Percent Increase Required Over Current Rate Revenues	0.00%	0.00%	4.35%	3.75%	3.69%	3.63%
Five Year Average Increase in Revenue Requirements						
Revenues Recovered From Existing Rates and Charges:	576,876	576,876	576,876	601,954	624,552	647,603
add: Revenues Recovered From Rate Increase	-	-	25,077	22,599	23,050	23,520
Total Revenues Recovered From Rates & Charges after Increase	576,876	576,876	601,954	624,552	647,603	671,122

Existing Water Rates and Recommended Changes

The City’s current water rate structure consists of a fixed fee per meter per month with the first 1,000 gallons per month allowance included, and a commodity charge expressed in dollars per 1,000 gallons. Any metered consumption is charged out at the current commodity rate. After a thorough discussion of the pros and cons of the current water rate structure, the project team has made the following observations:

- Monthly base charge per ERU – As discussed above, the city’s current water rate structure conforms to industry practice. However, we did find an issue with master metered accounts. There are two entities that master meter a substantial number of dwelling units: CTSI and the Wilson mobile home park. In the case of CTSI, five (5) master meters supply water to 185 unique dwelling units. In the case of the Wilson mobile home park, one master meter supplies water to 75 unique dwelling units. It has been the City’s business practice to charge these entities a full monthly base charge for each unique dwelling unit, effectively recovering meter reading costs from all dwelling units when only six master meters are read. Based on our analysis of the City’s meter reading costs, we recommend the city credit CTSI and Wilson mobile home park \$3.52 per ERU per month for over recovery of meter reading costs from the standard monthly water base charge. This allows the city to stay with its business practice of charging a monthly water base charge per ERU in concert with a volume charge. Shown below in Table 4 is our calculation of the unit monthly cost of water meter reading.

Table 4 - Estimated Monthly Cost of Meter Reading

Line Item Description	Units	Cost	Hours/Mo.	Hourly rate	Monthly
Direct Costs:					
Personal services:					
Salaries:					
Admin. Asst./Clerk of the Court	1		10.00	20.65	206.50
Admin. Asst./Utility Billing	1		5.00	21.84	109.20
Utility Worker II	3		8.00	19.85	\$ 476.40
Public Works Lead	1		8.00	30.36	242.88
Subtotal salaries					\$ 1,034.98
Benefits and payroll taxes:					
FICA and Medicare	7.79%				
SAIF - unemployment	0.38%				
Medical/dental insurance	27.86%				
SEP - pensions	3.90%				
Subtotal benefits and taxes	39.94%				413.40
Total personal services					\$ 1,448.38
Materials and services:					
materials and supplies	1	160.00			\$ 160.00
small tools	1	45.00			45.00
equipment	1	160.00			160.00
fuel and vehicles	1	50.00			50.00
publications and legal notices	1	40.00			40.00
Subtotal materials and services					\$ 455.00
Total direct cost of monthly water meter reading					\$ 1,903.38
General fund overhead:	30%				571.01
Estimated total monthly cost of water meter reads					\$ 2,474.39
Analysis of demand:					
Number of Equivalent Residential Units					702
Unit costs:					
Equivalent Residential Units					\$ 3.52

- **Commodity charge** – The current commodity charges increases or decreases based on the amount of water consumed. This promotes conservation and is consistent with trends in the industry. This methodology has worked for the city and there is no compelling reason to change immediately. The city should consider implementing an inverted block pricing structure in the future to promote higher levels of water conservation.

The assumptions shown above became the base case for the water rate analysis. The ratemaking methodology that was used is called the “base-extra capacity method” and is consistent with industry standards in water rate making. Under this methodology, costs of service are separated into three primary cost components: (1) base costs, (2) extra capacity costs, and (3) customer costs.

Base costs are those that tend to vary with the total quantity of water used plus those operations and maintenance (O&M) expenses and capital costs associated with service to customers under average load conditions, without the elements of cost incurred to meet water use variations and resulting peaks in demand. Base costs include O&M expenses of supply, treatment, pumping, and distribution facilities. Base costs also include capital costs related to water plant investment associated with serving customers to the extent required for a constant, or average, annual rate of demand/usage.

Extra capacity costs are those associated with meeting rate of use requirements more than average and include O&M expenses and capital costs for system capacity beyond that required for average rate of use. These costs have been subdivided into costs necessary to meet maximum-day extra demand, and maximum-hour demand more than maximum day demand.

Customer costs comprise those costs associated with serving customers, irrespective of the amount or rate of water use. They include meter reading, billing, and customer accounting and collection expense, as well as maintenance and capital costs related to meters and services.

The resulting forecast of recommended water rates is shown below in Table 5. A complete output of the water rate model tables is included with this report in Exhibit A.

Table 5 - Five Year Forecast of Recommended Water Rates

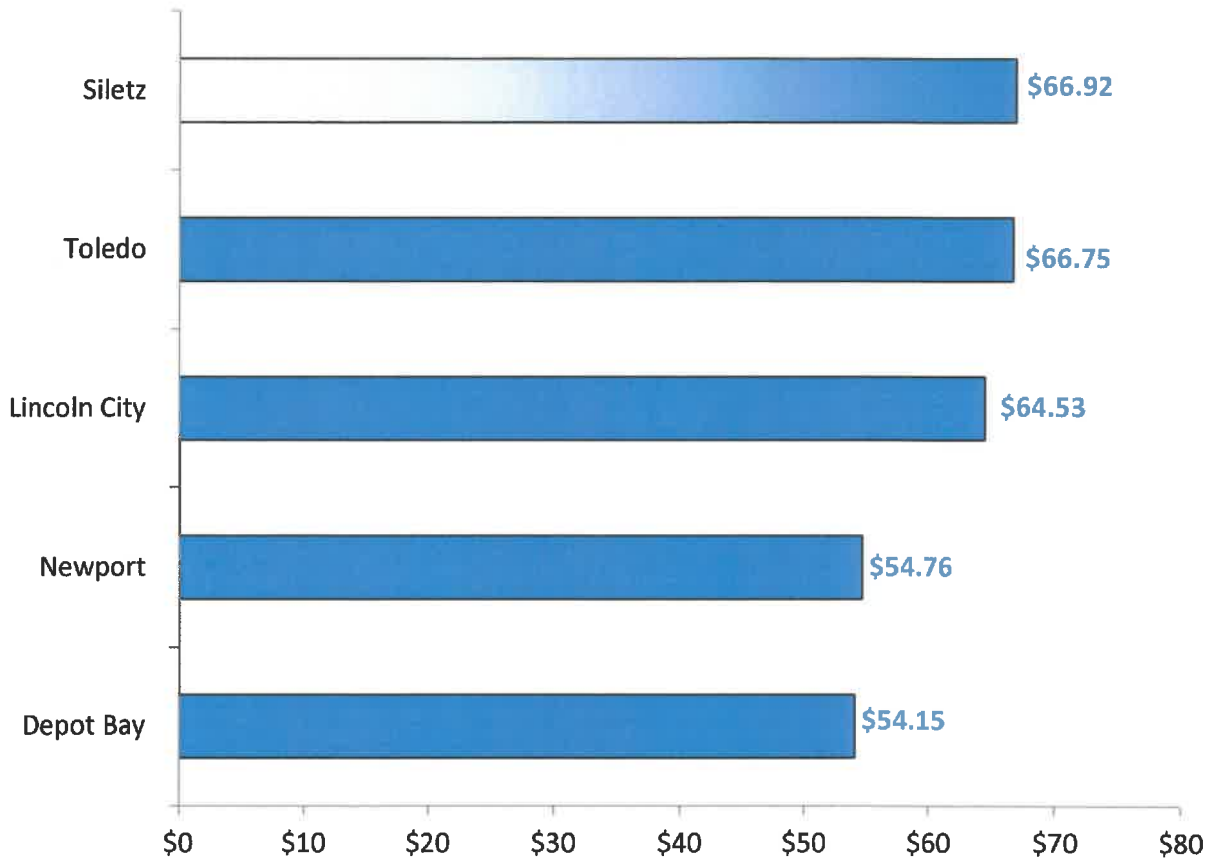
	Actual	Forecast Fiscal Years Starting July 1				
		2025	2026	2027	2028	2029
Inside City:						
Base charge (monthly per ERU) ¹	\$ 42.00	\$ 42.98	\$ 44.65	\$ 46.04	\$ 47.43	\$ 48.83
Base charge credit for Master Metered Accounts:						
Monthly per ERU	-	3.52	3.66	3.78	3.89	4.00
Use Charge (\$/kgal)	\$ 5.00	\$ 5.36	\$ 5.48	\$ 5.58	\$ 5.69	\$ 5.80
Outside City:						
Base charge (monthly) ¹	\$ 42.00	\$ 42.98	\$ 44.65	\$ 46.04	\$ 47.43	\$ 48.83
Use Charge (\$/kgal)	\$ 5.00	\$ 5.36	\$ 5.48	\$ 5.58	\$ 5.69	\$ 5.80

¹ The monthly base charge includes the first 1,000 gallons of metered water consumption.

Neighboring Communities' Water Rates

Shown below in Figure 8 is a chart that compares the current and proposed water rates for a single-family customer in Siletz to the same charges in similar communities in the region.

Figure 8 - Neighboring Communities' Single-Family Water Bills – April 2024 (5.98 kgal)



Wastewater Rates

Analysis of Wastewater System Revenue Requirements

For the current budget year (fiscal 2024), it is forecasted the wastewater utility will generate sufficient revenues from rates, charges, and fees to meet its obligations and produce an unappropriated ending balance in the Wastewater Operating Fund of \$1,744,651. The beginning balance for this same fiscal year was \$1,646,089. To establish and maintain cash balances in the Wastewater Operating Fund while continuing to ramp up rates to pay for the WWTP replacement project, general wastewater rate increases will be required. We recommend the city increase wastewater rates on or near July 1, 2024, by at least \$10.00 per EDU per month. After this immediate rate increase, we are projecting wastewater system rate increases of about \$7 per month each year from fiscal 2025-2026 through 2026-2027. In the fiscal year 2027-2028 the rate increase is projected to be \$13 per month. By the end of this “ramp up” period the projected wastewater EDU rate will be \$96.11 per month. Our modeling indicates these rate increases will generate sufficient revenues to fund the projected operations, maintenance, and capital improvement requirements of the wastewater system. For the forecast of revenue requirements, the following assumptions were made based on discussions with City staff:

Inflation in costs and growth in the customer base – Per guidance from City staff, the following factors were applied for estimating future cost escalation; the same factors that were used in the wastewater system revenue requirements analysis:

- All direct labor line items – The model uses an annual average increase of 3.0% per year.
- Retirement (City cost) – 3.0% per year. This line item includes employer contributions to the defined benefit pension plan (i.e., PERS) that covers City employees.
- Health, vision, and dental insurance (City cost) – 6.0% per year for employer contributions to health insurance premiums.
- Materials and services – 3.0% per year.
- Construction cost inflation – 3.0% per year based on the most recent five-year average growth rate in the Engineering New Record’s percent change in the Construction Cost Index.
- The growth forecast expressed in the annual increase in 5/8” meter equivalents is estimated to be 0.77% per year over the five (5) year forecast horizon. This growth rate is consistent with the latest certified population growth rates as published by the Population Research Center at Portland State University.
- *Capital Improvement Plan Funding* – The City is focused on completing the WWTP replacement project which is expected to take several years and cost upwards of \$4.8 million (net of grants and CTSI contributions). This project will be principally funded from debt proceeds from the Oregon DEQ. Please also note the future wastewater capital improvement plan includes budgets for service installations, small works construction, minor equipment and tools, and the funding for an ongoing I&I abatement program. Funding for these types of projects and emergency repairs to the wastewater collection system is funded from the following sources. These future costs are expected to be completely funded from rates. Over the five-year forecast horizon, the city will spend approximately \$584,000 on other wastewater system capital improvements. These projects will be funded with cash on hand.

Operating Costs in Excess of Inflation – As in the case of the water forecast, we have identified two categories affecting revenue requirements. They are pension costs and health care premiums. These cost

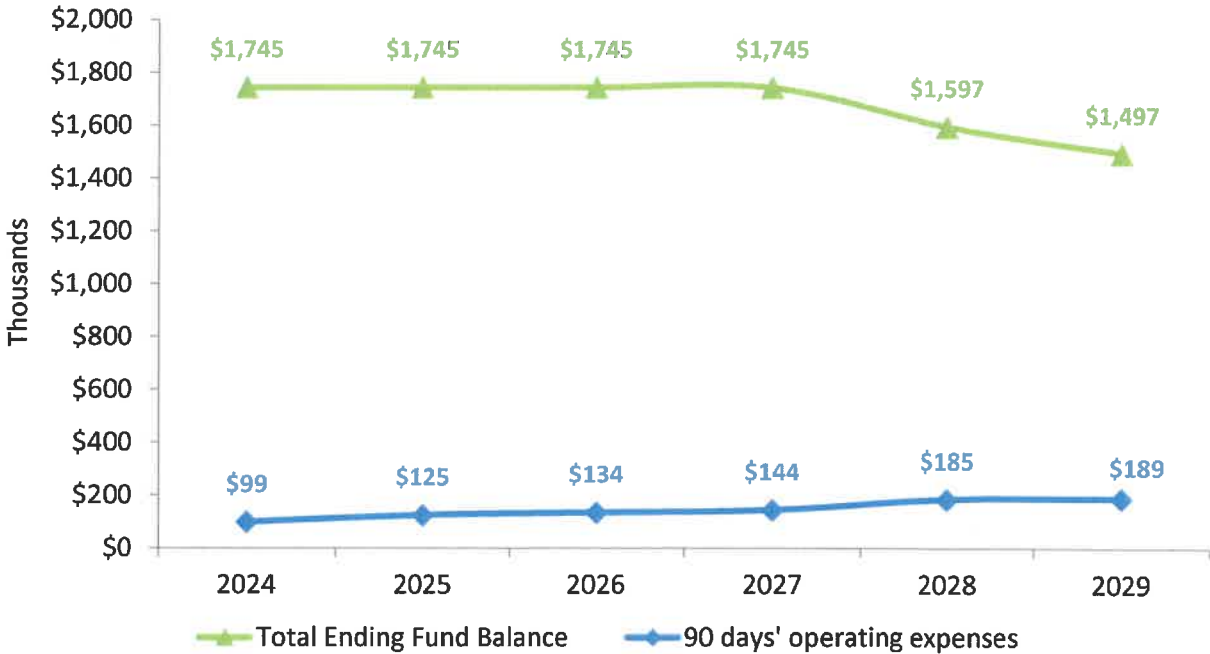
categories have been accounted for in the revenue requirements model. We have not identified any other areas of concern for this forecast, but the city should monitor the cost structure of the wastewater utility on an ongoing basis. Two key areas of future concern are:

Administrative charges – We have not estimated or accounted for any unusual increases in City/general fund administrative charges. The City provides administrative services such as accounting, legal, and billing to the wastewater system. The city should monitor this situation for developments.

Staffing Costs – We have not planned or budgeted for any additional labor. If the wastewater utility does add staff, these costs will impact the current revenue requirements forecast.

Modeling for Contingencies, Reserves, and Ending Fund Balances – As discussed above, the Wastewater Operating Fund is expected to end this fiscal year with an unappropriated ending fund balance of \$1.7 million. For planning purposes, we are expecting the Wastewater Operating Fund will end all forecast years with an ending fund balance more than ninety days of operating expenses. This target balance gives the wastewater utility enough contingency to fund unforeseen operating cost spikes. The five-year forecast of targeted wastewater operating fund balances and operating reserve requirements is shown below in Figure 9.

Figure 9 - Forecast of Wastewater Operating Fund Balances and Operating Reserve Requirements



Revenue Requirements Forecast & Results

All the above cost elements are contained in the revenue requirements model and from this, the base case forecast was developed. The base case assumes the utility would fund the projected capital costs discussed above over the entire five-year forecast horizon. Also, the utility would fund the operating costs

as adjusted for inflation. This case resulted in the following forecast of wastewater system revenue requirements (Table 6).

Table 6 – Base Case Forecast of Wastewater System Revenue Requirements

Wastewater Rate Component	Estimated	Effective on July 1				
	2024	2025	2026	2027	2028	2029
Common sewer system revenue requirements:						
Personal services	\$ 161,873	\$ 167,609	\$ 173,569	\$ 179,764	\$ 186,205	\$ 192,901
Materials and services	153,682	158,292	163,041	167,932	172,970	178,159
Capital outlay	37,950	110,000	113,300	116,699	120,200	123,806
Legacy debt service	<u>47,111</u>	<u>47,111</u>	<u>47,111</u>	<u>47,111</u>	<u>47,111</u>	<u>47,111</u>
Subtotal common sewer system revenue requirements	\$ 400,617	\$ 483,012	\$ 497,021	\$ 511,506	\$ 526,485	\$ 541,977
City-specific sewer system revenue requirements:						
Prospective debt service - 2025 WWTP upgrade (Use)/replacement of fund balance	\$ -	\$ 23,451	\$ 47,605	\$ 72,484	\$ 224,163	\$ 223,524
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Subtotal City only sewer system revenue requirements	\$ -	\$ 23,451	\$ 47,605	\$ 72,484	\$ 124,163	\$ 123,524
Total sewer system revenue requirements	\$ 400,617	\$ 506,463	\$ 544,626	\$ 583,990	\$ 750,648	\$ 765,501

Existing and Recommended Wastewater Rates

The City’s current wastewater rate structure conforms to industry practice and consists of a monthly base charge per ERU of \$51 and a wastewater flow charge of \$3.00 per 1,000 gallons of metered water. The monthly base charge includes the first 1,000 gallons of usage. Our modeling indicates the city will be facing substantial future wastewater rate increases to pay for the wastewater treatment plant upgrade project. As discussed above, a critical assumption in this financial analysis is the funding splits between the City and CTSI. The second and equally important planning assumption centers on how the City will fund its share of the capital improvement costs. Our base case assumes the city will secure a 30-year loan from the State of Oregon’s Clean Water State Revolving Loan program at an interest rate of 2.01%. All the future debt service (principal and interest) originating from this loan will be borne by City ratepayers. CTSI customers will not be participating in the payment of these future costs. From a future rates perspective, this means the city will have differential wastewater rates going forward; one set of rates for city customers, and one set for CTSI customers.

We are also recommending the city change how it bills residential customers for the wastewater volume charge going forward. As discussed in the executive summary of this report, we recommend the city move to the winter average method for calculating the volume charge. Under this method, single family residential wastewater customers’ assumed wastewater flows throughout the year are based on their calculated winter monthly average water consumption (i.e., November through April). Once the winter monthly average for each residential customer is calculated, this total is used to set each customer’s wastewater fees for the next year. Water used during the averaging period is for indoor use and most of it enters the wastewater collection system. Since much of the water used in warmer months is used to water lawns and gardens and does not enter the wastewater collection system, the city would use the winter average as the most equitable way of determining wastewater volumes that get treated.

For wastewater cost of service analysis, the project team used a functional cost allocation methodology. Under this approach, system costs by budget line item are allocated to cost components using purpose-based, cost-causative factors. We relied on interviews with knowledgeable public works staff to provide estimates of percentages of O&M expenses that are allocated to the wastewater cost centers of flow, biochemical oxygen demand (BOD), total suspended solids (TSS), and customer accounts. The recommended schedule of wastewater rates is shown below in Table 7.

Table 7 - Proposed Schedule of Wastewater Rates

Monthly Bill Calculations:

Wastewater Rate Component	Estimated	Effective on July 1				
	2024	2025	2026	2027	2028	2029
Total sewer system revenue requirements	\$ 400,617	\$ 506,463	\$ 544,626	\$ 583,990	\$ 750,648	\$ 765,501

EDU assumptions:

City	373	376	378	381	384	386
CTSI	208	209	211	212	214	215
Total	581	585	589	593	597	602

Estimated wastewater flows (Q): kgal	34,298	34,538	34,780	35,023	35,269	35,515
less: 1kgal included in monthly base charge	6,972	7,021	7,070	7,119	7,169	7,219
Estimated wastewater flows subject to volume charge	27,326	27,517	27,710	27,904	28,099	28,296

Calculation of monthly sewer rates:

Monthly base charge:

Operations & maintenance - all customers (City and CTSI)	\$ 51.00	\$ 51.60	\$ 52.73	\$ 53.88	\$ 55.08	\$ 56.30
Prospective debt service - City only	\$ -	\$ 5.20	\$ 10.49	\$ 15.86	\$ 26.98	\$ 26.65
Monthly base charge City customers	\$ 51.00	\$ 56.80	\$ 63.21	\$ 69.74	\$ 82.05	\$ 82.95

Wastewater volume charge: \$/kgal

Operations & maintenance - all customers	\$ 3.00	\$ 4.39	\$ 4.48	\$ 4.58	\$ 4.68	\$ 4.79
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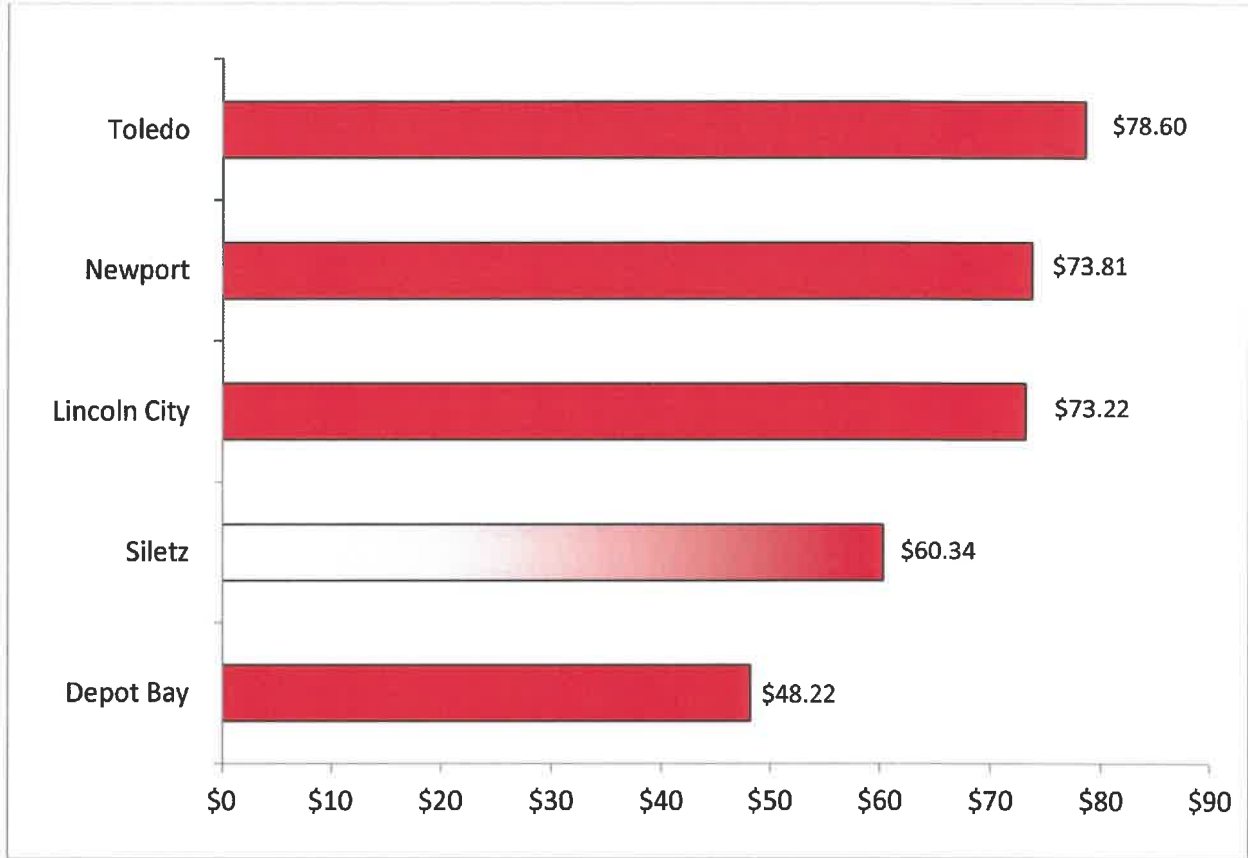
Monthly wastewater bill analysis (assuming 4 kgal/month):

City customers	\$ 60.00	\$ 69.97	\$ 76.67	\$ 83.49	\$ 96.11	\$ 97.32
CTSI customers	\$ 60.00	\$ 64.76	\$ 66.18	\$ 67.63	\$ 69.13	\$ 70.67

Neighboring Communities' Wastewater Rates

Shown below in Figure 10 is a chart that compares the current wastewater rates for a single-family customer in Siletz to the same charges in similar communities in the region.

Figure 10 - Neighboring Communities' Single-Family Wastewater Bills – April 2024 (4.11 kgal)



Rate Study Conclusions and Recommendations

The schedules of utility rates shown above were developed through consultation with City staff and the members of the rate study project team. The study process included an evaluation of revenue requirements, cost of service, and rate design for the five-year forecast (fiscal 2025 through fiscal 2029). The revenue requirements analysis determined the amount of annual revenue needed to be generated by water and wastewater rates. This analysis addressed the level, rather than the structure of rates. The cost-of-service analysis provided an analytical basis for assigning costs to customers, addressing equity among customer classes. Finally, the rate design element established the structure of rates for cost recovery through fixed and variable rate components. This step addressed equity within customer classes.

Several specific conclusions and policy recommendations were developed through this collaboration and are briefly discussed in this executive summary. Itemized below is a listing of these conclusions and recommendations.

Conclusions

- We estimate the water fund will end this fiscal year (i.e., June 30, 2024) with a cash balance of \$2.584 million. With 3% per year general water rate increases we project this fund will have a cash balance of \$2.586 million on June 30, 2029. With these modest future rate increases and the prudent use of cash reserves, there should be adequate funds available to pay for planned water system expenditures over the balance of the five-year forecast horizon. No new borrowings are planned over the five-year forecast.
- The City's current water rate structure conforms to industry practice. This structure consists of a monthly base charge that includes the first 1,000 gallons of metered water and a volume charge for every 1,000 gallons of metered water consumed thereafter. However, we did find an issue with master metered accounts. There are two entities that master meter a substantial number of dwelling units: CTSI and the Wilson mobile home park. In the case of CTSI, five (5) master meters supply water to 185 unique dwelling units. In the case of the Wilson mobile home park, one master meter supplies water to 75 unique dwelling units. It has been the City's business practice to charge these entities a full monthly base charge for each unique dwelling unit, effectively recovering meter reading costs from all dwelling units when only six master meters are read.
- We performed a water cost of service analysis and concluded the City's current rate structure is close to the cost of service-based rates. In our judgement, we see no need to make any changes to the current rate structure other than crediting CTSI and Wilson mobile home park for over recovery of meter reading costs. In the future, we suggest the city consider implementing tiered conservation rates (i.e., inverted block pricing).
- We estimate the wastewater fund will end this fiscal year (i.e., June 30, 2024) with a cash balance of \$1.744 million. To fund the WWTP replacement project, we estimate the City will have substantially increase the current wastewater rate of about \$60 per Equivalent Residential Unit (ERU) per month by the end of fiscal 2028. Our base case analysis indicates the rate will need to be \$96 at that time. This rate forecast is based on best available project cost and schedule data. Any changes in project cost or construction schedule will materially impact the calculation of future rates. Another dependent variable in this analysis is the projected growth rate in billable wastewater EDUs. Low growth will cause higher rates while robust growth will cause lower rate projections.

- If the City implements our base case wastewater rate increases, we project the wastewater fund will have a cash balance of \$1.496 million on June 30, 2029. With these future rate increases and the prudent use of cash reserves, there should be adequate funds available to pay for planned wastewater system expenditures over the balance of the five-year forecast horizon. This also accounts for the planned borrowings of approximately \$4.8 million for the construction of the new wastewater treatment plant.
- The City's current wastewater rate structure does not conform to industry practice. The current residential wastewater volume charge is based on year-round monthly metered water consumption. Industry practice for residential customers is to base the volume charge on the winter average method as discussed earlier in this executive summary.

Recommendations

Water:

- *Water rates* - We recommend the city increase water rates on or near July 1, 2024, by 3%, and by 3% on July 1st every year thereafter until 2029. The immediate impact on the average single family residential customer is an increase in the water bill of approximately \$2.78 per month. The average single family residential monthly water bill will go from the current amount of \$66.92 to \$77.74 by the end of fiscal 2029.
- *Credit to CTSI and Wilson mobile home park for over recovery of meter reading costs* – Based on our analysis of the City's meter reading costs, we recommend the city credit CTSI and Wilson mobile home park \$3.52 per ERU per month for over recovery of meter reading costs from the standard monthly water base charge. This allows the city to stay with its business practice of charging a monthly water base charge per ERU in concert with a volume charge.
- *Funding of water capital repairs and replacements* – In our five-year forecast, we have budgeted \$150k per year on average for water system capital expenditures; all funded from cash. We recommend the city adopt this strategy in annual water system budget preparations.
- *Funding of the new Master Plan priority capital improvements* – At the time of this report, the city is working on implementation of the 2020 water system master plan. Our water system financial modeling has not accounted for any new Plan priority capital improvements. When the Plan update is completed, it is highly likely there will be a list of new projects that will require funding. We recommend the city implement a five-year funding strategy for the new priority water projects that come from the Plan update. We also recommend the city consult with its engineering team to verify planning assumptions and estimated project costs. In these inflationary times, estimating future costs can be difficult.

Wastewater:

- *Wastewater rates* - We recommend the city increase wastewater rates on or near July 1, 2024, by at least \$10.00 per EDU per month. For future years, we recommend the city implement the rates contained in the wastewater base case growth forecast. The average single family residential monthly water bill will go from the current amount of \$60 to \$96 by the end of fiscal 2028.
- *Funding of the wastewater inflow and infiltration (I&I) abatement program* – We recommend the city continue to focus on its I&I abatement through regular annual expenditures. In our five-year forecast, we have budgeted \$30k per year for this program; all funded from wastewater rates. We recommend the city adopt this strategy in annual wastewater system budget preparations.

- *Funding of wastewater capital repairs and replacements* – Over the last two fiscal years, the city has been spending on average approximately \$38k per year on wastewater collection system capital repairs and replacements. In our five-year forecast, we have budgeted \$110k per year in the wastewater fund for these types of expenditures; all funded from rates. We recommend the city adopt this strategy in annual wastewater system budget preparations. As the wastewater collection and treatment systems age, these types of system repairs and replacements will become more common.
- *Funding of WWTP replacement project* – Our wastewater system financial modeling assumes the City's share of the WWTP replacement project will net out to \$4.8 million (adjusted for inflation) over the three-year construction forecast. We have developed a funding plan that calls for the issuance of new debt for the construction of the WWTP, and cash expenditures for all other master plan projects. We recommend the city implement this five-year funding strategy. We also recommend the city consult with its engineering team to verify our planning assumptions and estimated project costs. In these inflationary times, estimating future costs can be difficult.
- *Consumption-based wastewater rates* – We recommend the Council direct city staff to implement residential consumption-based rates based on the winter average water consumption method.

Appendix A – Water Rate Model Output Tables



Water Rates Step 1 - Functional Allocation of Revenue Requirements

City of Siletz, Oregon
Water System Rate Study Update 2023
Forecast of Net Revenue Requirements by System Function

	2024	2025	2026	2027	2028	2029
Net Revenue Requirement by Function:						
Source of Supply	-	-	-	-	-	-
land, buildings and impoundment reservoir	-	-	-	-	-	-
water treatment equipment	102,257	100,555	104,312	107,920	111,634	115,458
fees, permits	-	-	-	-	-	-
laboratory testing	-	-	-	-	-	-
vehicles, tools, & misc.	-	-	-	-	-	-
source of supply total	102,257	100,555	104,312	107,920	111,634	115,458
Transmission and Distribution System						
distribution reservoirs	-	-	-	-	-	-
transmission & distribution mains	102,257	100,555	104,312	107,920	111,634	115,458
services	-	-	-	-	-	-
hydrants	-	-	-	-	-	-
fees, permits	-	-	-	-	-	-
tools, shop, and garage equipment	-	-	-	-	-	-
transmission & distribution mains total	102,257	100,555	104,312	107,920	111,634	115,458
Customer Account Expense						
meter reading and services	10,133	10,498	10,877	11,271	11,681	12,108
customer collection & services	10,133	10,498	10,877	11,271	11,681	12,108
postage, supplies	10,133	10,498	10,877	11,271	11,681	12,108
customer accounts expense total	30,399	31,493	32,630	33,813	35,044	36,324
General & Administrative Expense						
office supplies	198,910	196,382	207,795	216,795	225,795	234,795
telephone	-	-	-	-	-	-
contract services	-	-	-	-	-	-
employee costs	-	-	-	-	-	-
insurance - general	143,053	147,890	152,904	158,103	163,495	169,087
long term supply development	-	-	-	-	-	-
general and administrative expense total	341,963	344,272	360,699	374,898	389,290	403,883
Total Net Revenue Requirement by Function						
Checksum	576,876	576,876	601,954	624,552	647,603	671,122
Checksum error	-	-	-	-	-	-

- Functions are:
- Source of Supply
- T & D System
- Customer Accounts
- G & A
- Debt Svc
- Contracts
- Gen. Fund transfers

Water Rates Step 2 – Assignment of Functional Costs to BEC



Variable Fixed

Line Item Description	Base		Extra Capacity		Customer Costs		BEC Total
	Max Day	Max hour	Meters & Services	Billing			
Forecast Year: 2024							
Source of Supply	65,527	36,730	-	-	-	-	102,257
Transmission and Distribution System	65,527	24,487	12,243	-	-	-	102,257
Customer Account Expense	-	-	-	-	10,133	20,266	30,399
General and Administrative Expense	-	-	-	-	341,963	-	341,963
Total	\$ 131,053	\$ 61,217	\$ 12,243	\$ 20,266	\$ 352,096	\$ 20,266	\$ 576,876
Forecast Year: 2025							
Source of Supply	64,436	36,119	-	-	-	-	100,555
Transmission and Distribution System	64,436	24,079	12,040	-	-	-	100,555
Customer Account Expense	-	-	-	-	10,498	20,995	31,493
General and Administrative Expense	-	-	-	-	344,272	-	344,272
Total	\$ 128,873	\$ 60,198	\$ 12,040	\$ 20,995	\$ 354,770	\$ 20,995	\$ 576,876
Forecast Year: 2026							
Source of Supply	66,844	37,468	-	-	-	-	104,312
Transmission and Distribution System	66,844	24,979	12,489	-	-	-	104,312
Customer Account Expense	-	-	-	-	10,877	21,754	32,630
General and Administrative Expense	-	-	-	-	360,699	-	360,699
Total	\$ 133,687	\$ 62,447	\$ 12,489	\$ 21,754	\$ 371,576	\$ 21,754	\$ 601,954
Forecast Year: 2027							
Source of Supply	69,156	38,765	-	-	-	-	107,920
Transmission and Distribution System	69,156	25,843	12,922	-	-	-	107,920
Customer Account Expense	-	-	-	-	11,271	22,542	33,813
General and Administrative Expense	-	-	-	-	374,898	-	374,898
Total	\$ 138,312	\$ 64,608	\$ 12,922	\$ 22,542	\$ 386,169	\$ 22,542	\$ 624,552
Forecast Year: 2028							
Source of Supply	71,536	40,099	-	-	-	-	111,634
Transmission and Distribution System	71,536	26,732	13,366	-	-	-	111,634
Customer Account Expense	-	-	-	-	11,681	23,363	35,044
General and Administrative Expense	-	-	-	-	389,290	-	389,290
Total	\$ 143,071	\$ 66,831	\$ 13,366	\$ 23,363	\$ 400,971	\$ 23,363	\$ 647,603
Forecast Year: 2029							
Source of Supply	73,986	41,472	-	-	-	-	115,458
Transmission and Distribution System	73,986	27,648	13,824	-	-	-	115,458
Customer Account Expense	-	-	-	-	12,108	24,216	36,324
General and Administrative Expense	-	-	-	-	403,883	-	403,883
Total	\$ 147,971	\$ 69,120	\$ 13,824	\$ 24,216	\$ 415,991	\$ 24,216	\$ 671,122

- Meters & Services and Billing costs are recovered from the monthly base charge
- Base and extra capacity charges are recovered from the volume (commodity) charge

Water Rates Step 3 – Calculate Monthly Base Charge



- Monthly base fee charged per Equivalent Residential Unit (ERU)
- Meter reading credit applied to CTSI and Wilson mobile home park ERUs for over recovery of costs due to master meters

City of Siletz, Oregon Water System Rate Study Update 2023 Calculation of Forecasted Customer Charges (\$/Account/Month)						
	Budget	Forecast				
	2024	2025	2026	2027	2028	2029
Net revenue requirement - customer costs						
Meters & Services	352,096	354,770	371,576	386,169	400,971	415,991
Billing	20,266	20,995	21,754	22,542	23,363	24,216
Total	372,363	375,765	393,329	408,711	424,334	440,207
Number of equivalent customers/bills:						
Per month	723	729	734	740	746	751
Annual	8,676	8,743	8,810	8,878	8,946	9,015
Unit charge per equivalent customer:						
Meters & Services	40.5828	40.5785	42.1760	43.4975	44.8197	46.1432
Billing	2.3359	2.4014	2.4691	2.5391	2.6114	2.6862
Total	\$ 42,9187	\$ 42,9799	\$ 44,6452	\$ 46,0366	\$ 47,4311	\$ 48,8294

Water Rates Step 4 – Calculate Use (Commodity) Charge



- Uniform residential and commercial commodity rates
- 95% of active meters serve residential customers
- 5% of remaining meters serve low impact commercial customers

Line Item Description	Budget	Forecast				
	2024	2025	2026	2027	2028	2029
Estimated annual water sales in kgal:						
Single-Family Residential	36,962	37,517	38,080	38,651	39,231	39,819
Multifamily Residential	-	-	-	-	-	-
Commercial	-	-	-	-	-	-
Bulk	-	-	-	-	-	-
Total	36,962	37,517	38,080	38,651	39,231	39,819
Base charge:						
Forecasted base cost revenue requirement	\$ 131,053	\$ 128,873	\$ 133,687	\$ 138,312	\$ 143,071	\$ 147,971
Base charge:						
Single-Family Residential	3,5456	3,4351	3,5107	3,5785	3,6469	3,7161
Multifamily Residential	-	-	-	-	-	-
Commercial	-	-	-	-	-	-
Bulk	-	-	-	-	-	-
Extra capacity charge:						
Maximum day charge:						
Forecasted maximum day revenue requirement	\$ 61,217	\$ 60,198	\$ 62,447	\$ 64,608	\$ 66,831	\$ 69,120
Maximum day extra capacity charge:						
Single-Family Residential	1,6562	1,6046	1,6399	1,6716	1,7035	1,7358
Multifamily Residential	-	-	-	-	-	-
Commercial	-	-	-	-	-	-
Bulk	-	-	-	-	-	-
Maximum hour charge:						
Forecasted maximum hour revenue requirement	\$ 12,243	\$ 12,040	\$ 12,489	\$ 12,922	\$ 13,366	\$ 13,824
Maximum hour extra capacity charge:						
Single-Family Residential	0,3312	0,3209	0,3280	0,3343	0,3407	0,3472
Multifamily Residential	-	-	-	-	-	-
Commercial	-	-	-	-	-	-
Bulk	-	-	-	-	-	-
Commodity charge summary:						
Single-Family Residential	3,5456	3,4351	3,5107	3,5785	3,6469	3,7161
Base	1,6562	1,6046	1,6399	1,6716	1,7035	1,7358
Maximum day	0,3312	0,3209	0,3280	0,3343	0,3407	0,3472
Maximum hour	5,5330	5,3605	5,4786	5,5844	5,6912	5,7991
Total	5,5330	5,3605	5,4786	5,5844	5,6912	5,7991

Appendix B – March 11, 2024, City Council Rate Study Presentation



Utilities Rate Study Kickoff Meeting

March 11, 2024





Agenda ...

- Sewer planning assumptions
- Status of funding assumptions for the sewer project
- Preliminary forecast of sewer rates
- Water planning assumptions
- Assumptions and issues
- Water rate structure discussion
- Preliminary forecast of water rates (status quo)
- Neighboring communities' utility bills
- Next steps

MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

KEY SEWER PLANNING ASSUMPTIONS



City Assumptions

- \$3 million State grant "off the top"
- City share of funding responsibility after grants is 56.54%
- New debt from DEQ SRF loan program
 - 30-year loan
 - 2.01%
- Possibility for principal forgiveness



CTSI Assumptions

- No "off the top" money from CTSI
- CTSI share of funding responsibility after grants is 43.46%
- CTSI has the option to partner with the City on the DEQ SRF loan



Sewer Project Assumptions

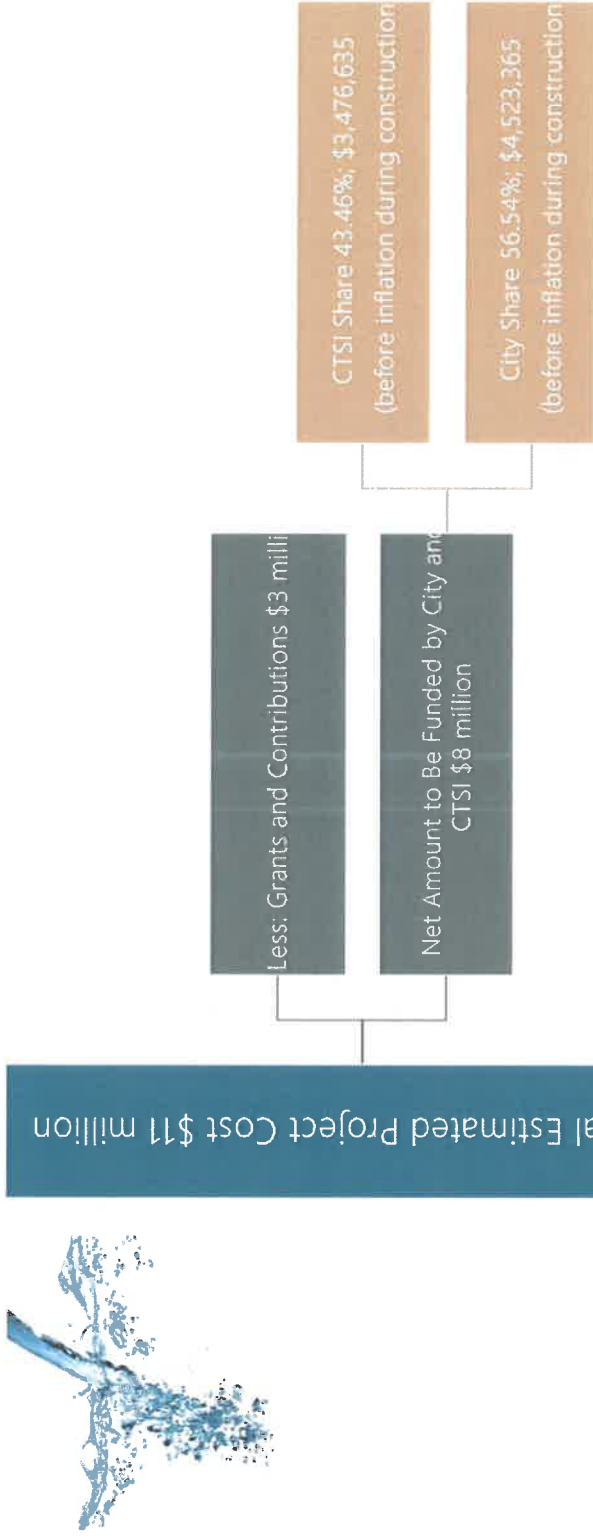
- Estimated project cost today is \$11 million
- Schedule
 - Start date July 1, 2024
 - End date June 30, 2027
- Inflation during construction at 3%/ yr.
- Assume City pays accrued interest during construction

MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

3

FUNDING STRATEGY FOR THE WASTEWATER TREATMENT PLANT UPGRADE



MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

3

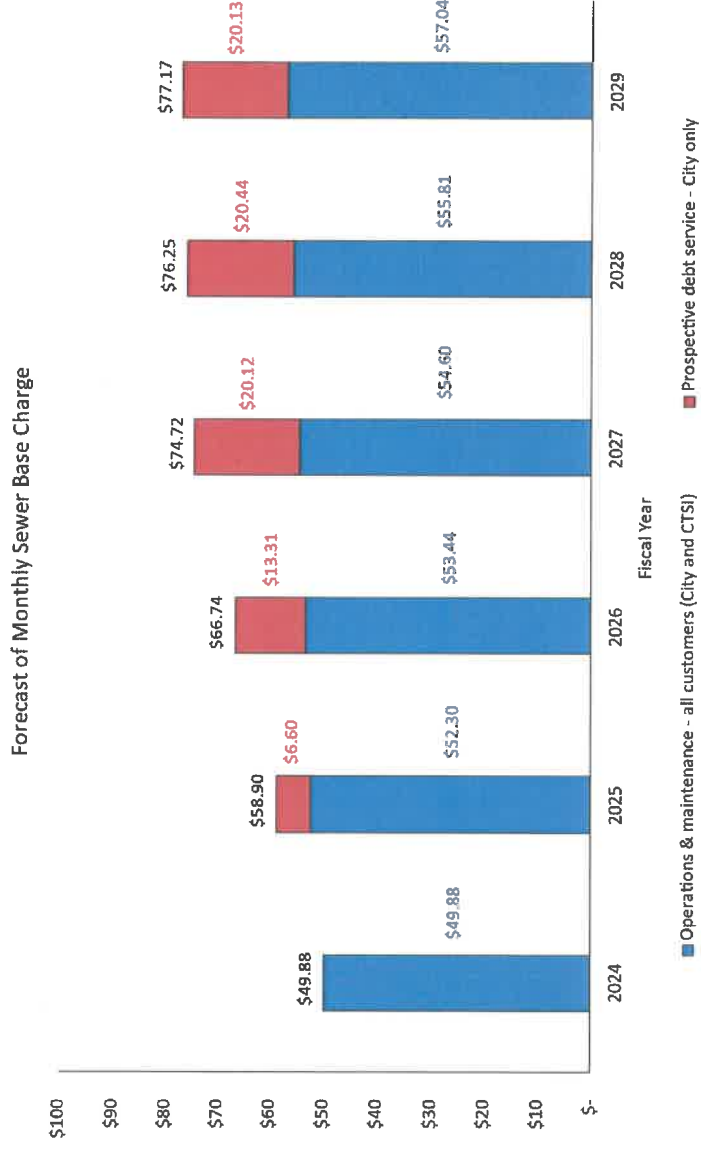
PRELIMINARY FORECAST OF SEWER RATES

Wastewater Rate Component	Effective on July 1					
	Estimated 2024	2025	2026	2027	2028	2029
Common sewer system revenue requirements:						
Personal services	\$ 161,873	\$ 167,609	\$ 173,569	\$ 179,764	\$ 186,205	\$ 192,901
Materials and services	153,682	158,292	163,041	167,932	172,970	178,159
Capital outlay	37,950	50,000	51,500	53,045	54,636	56,275
Legacy debt service	47,111	47,111	47,111	47,111	47,111	47,111
Subtotal common sewer system revenue requirements	\$ 400,617	\$ 423,012	\$ 435,221	\$ 447,852	\$ 460,922	\$ 474,446
City-specific sewer system revenue requirements:						
Prospective debt service - 2025 WWTP upgrade (Use)/replacement of fund balance	\$ -	\$ 23,451	\$ 47,605	\$ 72,484	\$ 224,163	\$ 223,524
Subtotal City only sewer system revenue requirements	\$ -	\$ 23,451	\$ 47,605	\$ 72,484	\$ (150,000)	\$ (150,000)
Total sewer system revenue requirements	\$ 400,617	\$ 446,463	\$ 482,826	\$ 520,336	\$ 685,084	\$ 697,970
EDU assumptions:						
City	294	296	298	300	302	304
CTSI	208	209	211	212	214	215
Total	502	506	509	513	516	520
Estimated wastewater flows (Q): kgal	34,298	34,538	34,780	35,023	35,269	35,515
less: 1kgal included in monthly base charge	6,024	6,066	6,109	6,151	6,194	6,238
Estimated wastewater flows subject to volume charge	28,274	28,472	28,671	28,872	29,074	29,278
Calculation of monthly sewer rates:						
Monthly base charge:						
Operations & maintenance - all customers (City and CTSI)	\$ 49.88	\$ 52.30	\$ 53.44	\$ 54.60	\$ 55.81	\$ 57.04
Prospective debt service - City only	-	6.60	13.31	20.12	20.44	20.13
Monthly base charge City customers	\$ 49.88	\$ 58.90	\$ 66.74	\$ 74.72	\$ 76.25	\$ 77.17
Wastewater volume charge: \$/kgal						
Operations & maintenance - all customers	\$ 3.54	\$ 3.71	\$ 3.79	\$ 3.88	\$ 3.96	\$ 4.05

MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

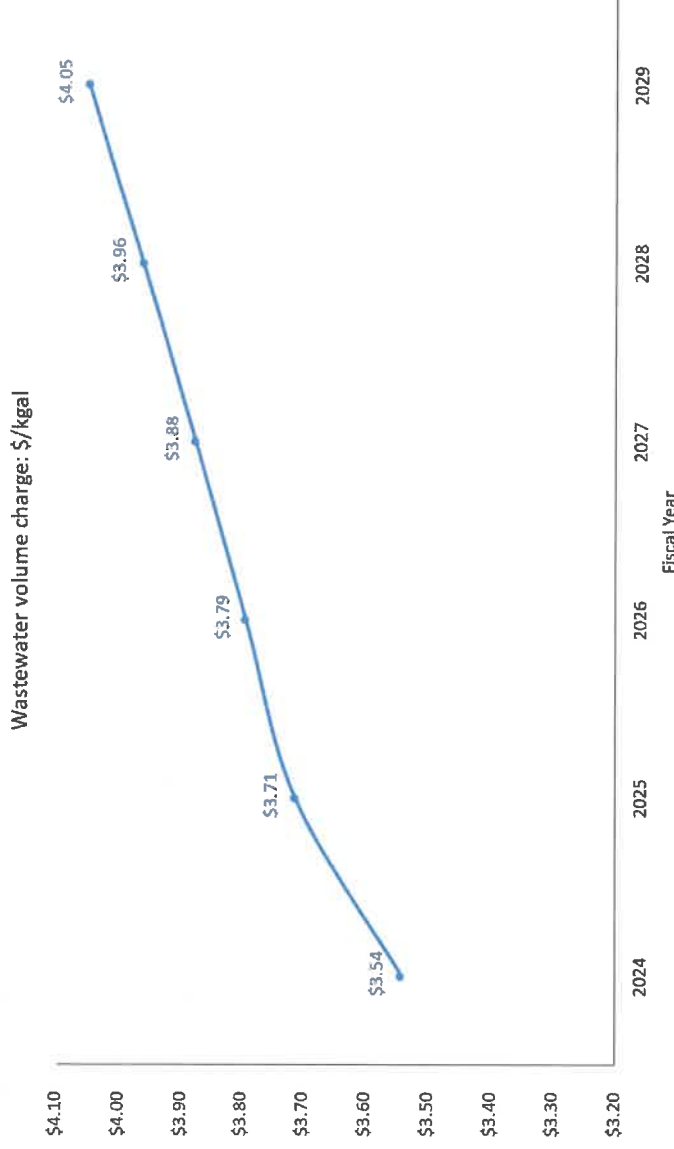
PRELIMINARY FORECAST OF SEWER RATES – MONTHLY BASE CHARGE



MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

PRELIMINARY FORECAST OF SEWER RATES – VOLUME CHARGE



MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

WATER PLANNING ASSUMPTIONS AND ISSUES



General Assumptions

- No large capital improvements anticipated
- Assume \$250k per year in rate funded capital outlays (line replacements, etc.)
- Rate increases generally around 3% per year
- Water system has two debt issuances outstanding; total annual debt service is ~\$73k
- No material growth in the customer base; PSU data indicate 0.77% per year



Issues

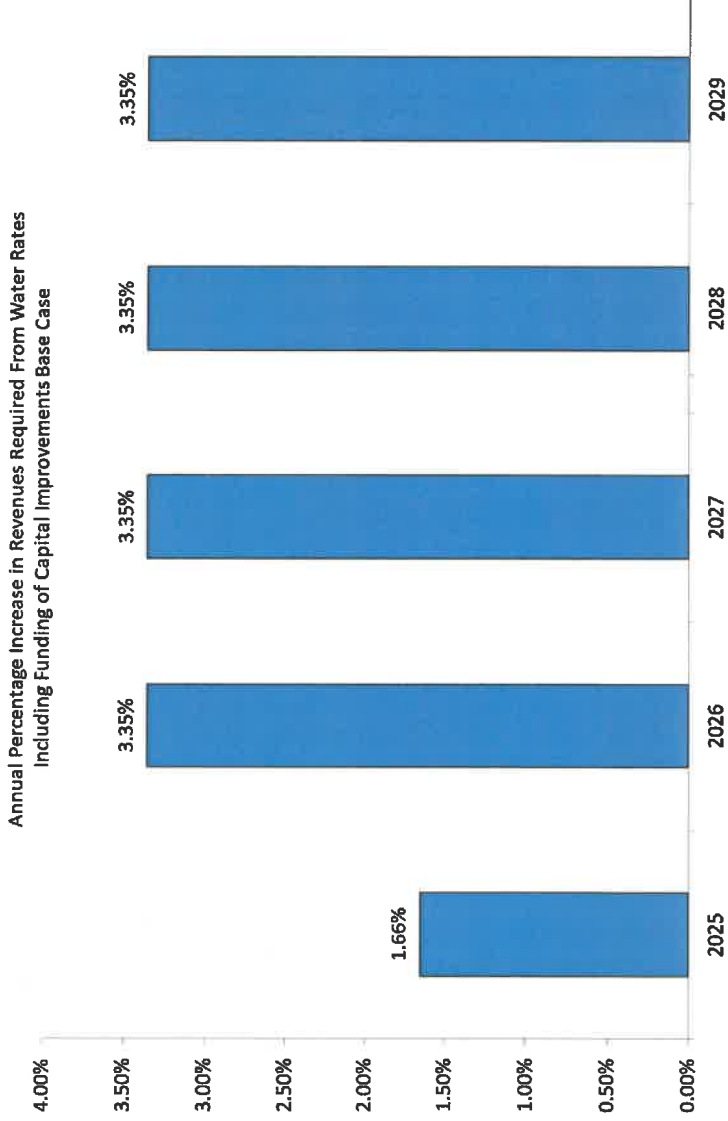
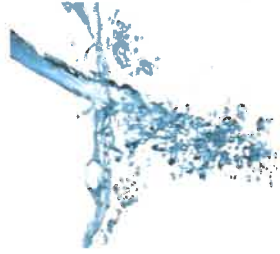
- CTSI has 5 master meters serving 185 residence equivalents
- City currently charges 1 water monthly base charge for each CTSI residence equivalent
- Does the City want to move away from this practice?
- If so, we would have to significantly reduce the meter charge and significantly increase the volume charge
- Moving to a high reliance on the variable charge will cause rate disruptions

MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

5

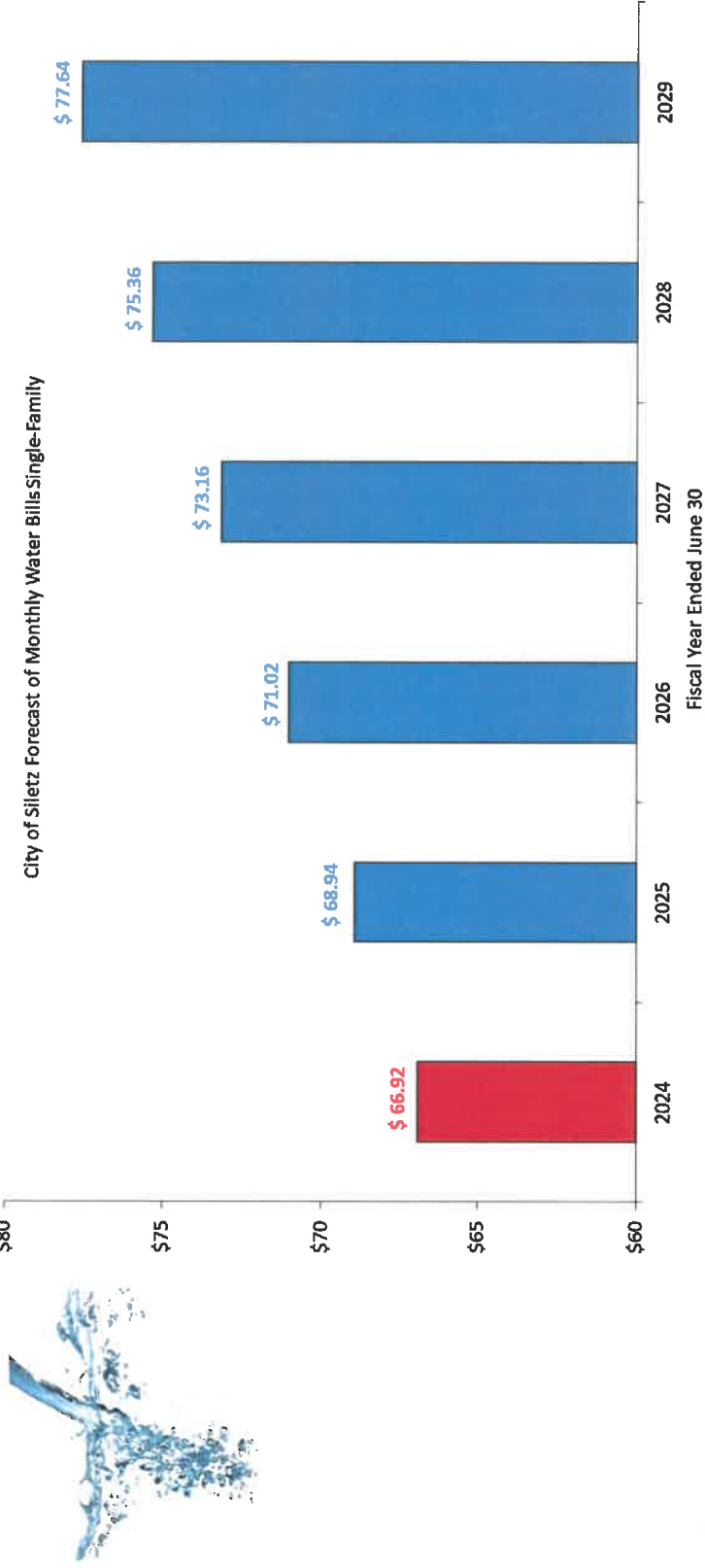
FORECAST OF ANNUAL CHANGES IN WATER REVENUE REQUIREMENTS



MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

FORECAST OF AVERAGE MONTHLY SINGLE - FAMILY WATER BILLS



MARCH 11, 2024

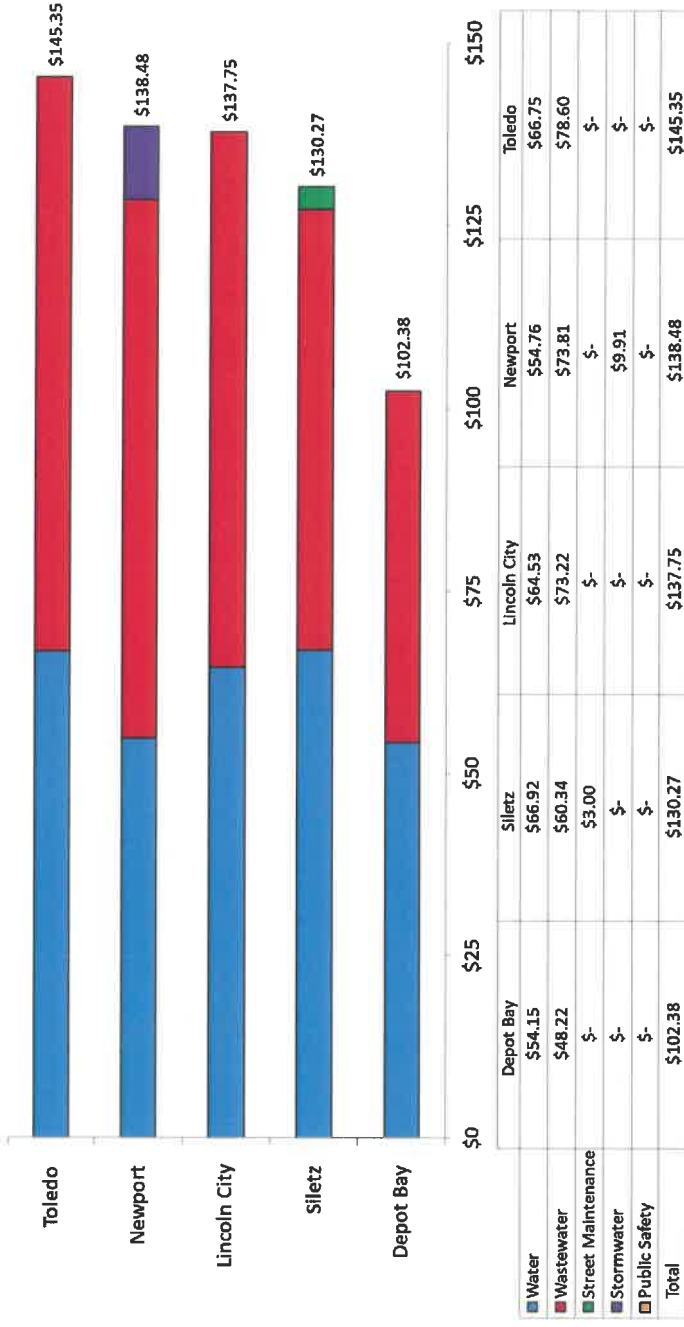
SILETZ CITY COUNCIL PRESENTATION

11

NEIGHBORING COMMUNITIES' UTILITY BILLS



Regional Utilities Rates per Month- March, 2024



MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

NEXT STEPS



MARCH 11, 2024

SILETZ CITY COUNCIL PRESENTATION

13

Dahl Annual Report of Operations- Dave Larmouth

MEMORANDUM TO COUNCIL

RE: Dahl Annual Report of Operations

Fr: City Recorder

Date: 04/08/2024

ISSUE: This is Dahl's Annual Report of Operations

HISTORY: This is a yearly report and requirement. Dave Larmouth will be present to present the report to the council. There will also be a discussion on proposed rate changes.

ACTION: The final report and the adjustment date will be June 1, 2024. No action is required now, this is the beginning of the discussion on the proposed changes and their annual report of operations.



East County Transfer Center
5441 W. Hwy 20
PO Box 357

Toledo, OR 97391
Office: 541.336.2932
Fax: 541.336.4817

South County Transfer Center
235 SW Dahl Ave.
PO Box 1059

Waldport, OR 97394
Phone: 541.563.3888
Fax: 541.563.7373

March 22, 2024

City of Siletz
Attn: Barbara Chestler, City Recorder/Treasurer
PO Box 318
Siletz, OR 97380

2023-24 Rate Review Report

Dear Ms. Chestler -

Enclosed please find our Annual Report of Operations as required in Section 4.1 of the City of Siletz Ordinance 170. We have included an annual report of results of operations prepared by our CPA for the year ended 12/31/2023 (Exhibit A). In addition, we have included an annual report of results of operations for the year ended 12/31/2023 (Exhibit B). We have also included a schedule of all additional allowable expenses that we anticipate for the current year and a calculation of the Operating Ratio for last year and the current year (Exhibit B).

As our Operating Ratio is projected to be inside the allowable range of 85% to 91%, we are proposing to apply the CPI-based adjustment allowed for in our agreement. We are proposing to apply 85% of the one-year change in the CPI-U (West, B/C) from May of 2023 to April of 2024. This index will be released in mid-May, and we will submit that information along with a rate sheet showing this adjustment by June 1st. We are estimating this adjustment to be approximately 3%.

We have included the schedule from our company Certified Public Accountant of the revenue and expenses subject to rate regulation in this packet (Exhibit A). It is produced along with an entire company Reviewed Financial Statement. We have provided the entire Reviewed Financial Statement to the City Recorder to allow verification of the data provided while maintaining the proprietary nature of the information included in the entire Statement.

We are pleased to report that we delivered 16,618 tons of material to the Juno project for additional processing in 2023, including just over 10,000 tons from Lincoln County sources. Without this project, all this material would have been delivered to landfills. Juno staff have estimated the diversion from this project at 50%. We also recycled over 2,700 tons of scrap metal, 1,900 tons of mixed compostables/yard debris, and 713 tons of other materials.



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The biggest change in our operations last year was the addition of food waste to our compostables program in September. Many of our customers have asked for this expansion of our yard debris service, and we were happy we could deliver for them. In addition, from September through December, we saw an increase of 27 tons in material collected versus the same period last year. With this change, some customers may be able to switch to a smaller garbage cart and/or less frequent service, saving them money every month.

We also added a customer education newsletter to our outreach efforts, which was mailed to all current customers. This brochure featured information about the services we offer, proper preparation of recyclable materials, and the benefits to the community and the environment of these efforts. While this is not technically required by the state for the cities we serve, we wanted to bring our program into line with the requirements for cities over 4,000 population in anticipation of the major changes to the recycling system we are expecting to come into effect on July 1 of 2025.

As always, if you have any questions or concerns, we are happy to discuss this submittal at your convenience. In addition, if any issues are to be discussed at a public meeting, please inform us so that we can plan to attend.

Respectfully,

A handwritten signature in cursive script that reads "Dave Larmouth".

Dave Larmouth
Outreach Manager

Dahl Disposal Service 2023 Results 2024 Projections

		DAHL DISPOSAL SERVICE TOTAL		SILETZ		
		2023	ALLOCATION	2023		2024-25
		ACTUAL	FACTOR	ACTUAL	CHANGE	PROJECTED
				Rate Adj. %	est. CPI>>	3.00%
Revenues						
1001	Collection Operations	\$ 5,676,960	Actual	\$ 426,604	\$ 33,728	\$ 460,332
Revenue from Rate Adjustment						\$ 13,810
1002	misc	\$ 131,399	Actual	\$ 2,195	\$ 2,165	\$ -
Total Revenues		\$ 5,808,359		\$ 428,798	\$ 45,344	\$ 474,142
Labor Expense						
100	Labor & Labor Costs	\$ 1,261,713	Route Time	\$ 93,208	\$ (7,310)	\$ 85,898
Total Labor		\$ 1,261,713		\$ 93,208		\$ 85,898
Operation Expense						
201	Bad Debt	\$ 8,314	Route Time	\$ 614	\$ 1,159	\$ 1,773
202	Business Taxes/PUC	\$ 83,137	Route Time	\$ 6,142	\$ 148	\$ 6,290
203	Closure	\$ 65,726	Closure	\$ 12,824	\$ (9,664)	\$ 3,160
204	Depreciation	\$ 312,981	Route Time	\$ 23,121	\$ 5,984	\$ 29,106
205	Amortization	\$ -	Route Time	\$ -	\$ -	\$ -
206	Disposal Charges					
207	- MSW	\$ 958,923	Weights	\$ 83,879	\$ 10,170	\$ 94,049
208	- Recycling	\$ 45,282	Weights	\$ 3,961	\$ 645	\$ 4,606
209	- Green Waste	\$ 148,474	Weights	\$ 12,987	\$ 1,358	\$ 14,345
210	Franchise Fees	\$ 205,035	Actual	\$ 21,330	\$ 2,377	\$ 23,707
211	Fuel	\$ 255,021	Route Time	\$ 18,839	\$ 1,919	\$ 20,759
212	Insurance Expense	\$ 47,571	Route Time	\$ 3,514	\$ 5,018	\$ 8,532
213	Management & Admin fees	\$ 704,804	Calculated	\$ 52,067	\$ 4,830	\$ 56,897
214	Operational Lease/Rent	\$ 115,264	Route Time	\$ 8,515	\$ (8,334)	\$ 181
215	Safety	\$ 3,200	Route Time	\$ 236	\$ 22	\$ 259
216	Other	\$ 2,127	Route Time	\$ 157	\$ 1,208	\$ 1,365
217	Rent	\$ 288,193	Route Time	\$ 21,290	\$ (1,601)	\$ 19,689
218	Repairs & Maintenance	\$ 333,761	Route Time	\$ 24,656	\$ 403	\$ 25,059
219	RV Project	\$ 106,943	Program	\$ 7,900	\$ -	\$ 2,659
225	Total Operational	\$ 3,684,755		\$ 302,034		\$ 312,435
Administrative Expense						
301	Advertising	\$ 17,070	Customers	\$ 1,050	\$ (804)	\$ 246
302	Business M & E	\$ 21,972	Customers	\$ 1,351	\$ (26)	\$ 1,325
303	Interest	\$ 61,830	Customers	\$ 3,803	\$ (2,450)	\$ 1,353
304	Community Ed & Sup.	\$ 23,956	Customers	\$ 1,473	\$ (366)	\$ 1,107
305	Donations	\$ 13,618	Customers	\$ 838	\$ (124)	\$ 713
306	Dues & Subscriptions	\$ 18,612	Customers	\$ 1,145	\$ (187)	\$ 957
307	Ed & Travel	\$ 25,833	Customers	\$ 1,589	\$ (110)	\$ 1,479
308	Licenses and Fees (Visa)	\$ 78,075	Customers	\$ 4,802	\$ (1)	\$ 4,801
309	Bank Charges	\$ 4,177	Customers	\$ 257	\$ (12)	\$ 244
310	Office Expense	\$ 102,712	Customers	\$ 6,318	\$ 25	\$ 6,342
311	Postage	\$ 61,775	Customers	\$ 3,800	\$ 198	\$ 3,998
312	Professional Fees	\$ 120,426	Customers	\$ 7,407	\$ (3,635)	\$ 3,772
313	Other	\$ 5,184	Customers	\$ 319	\$ 97	\$ 416
314	Utilities	\$ 20,409	Customers	\$ 1,255	\$ (166)	\$ 1,089
325	Total Administrative	\$ 575,649		\$ 35,407		\$ 27,844
500	Total Expenses	\$ 5,522,117		\$ 430,649		\$ 426,177
503	Net Income	\$ 286,242		\$ (1,851)		\$ 47,965
ROR		4.93%		-0.43%		10.12%

Dahl Disposal Service 2023 Results 2024 Projections

		DAHL DISPOSAL SERVICE TOTAL		SILETZ		
		2023	ALLOCATION FACTOR	2023	CHANGE	2024-25
		ACTUAL		ACTUAL		PROJECTED

ALLOCATION FACTORS		SILETZ		
2023	Revenue		7.37%	7.37%
2023	Route Time		7.39%	7.39%
2023	Weights		8.75%	8.75%
2023	Customer Counts		6.15%	6.15%
SAME	Closure		19.51%	19.51%

Calculate Operating Ratio

Total Expenses:

Total Labor	\$ 1,261,713	\$ 93,208	\$ 85,898
Total Operational	\$ 3,684,755	\$ 302,034	\$ 312,435
Total Administrative	\$ 575,649	\$ 35,407	\$ 27,844
Total	\$ 5,522,117	\$ 430,649	\$ 426,177

Less Non Allowable Expenses:

Interest & Professional Fees Related to Shareholder buyout	\$ (13,349)	\$ (1,047)	\$ (1,047)
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Less "Pass Through Expenses"

\$ -

Allowable Expenses	\$ 5,508,768	\$ 429,602	\$ 425,131
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Revenue

Revenue	\$ 5,808,359	\$ 428,798	\$ 474,142
---------	--------------	------------	------------

Less Non Allowable Expenses:

\$ (13,349) \$ (1,047) \$ (1,047)

Revenue (net of Pass Through)	\$ 5,795,010	\$ 427,752	\$ 473,095
-------------------------------	--------------	------------	------------

Operating Ratio:

Allowable Expenses	\$ 5,508,768	\$ 429,602	\$ 425,131
divided by			
Revenue (net of Pass Through)	\$ 5,795,010	\$ 427,752	\$ 473,095

Calculated Operating Ratio

95.1% 100.4% 89.9%

Operating Ratio Range	85 - 91%	85 - 91%	85 - 91%
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DAHL DISPOSAL SERVICE, INC.

Review Report

Year Ended December 31, 2023

DAHL DISPOSAL SERVICE, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

February 15, 2024

To Management and the Board of Directors
Dahl Disposal Service, Inc.
Toledo, Oregon

We have reviewed the accompanying financial statements of Dahl Disposal Service, Inc. (an S corporation), which comprise the balance sheet as of December 31, 2023, and the related statements of income and retained earnings and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Dahl Disposal Service, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, except for the issues noted in the Known Departures from Accounting Principles Generally Accepted in the United States of America paragraphs, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Known Departures from Accounting Principles Generally Accepted in the United States of America

Accounting principles generally accepted in the United States of America require the primary beneficiary of a variable interest entity to consolidate the variable interest entity in its financial statements. Management has informed us that, as disclosed in Note C, the Company's financial statements do not include the accounts of Dahl & Dahl, Inc., New Ventures Enterprises, LLC, and South Lincoln Landfill, Inc., which the Company has determined are variable interest entities and in which the Company holds variable interests and is the primary beneficiary. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations, and cash flows have not been determined.

Supplemental Information

The accompanying supplementary information included in the Supplemental Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Guyer & Associates
Certified Public Accountants
A Professional Corporation
Baker City, Oregon

DAHL DISPOSAL SERVICE, INC.
BALANCE SHEET
December 31, 2023

ASSETS

Current Assets

Cash & cash equivalents	\$ 231,543
Accounts receivable, net	901,925
Dahl & Dahl, Inc. receivable	<u>291,008</u>
Total current assets	1,424,476

Capital Assets

Land	35,148
Buildings & equipment, net	<u>1,003,716</u>
Total capital assets	1,038,864

Other Assets

Goodwill	779,650
Receivable - New Ventures Enterprises, LLC	45,000
N/R - Dahl & Dahl, Inc.	22,586
Right-of-use Lease	927,303
Investment - LC Hauler's Assoc.	<u>1,227</u>
Total other assets	<u>1,775,766</u>

Total Assets	\$ <u>4,239,106</u>
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See accompanying notes and independent accountants' review report.

DAHL DISPOSAL SERVICE, INC.
BALANCE SHEET (continued)
December 31, 2023

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable	\$	468,503
Deferred revenue		320,321
Accrued franchise fee		17,641
Accrued insurance expense		14,852
Accrued state tax		150
Current portion of lease liability		195,431
Current portion of long term liabilities		112,622
Total current liabilities		<u>1,129,520</u>

Long Term Liabilities

Lease liability	927,303
Note payable - Santiam Escrow	466,624
Note payable - Dahl & Dahl, Inc.	1,647,820
Less current portion of lease liability	(195,431)
Less current portion of long term liabilities	(112,622)
Total long term liabilities	<u>2,733,694</u>

Shareholders' Equity

Common stock, no par, 500 shares authorized, 75 shares issued	834
Additional paid-in capital	145,207
Retained earnings	229,851
Total shareholders' equity (deficit)	<u>375,892</u>
Total liabilities & shareholders' equity	<u>\$ 4,239,106</u>

See accompanying notes and independent accountants' review report.

DAHL DISPOSAL SERVICE, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS
Year Ended December 31, 2023

Revenue:

Income - net of adjustments and credits	\$ 5,808,359
Income - LQG	8,888,467
Total Income	<u>14,696,826</u>

Operational Expenses:

Disposal costs:	
Disposal LQG LOB	7,596,766
Municipal solid waste	958,923
Recycling	45,282
Green waste	148,474
Medical waste	2,088
RV Project	106,943
Labor & labor costs	1,261,713
Management fees	1,016,439
Franchise fees	649,028
Equipment lease	115,264
Rent facilities	288,193
Repairs & maintenance	288,158
Freight	552
Fuel	255,021
Depreciation	312,981
Insurance	47,571
Business taxes and PUC	48,137
Closure fees	65,726
Tools and supplies	91,603
Total Operating Expenses	<u>\$ 13,298,862</u>

See accompanying notes and independent accountants' review report.

DAHL DISPOSAL SERVICE, INC.
STATEMENT OF INCOME AND RETAINED EARNINGS, Continued
Year Ended December 31, 2023

Administrative Expenses:	
Advertising & promotion	\$ 17,070
Bank service charges	82,252
Dues & subscriptions	18,612
License & fees	998
Interest	61,830
Office supplies	102,712
Postage and printing	61,775
Professional services	120,426
Utilities	20,409
Other	89,565
Total Administrative Expenses	<u>575,649</u>
Net Income before Other Income (Expenses)	<u><u>822,315</u></u>
 Other Income (Expense):	
Tax refund	10,236
PTE tax	<u>(60,532)</u>
Total Other Income (Expense)	<u>(50,296)</u>
NET INCOME	772,019
 RETAINED EARNINGS (DEFICIT) - Beginning of year	 (482,168)
Shareholder distributions	<u>(60,000)</u>
RETAINED EARNINGS - End of year	<u><u>\$ 229,851</u></u>

See accompanying notes and independent accountants' review report.

DAHL DISPOSAL SERVICE, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2023

Cash Flows from Operating Activities	
Net income	\$ 772,019
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	312,981
Past Development Costs	13,425
Past Closure fees	45,000
Decrease (increase) in operating assets:	
Accounts receivable, net of deferred revenue	419,874
Increase (decrease) in operating liabilities:	
Accounts payable	(994,034)
Accrued franchise fees	(21,912)
Accrued insurance expense	14,852
Dahl & Dahl, Inc. receivable	<u>(232,154)</u>
Net cash provided by operating activities:	330,051
Cash Flows from Financing Activities	
Principal payments on debt	(109,831)
Shareholder contributions	138,520
Shareholder distributions	<u>(60,000)</u>
Net cash used by financing activities:	(31,311)
Cash Flows from Investing Activities	
Increase in note receivable	(45,000)
Capital expenditures	<u>(267,795)</u>
Net cash used by investing activities:	(312,795)
Net increase (decrease) in cash & cash equivalents	(14,055)
Cash & Cash Equivalents - Beginning of year	<u>245,598</u>
Cash & Cash Equivalents - End of year	<u><u>\$ 231,543</u></u>

Supplemental Disclosures:

Income taxes paid \$ 150

Noncash information:

The Right-of-use assets and the corresponding liability have been adjusted.

The Company released the \$45,000 South Lincoln Landfill receivable, the Company has realized, they will not be reimbursed.

The Company released a \$13,425 of development expenses.

See accompanying notes and independent accountants' review report.

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Dahl Disposal Service, Inc., located on the Central Oregon Coast, provides residential, commercial, and roll-off solid waste and recycling services through franchise agreements to local residents in Toledo, Siletz, Waldport, Yachats and the Lincoln County unincorporated surrounding areas, as well as some contract solid waste and recycling services with large customers under separate agreements. The Company's offices are located at 380 NW 1st Street, Toledo, OR 97391.

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The accrual basis of accounting recognizes revenues in the accounting period in which revenues are earned regardless of when cash is received, and recognized expenses in the accounting period in which they are incurred regardless of when cash is disbursed.

Cash and Cash Equivalents

For purposes of preparing the statement of cash flows, the Company considers highly liquid deposits with an initial maturity of ninety days or less to be cash equivalents.

Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. At year end, the estimated allowance for doubtful accounts is \$18,735.

Capital Assets

All property is carried at its original acquisition cost. Expenditures for repairs and maintenance are charged to expense as incurred. When depreciable assets are sold or retired, the cost and the related accumulated depreciation are removed from the records with the resulting gain or loss credited or charged to income.

Depreciation is provided using the straight-line method based on the following lives:

Buildings	39 years
Machinery & Equipment	3-7 years

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Goodwill

Goodwill, related to the purchase of Lindsay Sanitary Service, Inc., was initially capitalized and originally amortized over 15 years. Effective December 31, 2021 previously amortized goodwill in the amount of \$779,650 was restored to the Company's balance sheet (see note M). Generally accepted accounting principles ("GAAP") requires annual review for impairment in certain situations which are currently not applicable.

Revenue Recognition

Operating revenues are primarily generated from fees charged for our collection and disposal of Municipal Solid Waste (MSW), Recycling Commodities and Green Waste. Revenues from collection operations are influenced by factors such as container size, frequency of collection and cost per ton to dispose of the materials collected. Rates for these services are regulated in most cases by local jurisdictions and are set to generate revenues sufficient to cover all expected costs with a margin for potential profit. The expected costs include labor, disposal, maintenance and other operational costs as well as administrative costs of the Company. In previous years the Company reported revenues from the sale of recycling materials. However since mid-2018 the recycling markets worldwide have changed and there is now a cost to dispose of these materials and in rare cases, certain materials may have some value, however generally not in excess of the cost to get the material to market.

Revenue is generally recognized as services are performed, for example as waste or recycling commodities are collected or received at transfer stations. Certain services are billed prior to performance, primarily residential collection services. These advance billings are included in deferred revenues and recognized as revenue in the period service is provided.

Collection service contracts are generally considered long-term. The length of an individual contract is dependent on the customer's continued occupancy of the collection site and continued use of services. The Company's right to consider long-term service contracts corresponds directly to the value provided to the customer for services completed to date. All future considerations are allocated to wholly unsatisfied performance obligations.

Deferred Revenues

Deferred revenues are recorded when cash payments are received or due in advance of the Company's performance, and are classified as current since they are earned within a year and there are no significant financing components. Substantially all deferred revenues during the year are realized as revenues within one to three months, when the related services are performed.

Advertising

The Company expenses advertising costs as they are incurred. Advertising expense for the current year is \$17,070.

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

S Corporation Income Tax Status

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code (“IRC”) to be an S Corporation. In lieu of corporation income tax, the shareholders of an S Corporation are taxed on their proportionate share of the Company’s taxable income; therefore, no provision or liability for federal income taxes is included in these financial statements. The prior three tax years remain subject to examination by major tax jurisdictions. The Company is subject to the Oregon Corporate Activities Tax. The tax is calculated on sales over \$1,000,000 at a rate of 0.57%. The Company files a consolidated CAT return with Dahl & Dahl, Inc. The Company has elected to be subject to the State of Oregon’s Pass-Through Entity Elective Tax. This tax is a Company deduction on the federal tax return.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results may differ from these estimates.

Recently Adopted Accounting Pronouncements

On January 1, 2022, the Company adopted ASC 842, *Lease*. This ASC requires private companies to recognize and measure leases at the beginning of the earliest period presented, using a modified retrospective approach. It requires a lessee to recognize the assets and liabilities that arise from leases, whether operating or financing. For leases with terms of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities.

The Company adopted ASC 842, right of use leasing option. The adoption did not result in a change to the income statement. The adoption only affected the balance sheet for assets and liabilities. The Company has elected to not capitalize leases of 12 months or less, which includes the equipment leases.

On January 1, 2019, the Company adopted ASC 606, *Revenue from Contracts with Customers*. This ASC replaced most existing revenue recognition guidance in U.S. GAAP, and creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The core principle of ASC 606 is that revenue will be recognized when promised goods or services are transferred to customers in an amount that reflects consideration for which entitlement is expected in exchange for those goods or services. The majority of the Company’s revenues come from waste collection and disposal activities which fall within the scope of ASC 606 and are recognized as revenue as the Company satisfies its performance obligation(s) to the customer.

The Company adopted ASC 606 using the modified retrospective method for all ongoing customer contracts. The adoption of ASC 606 did not result in a change to the accounting for any of the in-scope revenue streams; as such, no cumulative effect adjustment was recorded. The adoption of ASC 606 also did not have an impact on recognized revenues for the year ended December 31, 2023.

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE B – CONCENTRATION OF CREDIT RISK

Financial instruments that subject the Company to potential concentrations of credit risk consist principally of temporary cash investments and a note receivable with related parties.

Deposits

The Company places its cash with financial institutions and limits the amount of credit exposure to any one financial institution. Cash balances periodically exceed the federal deposit insurance coverage ("FDIC") level. At year end, none of the Company's accounts exceeded the FDIC limit. The bank accounts had no significant concentrations of credit risk with deposits covered under FDIC.

NOTE C – RELATED PARTIES

The ownership of Dahl Disposal Service, Inc. is 100% owned by Zachary Dahl. The shareholder also owns 100% interest in Dahl & Dahl, Inc., New Ventures Enterprises, LLC, and South Lincoln Landfill, Inc. Below is a summary of related party transactions:

Operating Expenses

Dahl & Dahl, Inc. provides a variety of services for Dahl Disposal Service, Inc., including all waste hauling and disposal, recycling efforts, labor and management. Below is a summary of these related party costs incurred by the Company during the current year:

	<u>Dahl & Dahl, Inc.</u>	<u>South Lincoln Landfill</u>
Closure fees	\$ -	\$ 17,000
Disposal LQG	7,596,766	-
Green waste disposal	148,474	-
Municipal solid waste disposal	958,923	-
Recycling disposal	45,282	-
Labor & labor costs	1,261,713	-
Management fees - franchise	704,804	-
Management fees - LQG	311,635	-
	<u>\$ 11,027,597</u>	<u>\$ 17,000</u>

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE C – RELATED PARTIES, continued

Leases

For the current year, Dahl Disposal Service, Inc. has the following included in lease transactions with the following related parties:

	Dahl & Dahl, Inc.	New Venture Enterprises, LLC
Facility lease	\$ 199,200	\$ 60,000
Equipment lease	105,754	-
	\$ 304,954	\$ 60,000

Accounts Receivable

The Company will receive \$291,008 from Dahl & Dahl, Inc. This amount is from the disposal work with Dahl & Dahl, Inc. in which the two companies work closely together.

Note Receivable

The Company holds a non interest bearing note receivable due from Dahl & Dahl, Inc. in the amount of \$36,011.

The Company holds a non interest bearing note receivable due from New Ventures Enterprises, LLC in the amount of \$45,000.

Accounts Payable

The Company owes Dahl & Dahl, Inc. for services performed, in the amount of \$321,811. Current operating payables of \$321,811 are reported in Accounts Payable.

The Company owes New Venture Enterprises, LLC for services performed in the amount of \$5,000, which is current operating payables reported in Accounts Payable.

Note Payable

The Company owes Dahl & Dahl, Inc. \$1,647,820 for the buyout of former shareholders. See Note K for more note information.

Consolidation

Under GAAP, consolidated financial statements are required when a company has a controlling financial interest in another company based on variable interests. Dahl Disposal Service, Inc. is identified as a primary beneficiary of variable interests in Dahl & Dahl, Inc., New Venture Enterprises, LLC, and South Lincoln Landfill, Inc. These entities have not been consolidated with Dahl Disposal Service, Inc. to present consolidated financial statements. The effects of this departure on the financial position, results of operations, and cash flows have not been determined.

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE D – CAPITAL ASSETS

Capital assets at year-end consist of the following:

	<u>January 1</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>December 31</u>
Land	\$ 35,148	\$ -	\$ -	\$ -	\$ 35,148
Buildings	136,651	-	-	-	136,651
Equipment	<u>2,368,249</u>	<u>267,795</u>	<u>-</u>	<u>-</u>	<u>2,636,044</u>
	<u>\$ 2,540,048</u>	<u>\$ 267,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,807,843</u>
				Less: accumulated depreciation	<u>(1,768,979)</u>
				Net capital assets	<u>\$ 1,038,864</u>

Depreciation expense for the year is \$312,981.

NOTE E – INVESTMENTS

The Company is a 33.33% partner in Lincoln County Hauler's Association, LLC which provides work on solids waste issues that impact disposal services to Lincoln County. Because the Company is a general partner, the investment is accounted for under the equity method.

NOTE F – FRANCHISE AGREEMENTS

The Company provides residential, commercial, and industrial solid waste and recycling services through franchise agreements with Lincoln County and the Cities of Toledo, Siletz, Waldport, and Yachats. The franchise agreements provide for rates based on projection of allowable expenses and pre-tax return allowed within a range which rewards efficiencies, discourages inefficiencies and provides oversight of the operation to provide for the public interest. The life of the franchise agreements with renewals are as follows:

Lincoln County	10 years
Yachats	6 years
Siletz	7 years
Toledo	10 years
Waldport	10 years

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE G – REVENUES

The following table disaggregates the Company's operating revenue based on the major lines of business for the year ended December 31, 2023:

Residential	\$ 3,865,306
Commercial	1,227,517
Drop box	584,137
Other	131,399
Large Quantity Generator	8,888,467
	<u>\$ 14,696,826</u>

NOTE H – COMMITMENTS AND CONTINGENCIES

The Company has a franchised haul that started in 2018 with a Large Quantity Generator (LQG) of waste material. The Company collects the large quantities of the customer's material at Customer's facility and transports the solid waste to an approved DEQ subtitle D landfill. The Company provides all equipment to transport and dispose of the solid waste. The Company refers to this contract as LQG – or the LOB (line of business) agreement.

The above franchised haul is approved by the City of Toledo under the existing agreement: The City of Toledo and the Company have agreed that a lower than expected return on the agreement could significantly impact the overall rates to the residents of Toledo. It was agreed that the likelihood of beating expectations on the project was far less likely than the potential for higher rates. The City does not include the operations in the revenues or expenses when applying operation ratio. However, because the waste material, is in fact subject to the regulation by the solid waste franchise the Company does pay applicable franchise fees as well as other county wide assessments and surcharges that are billed and assessed per ton of waste delivered to the landfill by the Company.

The tonnage fees charged are subject to and adjusted annually for COLA as well as changes in disposal fees that the Company is required to pay to its vendors. This solid waste haul is renewable each year thereafter and has been renewed for 2024.

As disclosed in Note C Related Parties, the Company pays closure fees to South Lincoln Landfill, Inc. These payments are for costs incurred by South Lincoln Landfill, Inc. for post closure care and maintenance of the landfill. The Company anticipates continuing the payment of closure fees as such costs continue to be incurred by South Lincoln Landfill. Subject to DEQ approval, the Company can receive reimbursement of previously paid closure fees from trust funds held by South Lincoln Landfill, Inc.

NOTE I – DEFERRED REVENUE

Deferred revenue for the Company consisted of \$320,321 as of December 31, 2023 for unearned solid waste and recycling services which were billed in 2023 for services to be performed in 2024.

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE J – LEASES

The Company leases its Waldport and Toledo facilities under non-cancelable leases with Dahl & Dahl, Inc., a related party. The lease agreements include renewable options and a five-year rollover term. Total lease expense for the current year is \$199,200. See also Note C.

The following is a schedule of future minimum lease payments required under the current option renewal:

	2024	\$	201,870
	2025		222,057
	2026		244,262
	2027		268,689
	2028		295,558
	Thereafter		<u>-</u>
	Total Lease Payments		1,232,436
	Less Interest		<u>(112,030)</u>
	Present value of Lease Liabilities		1,120,406
	Less current Obligation		<u>(193,103)</u>
	Long-term Obligation	\$	<u><u>927,303</u></u>

The Company also leases equipment from Dahl & Dahl, Inc. The lease agreements do not have a guaranteed minimum term, and allow for the Company to terminate the leases with 90 days' written notice. Total lease expense for the current year is \$105,754. See also Note C.

The following is a schedule of future minimum lease payments required under the current option renewals:

	2024	\$	2,328
	2025		2,287
	2026		2,287
	2027		1,597
	2028		886
	Thereafter		<u>191</u>
	Total Lease Payments		9,576
	* Less Interest		<u>-</u>
	Present value of Lease Liabilities		9,576
	Less current Obligation		<u>(2,328)</u>
	Long-term Obligation	\$	<u><u>7,248</u></u>

* Discounts have been determined to be immaterial

DAHL DISPOSAL SERVICE, INC.
Notes to Financial Statements
Year Ended December 31, 2023
(See independent accountants' review report)

NOTE K – LONG TERM LIABILITIES

Long-term liabilities of the Company as of December 31, 2023 are as follows:

	2023
Note payable to former shareholder, via Santiam Escrow, non-secured. Payable in monthly installments of \$2,755 including interest at a rate of 4.75%. Loan matures on March 27, 2047.	\$ 466,624
Note payable to Dahl & Dahl, Inc., non-secured. Payable in annual installments of \$138,520 including interest at a rate of 2.25%. Loan matures on April 27, 2037.	1,647,820
Total Long-Term Notes Payable	\$ 2,114,444

Expected maturities of the long-term notes payable along with estimated interest payable on outstanding balances are as follows:

	Santiam Escrow	Dahl & Dahl, Inc.	Total
2024	\$ 11,178	\$ 101,444	\$ 112,622
2025	11,721	103,726	115,447
2026	12,290	106,060	118,350
2027	12,886	108,446	121,332
2028	13,512	110,887	124,399
Thereafter	405,037	1,117,257	1,522,294
Total	\$ 466,624	\$ 1,647,820	\$ 2,114,444

Interest paid during 2023 was \$61,830.

NOTE L – OTHER DISCLOSURES

Contingent Liabilities

On November 30, 2022 the Company received a Notice of Representation from a property owner claiming to have been sprayed with a chemical. The matter has been referred to the Company's insurance carrier. The insurance provider will be providing any defense that is needed. Management believes there will be no financial impact to the company.

Subsequent Events

Management has evaluated subsequent events through February 15, 2024, the date which the financial statements were available to be issued.

Other Supplemental Information

DAHL DISPOSAL SERVICE, INC.
Supplemental Schedule
Income Subject to Application of Operating Ratio and Net Income
December 31, 2023

Revenue:	
Income - net of adjustments and credits	\$ 5,808,359
Operational Expenses:	
Disposal costs:	
Municipal solid waste	958,923
Recycling	45,282
Green waste	148,474
Medical waste	2,088
RV Project	106,943
Labor & labor costs	1,261,713
Management fees	704,804
Franchise fees	205,035
Equipment lease	115,264
Rent facilities	288,193
Repairs & maintenance	288,158
Freight	552
Fuel	255,021
Depreciation	312,981
Insurance	47,571
Business taxes and PUC	48,137
Closure fees	65,726
Tools and supplies	91,603
Total Operating Expenses	<u>4,946,468</u>
Administrative Expenses:	
Advertising & promotion	17,070
Bank service charges	82,252
Dues & subscriptions	18,612
License & fees	998
Interest	61,830
Office supplies	102,712
Postage and printing	61,775
Professional services	120,426
Utilities	20,409
Other	89,565
Total Administrative Expenses	<u>575,649</u>
Income Subject to Application of Operating Ratio	<u>\$ 286,242</u>

(Continued)

DAHL DISPOSAL SERVICE, INC.
Supplemental Schedule
Income Subject to Application of Operating Ratio and Net Income, Continued
December 31, 2023

Large Quantity Generator Franchise Line of Business Revenue (Expenses):

Project Revenue	\$ 8,888,467
Franchise fee	(443,993)
Management fee	(311,635)
Haul disposal	<u>(7,596,766)</u>
Total Large Quantity Generator Franchise Line of Business Revenue (Expenses)	536,073

Other Income (Expense):

Tax refund	10,236
PTE tax	<u>(60,532)</u>
Total Other Income (Expense)	<u>(50,296)</u>
NET INCOME	<u>\$ 772,019</u>

Review of Submissions for Statement of Qualifications- Municipal Engineering Services

MEMORANDUM TO COUNCIL

RE: Municipal Engineering Services

Fr: City Recorder

Date: 04-08-24

ISSUE: Looking for Municipal Engineering Services for the City.

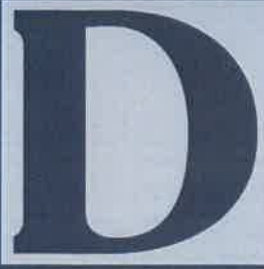
HISTORY: A Request For Qualifications (RFQ) was placed on March 8th for Municipal Engineering Services. The Statement Of Qualifications (SOQ) was due by April 2nd.

ACTION: The only Statement Of Qualifications received was from Dyer Partnership. This is just for your review. At your next council meeting you will be requested to pass a resolution establishing a municipal engineer.

CITY OF SILETZ

STATEMENT OF QUALIFICATIONS FOR MUNICIPAL ENGINEERING SERVICES

April 2, 2024



The Dyer Partnership Engineers & Planners, Inc.

P24-006

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Coos Bay, OR 97420
(541) 269-0732
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759 W Central Avenue
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(541) 405-4520

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*Established firm
with a reputation
for sound engineering
and
timely delivery*

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THE DYER PARTNERSHIP
ENGINEERS & PLANNERS, INC.

April 2, 2024

City of Siletz
PO Box 318
215 W Buford
Siletz, Oregon 97380

ATTN: Barbara Chestler, City Recorder

RE: City of Siletz
Statement of Qualifications for Municipal Engineering Services
Proposal No. P24-006

Dear Ms. Chestler,

The Dyer Partnership Engineers & Planners, Inc. is pleased to present our Statement of Qualifications (SOQ) to provide Municipal Engineering Services for the City of Siletz. The proposal that follows includes all terms and conditions as stated in the City's Request for Qualifications.

The main point of contact will be from our Coos Bay office, The Dyer Partnership Engineers & Planners, Inc., 1330 Teakwood Avenue, Coos Bay, Oregon 97420, (541) 269-0732. Two of the Principals of the firm, Aaron Speakman, PE, President, and Rachel Arbuckle, Office Manager are based out of this office. Their emails address are aspeakman@dyerpart.com and rarbuckle@dyerpart.com, respectively. Ryan Quigley, PE, Senior Vice President is based out the Lebanon office. Tyler Molatore, PE, Vice President is based out of the Sutherlin office.

The Dyer Partnership has both the capabilities and experience necessary to successfully complete the proposed engineering services. Our firm has a combination of strengths that set us apart from other firms, including the following.

1. **Depth.** We propose a full and experienced team of qualified individuals who complement and supplement each other's expertise and background. The staff we are proposing are the individuals who will perform the work for the various assigned projects.
2. **City Familiarity.** The Dyer Partnership personnel have worked for the City and in the surrounding area since 1983. Some of the projects we have worked with the City on include a wastewater facilities plan, system development charges for water and wastewater, water master plan, street improvements, wastewater collection system improvements, Strome Pump Station, Wastewater Treatment Plant, and a water right claim of beneficial use.
3. **Experience with Similar Projects.** The Dyer Partnership represents seventeen municipalities as City Engineer or Engineer of Record. We understand the nature of the work that must be completed in order to support the City. Over the years we have developed trusting relationships with the regulatory agencies, funding agencies, and local and state officials.

4. **Creativity & Technical Innovations.** The Dyer Partnership believes in applying established engineering principles in a creative manner while maintaining system dependability and operability. As an example, our firm was the first to apply municipal flow-through Sequencing Batch Reactor (SBR) treatment technology in Oregon, flat plate Membrane Bioreactor (MBR) treatment technology in the United States, non-contact UV disinfection for wastewater systems, and pre-filters to a drinking water plant in the United States. Our staff of professionals has been involved in the assessment of a wide variety of infrastructure improvements.
5. **Location.** The Dyer Partnership has offices in Coos Bay, Lebanon, and Sutherlin. We will provide engineering services for the City of Siletz primarily out of our Coos Bay office. We perform work primarily for communities in western Oregon and the southwestern Oregon. Dyer is currently providing services for similar sized communities of City of Toledo, City of Yoncalla, City of Drain, City of Reedsport, City of Canyonville, City of Sutherlin, and City of Gold Beach.
6. **Service.** The Dyer Partnership and its parent organization, Gary L. Dyer Consulting Engineers, have been providing consulting engineering services to municipal clients in western and southwestern Oregon since 1982. One of the reasons that the firm continues to be successful in a very competitive market is service. We strive to provide superior consulting engineering services in a timely and comprehensive manner that is within the agreed upon or quoted budget. We only request additional monies to complete a task or project if there is a substantial change in project scope. We invite you to contact our references to verify our service and capabilities.

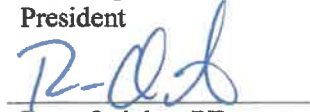
The following proposal presents the requested information in the same order as presented in the Request for Qualifications.

We look forward to discussing our qualifications, plan for providing services, and proposed scope of services with you further. Should you have any questions with regard to this Statement of Qualifications, please give me a call.

Sincerely,



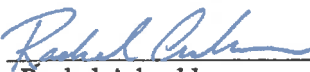
Aaron Speakman, PE
President



Ryan Quigley, PE
Senior Vice President



Tyler Molatore, PE
Vice President



Rachel Arbuckle
Secretary

SECTION B – COMPANY PROFILE

ESTABLISHED IN 1982

OFFICES

- COOS BAY
- LEBANON
- SUTHERLIN

STAFF

- 31 TOTAL
- 11 REGISTERED ENGINEERS
- 1 REGISTERED LAND SURVEYOR
- 2 CERTIFIED WATER RIGHTS EXAMINERS
- 4 ENGINEERS-IN-TRAINING
- 16 TECHNICAL & CLERICAL

Our firm was established in 1982 as Gary L. Dyer Consulting Engineers. The company incorporated as The Dyer Partnership Engineers & Planners, Inc. in January 1994. The Company is registered with the State of Oregon and the Federal Government. Our business license numbers are 08032390-0 and 93-1130649, respectively.

Over the last forty-two years, our consulting firm has focused on planning, design and construction management of publicly owned water and wastewater infrastructure projects for small rural communities in Oregon. The Dyer Partnership specializes in working with small to medium-sized clients and with associated public works projects. Currently we represent seventeen municipalities as City Engineer or Engineer of Record. Dyer is also the Engineer for Salmon Harbor Marina. Dyer is the District Engineer for two sanitary districts and five water districts, boards, or associations.

The company has continued to grow since inception, and remains robust in a competitive market. The company has never failed to meet its financial obligations.

Dyer has three office locations: Coos Bay, Lebanon, and Sutherlin. All three offices (information below) may contribute to work performed for the City.

Coos Bay Office	Lebanon Office	Sutherlin Office
1330 Teakwood Avenue Coos Bay, Oregon 97420 (541) 269-0732	481 S. Main Street Lebanon, Oregon 97355 (541) 405-4520	759 W. Central Avenue Sutherlin, Oregon 97479 (541) 459-4619

The principals of The Dyer Partnership are listed with their registration. All four principals are authorized to execute contracts.

Aaron Speakman, PE, President

Civil Engineer – Oregon

Tyler Molatore, PE, Vice President

Mechanical Engineer – Oregon

Ryan Quigley, PE, Senior Vice President

Civil Engineer – Oregon

Rachel Arbuckle, Secretary

The team for the City of Siletz are Aaron Speakman, PE, Ryan Quigley, PE, Trish Rice, PE, and Jesse McElwain, EI. Detailed team information is provided in Sections E and F.

PROPOSED APPROACH

- PROVEN SYSTEM**
- DEVELOP TRUST & UNDERSTANDING**
- TASK ORDERS**
- COUNCIL WORKSHOPS**
- DESIGN REVIEW MEETINGS**

SECTION C - PROPOSED APPROACH WITH THE CITY

The proposed approach for working with City Staff, elected officials, contracted staff, the public, and the media entails a number of proven methods Dyer has utilized with the other cities where we serve as the engineer. These are described as follows:

Miscellaneous engineering covers the typical on-call technical support that department heads and staff require. General technical assistance, review of planning documents, review of private development documents and associated work are covered under this item. The City Engineers will coordinate the work requested. The City can discuss specific or new projects with any team member listed in this proposal. The work may be completed by

other technical staff; however, it is the responsibility of the City Engineers to ensure the work is completed accurately, in a timely manner and within budget. The engineer will attend various meetings to provide information and support to the City Council and Staff, and represent the City when dealing with regulatory agencies or private developers. The support staff that will be involved with individual projects is dependent upon the particular type of project.

Although the City Engineer will be the main contact and represent the City at most meetings, City Staff will become familiar with the entire staff proposed. It takes a team of qualified individuals working together to provide the professional services needed by your City. To have a successful project, surveyors, technicians, field representatives, project engineers and managers are all required; and each one will come in contact with City Staff and the general public. It is very important to develop trust and understanding between our staff and the City. We have been very fortunate to accomplish this with the other cities and look forward to continuing to work with the City of Siletz.

Task orders will be developed for all projects which have a defined scope. Prior to creating a task order, a cost estimate is developed for the specific task. The cost estimate is based on the scope of work, developed with input from City Staff. A site visit, if warranted, will also be conducted to review existing conditions. The task order describes the work to be completed, the final work products, a project schedule, and a not-to-exceed fee. Fees higher than the stated maximum will be presented to the City Council for approval. Each task order is reviewed by the City and signed prior to starting any work. Changes in fees can only be made by a written amendment to the task order. Both parties have to agree to the change or the change will not go into effect. An example of a task order is the Water Right (Permit S 25114) Claim of Beneficial Use project.

COUNCIL WORKSHOPS

Dyer has found it helpful to attend council workshops to go over specific projects that warrant this type of interaction. This typically involves developing the groundwork for larger or technically involved projects with the City Council so that they have input on how they would like to see the overall project develop. These meetings also allow the City Engineer to better interact, by providing more detailed information specific to a project rather than addressing these at regular council meetings. The Dyer Partnership conducted various meetings with the City Council during the development of the City's Master Plans.

DESIGN REVIEW MEETINGS

For larger projects or studies, The Dyer Partnership encourages and facilitates review meetings to go over design or other issues that need to be discussed. City input is important to ensure the finished product will meet expectations. Round table discussions often bring out the best and most economical solutions.

MONTHLY PROGRESS REPORTS

Monthly progress reports are available for all projects if preferred by the City Staff. These reports provide for a quick and easy reference for Council and Staff to keep track of projects and their progress. These reports are especially useful for larger projects.

CURRENT PRACTICE

By having served as City or District Engineer for a number of other cities, districts, and associations throughout Oregon, we have established a number of personalized methods for each of the clients that we serve. Dyer typically has two to three primary contacts for each client, which allows for better continuity. For the City of Siletz, we are anticipating a similar arrangement. These three primary contacts coordinate the as-needed technical services with the City, and depending on the type of expertise needed, certain project engineers or other team members are utilized.

INTERACTIONS WITH CITY PERSONNEL

Through our current relationships with our other governmental clients, we have developed a close working and positive relationship with public works staff, planners, and other staff at the cities, districts, associations, and government agencies.

As part of our company philosophy, we sponsor workshops and seminars at no cost to our clients to further their training and operational methods. Dyer finds this helps to make a common bond between our technical staff and the clients we work with.

Dyer offers our services to the City for any support they may request including attending council and committee meetings and working with Public Works Staff on operational and maintenance issues.

EXPERIENCE PROVIDING ADVICE AND SERVICES TO THE CITY

First and foremost, Dyer understands that our opinions, recommendations, and service potentially affect the citizens of the City of Siletz. For this reason, we want to be part of the community, not stand out in the community. Dyer does not come in with any preconceived ideas or agendas. We listen, process, have round table discussions, and then coordinate with City Staff before providing recommendations or starting a new project. Working closely with City Staff and listening to their ideas and concerns helps in the decision-making process when giving advice or providing the applicable services.

DISCUSSION ON HOW CURRENT AND PAST EXPERIENCE WILL ENABLE DYER TO EFFECTIVELY AND EFFICIENTLY REPRESENT THE CITY

The Dyer Partnership has worked with the City of Siletz since 1983. Since that time, we have developed a solid understanding of the City's water and wastewater infrastructure and upgrade requirements. Dyer is aware of the high priority projects the City needs to complete to address current and severe deficiencies. Dyer is well positioned to spend less time learning about the City's upgrade needs, and more time actually working on improvement projects.

The Dyer Partnership has extensive experience with upgrading water systems, inclusive of electrical, control, and mechanical upgrades. We also understand the City's budget constraints, and objectives relative upgrade requirements. Dyer will provide different concepts or options to help address current deficiencies while keeping the City's budget limitations in mind.

Dyer also has a proven track record in identifying funding opportunities for infrastructure upgrade projects. We have long-term relationships with state and federal funding agencies, and will work with the City to evaluate all funding sources. We recently secured a grant fund for a collection system improvement project for the City of Yoncalla as well as a fourteen million dollar grant for a new wastewater treatment plant for the City of Lakeside.

The Dyer Partnership, having developed the City's Water Master Plan (The Dyer Partnership, 2020), has evaluated the City's water distribution system, booster pump station, and treated water reservoirs. We have completed a comprehensive capital improvement plan for the water system projects, including cost estimates for each project. With the Water Master Plan as a foundation for the meeting, The Dyer Partnership is prepared to schedule a one-stop meeting with funding agencies to facilitate the evaluation of funding programs available to the City.

The Dyer Partnership has also assisted the City with an evaluation of the City's Wastewater Facilities Plan (The Dyer Partnership, 2017). The City of Siletz has operated a public wastewater treatment system since 1972. The original facility consisted of two lagoons (or oxidation ponds) in series, providing secondary treatment. Previously, only primary treatment was provided when the facility hydraulically overloaded. It was originally designed for a service population of 700 people and provided storage of dry weather flows for four months. As a result of leakage, beginning in 1980, improvements and repairs were made within a short period of time while the larger lagoon drained. Two additional repairs were performed in 1982 and 1986. The City's wastewater collection system consists of approximately 19,560 lineal feet of gravity collection pipes, 110 lineal feet of pressure sewer mains, 78 manholes and one (1) pump station. Overall, upgrades to the wastewater treatment system is required to more efficiently and cost effectively manage the City's wastewater.

Additionally, the City has ongoing street and road improvement projects. The Dyer Partnership worked with the City in developing design, cost estimates, bidding, and construction administration for the SW Swan Avenue Improvement projects. Improvements consisted of roadway reconstruction areas, asphalt concrete overlay, paving fabric, and cold plane pavement removal. Other work includes demolition work, aggregate base, asphalt concrete pavement, water valve adjustments, manhole adjustments, stop bars, striping, landscaping, and other miscellaneous items. Dyer coordinated with the City and the Oregon Department of Transportation (ODOT) to assist the City with funds received from the Small City Allotment (SCA) program.

The City also holds a National Pollutant Discharge Elimination System (NPDES) permit for the wastewater treatment plant. This permit is renewed every five years. Changes to the NPDES permit should be carefully reviewed, as the changes can have significant repercussions for the City. Dyer has extensive experience in reviewing permits for wastewater treatment plants, and assisting City's with the various permitting processes.

There are numerous rules and regulations the City must adhere to. The Oregon Administrative Rules, Oregon Revised Statutes, and City's Municipal Code are just a few. Dyer has the experience, and will take the responsibility to know these regulations, stay up to date with revisions and keep the City informed on how these documents may affect City projects or the decision-making process.

The Dyer Partnership is a small enough company to provide hands-on assistance and customer service to the City of Siletz. We are unique in that we also have the knowledge and capacity to undertake large

water and wastewater infrastructure projects that the City needs to address to maintain a reliable level of service for their customers. Dyer is capable and qualified to assist the City of Siletz with the various infrastructure upgrade needs.

With over forty-two years of working experience in the public sector, Dyer has experienced what works and what does not. Part of our local presence in Coos Bay and Lebanon, and the work that we do for the City of Toledo, Johnson Creek Water Service Company, and other local communities, we are regularly in the Siletz area. This presence allows us to provide high responsiveness and support.

EXPERIENCE WITH STATE AND FEDERAL AGENCIES

**GOOD WORKING
RELATIONSHIPS WITH
FUNDING AND
REGULATORY AGENCIES**

Often project development requires consultation with a number of state and federal agencies during all phases (i.e. planning, design, bidding, and construction of a federally funded improvement projects). The Dyer Partnership has extensive experience in working with state, federal, environmental, land use, and economic development agencies. Some of the agencies that we have worked with include the following:

State	
BCD	Building Code Division
BOLI	Bureau of Labor and Industries Business Oregon
DEQ	OR Dept. of Environmental Quality
DLCD	Dept. of Land Conservation & Development
DOA	OR Dept. of Aviation
DOE	OR Department of Energy
DSL	Dept. of State Lands
IFA	Infrastructure Finance Authority
ODE	OR Dept. of Energy
ODF	OR Dept. of Forestry
ODFW	OR Dept. of Fish & Wildlife
ODOT	OR Dept. of Transportation
OHA	Oregon Health Authority
ONHP	Oregon Natural Heritage Program
OPRD	Oregon Parks and Recreation Department
OSHA	OR Occupational Safety and Health Division
OSMB	Oregon State Marine Board

State	
SDAO	Special Districts Association of Oregon
SHPO	State Historic Preservation Office
WRD	Water Resources Department

Federal	
BIA	Bureau of Indian Affairs - Indian Health Services
BLM	Bureau of Land Management
COE	Army Corps of Engineers
EDA	Economic Development Administration
EPA	Environmental Protection Agency
FEMA	Federal Emergency Management Agency
NMF	National Marine Fisheries
NOAA	National Oceanic & Atmospheric Administration
NRCS	Natural Resources Conservation Service
RD	Rural Development
USDA	United States Department of Agriculture
USFS	Forest Service
USFWS	Fish and Wildlife Service

The Dyer Partnership has developed a strong and favorable relationship with all of the common funding and regulatory agencies. We work closely with the regional personnel to meet their needs and provide a product that can get approved the first time.

EXPERIENCE SUMMARY / SCOPE OF ENGINEERING SERVICES

Over the last forty-two years of service to municipalities and districts, Dyer has completed many projects. In providing these services, we have gained experience, and developed a good understanding of our range of expertise, and scope services. On the following page is a summarized list of our scope of services. This list was broken into survey, transportation, storm drainage, water, wastewater, system development charges, project financing, and construction and administration services.

SURVEYING

- Aerial Survey and Maps
- Topographic Surveys
- Boundary Surveys and Easement Acquisition
- Construction Staking, As-built Surveys, Easements

TRANSPORTATION

- Planning
 - Local Improvement District (LID) Engineering
 - Reports, Parking Studies, Traffic Circulation, and Traffic Control
 - Street and Roadway Planning and Studies
 - Site Utilization Planning and Mapping
- Design
 - Site Layout and Development
 - Earthwork/Grading
 - Traffic Control, Traffic Circulation
 - Parking Maximization
 - Public Street Design
 - Pavement Design

STORM DRAINAGE

- Planning
 - Drainage Studies Including Master Drainage Plans and Storm Water Treatment Requirements
- Design and Construction
 - Public/Private Storm Drainage Systems Including Culvert, Open Channel, and Pressure System Design
 - NPDES Permitting
 - Periodic or Full-Time Construction Field Observation Services

WATER

- Planning
 - Studies and Master Facility Planning
 - Water Management and Conservation Plans
 - Environmental Assessments
 - User Rate Studies
- Water Rights Examination
 - Claims of Beneficial Use
 - Water Right Transfers
- Design
 - Public Water Distribution System
 - Water Supply and Water Treatment Facilities
 - Raw Water Intakes

WASTEWATER

- Planning
 - Studies and Master Facility Planning
 - Inflow and Infiltration Flow Mapping
 - Environmental Assessments
 - User Rate Studies
- Design
 - Public Sanitary Sewer and Septic Systems
 - Lift Station Design
 - Pressure and Gravity System Designs
 - Wastewater Treatment Systems
 - Biosolids Treatment and Drying Systems

SYSTEM DEVELOPMENT CHARGES

- Water, Wastewater, Storm Drainage, Transportation
 - Review and Evaluate Existing Facilities for Existing Capacity
 - Develop Capital Improvement Plans for Future Improvements
 - Recommend Defendable Methodologies for Reimbursement and Improvement System Development Charges for Water, Wastewater, Storm Drain and Transportation Systems

PROJECT FINANCING

- Water, Wastewater, Storm Drainage, Transportation
 - Attend “One-Stop” Meetings
 - Provide Technical Assistance to Private Bonding Companies
 - Work Closely with Funding Agencies Before, During, and After Project Has Been Completed

CONSTRUCTION AND ADMINISTRATION

- Cost Estimates
- Preparation of Bidding and Contract Documents
- Administration of Construction Contract
- Record Drawings and Operation & Maintenance Manuals
- Periodic or Full-Time Construction Observation Services

QUALIFICATION STATEMENT

- ❑ FAMILIARITY WITH THE MUNICIPAL PROCESS
- ❑ COMMITMENT TO WORKING IN THE PUBLIC SECTOR
- ❑ HIGHLY QUALIFIED STAFF
- ❑ NO CONFLICTS OF INTEREST

SECTION D - QUALIFICATION STATEMENT

The Dyer Partnership Engineers & Planners, Inc. has made a commitment to the public sector since the inception of our company. Our services have always focused on providing the best technical and support services possible to meet our client's governmental needs. We offer a broad range of expertise that is needed during planning, design, and construction of a project.

This proposal lists all the potential tasks that we currently provide for our existing municipal clients. We provide city engineering services for seventeen other municipalities in western and southwestern Oregon. The average length of service is approximately fifteen years. The length of service for several of these communities is over thirty years. Dyer is also the Engineer for

Salmon Harbor Marina, District Engineer for two sanitary districts or authorities and five water districts, boards, or associations. A complete list of current government clients is included within Section H of this Statement of Qualifications.

The length of service listed above is a good indicator of the type of service we provide. This also shows that we are flexible and can adjust to the client's changing priorities that typically happen every two to four years with changing councils and personnel.

Another commitment that we make to our engineering clients is that we will not perform any private work or work with other governmental agencies that may come in conflict with our client. This eliminates any potential conflict of interest and allows us to focus entirely on our client's needs.

The City of Siletz has upcoming wastewater treatment and collection system improvements, some of which have been identified in recent legislative and American Rescue Plan Act (ARPA) funding packages. The City is in need of an addendum or update to their Wastewater Facilities Plan, and development of a new biosolids disposal plan since the City is no longer able to land apply their wastewater solids. Assisting the City with funding applications, structuring, and management of funding deadlines and regulatory reviews are critical to ensuring the City remains in compliance with their recently issued National Pollutant Discharge Elimination System (NPDES) permit. The NPDES permit will require Wastewater Treatment Plant (WWTP) upgrades to ensure their new ammonia limits are met. The Dyer Partnership has the experience working with small communities, and qualifications to facilitate the funding acquisition, design, and construction management of these projects.

The Dyer Partnership has Professional Engineers (Aaron Speakman, PE, Ryan Quigley, PE, and Trish Rice, PE), observation staff (Jesse McElwain, EI), and engineering technicians that work out of the Coos Bay, Lebanon, and Sutherlin offices. Aaron, Ryan, and Trish are familiar with the area, having worked on several infrastructure improvement projects throughout western Oregon. Jesse also has experience working with the construction contractors performing work in the area, as well as a wide variety of projects ranging from water, wastewater, and transportation system upgrades. With our local presence in Coos Bay and Lebanon, coupled with expertise in our Sutherlin office, we are well positioned to facilitate projects for the City of Siletz from conception through commissioning.

Aaron Speakman has worked in the City of Siletz dating back to 2005 when he provided onsite observation and construction management for a gravity sewer collection system inversion lining project and construction of the Strome Pump Station.

PERSONNEL

THE DYER PARTNERSHIP ENGINEERS & PLANNERS, INC.

- CIVIL ENGINEERING
- DESIGN
- CONSTRUCTION MANAGEMENT
- PLAN REVIEWS
- WATER DISTRIBUTION SYSTEMS
- BOOSTER SYSTEMS AND RESERVOIRS
- WATER TREATMENT PLANTS
- WASTEWATER COLLECTION SYSTEMS
- WASTEWATER LIFT STATIONS
- WASTEWATER TREATMENT PLANTS
- PERMITTING
- DEVELOPMENT REVIEWS
- SCADA
- MODELING

SECTION E - PERSONNEL

PROJECT TEAM

The individuals that have been assembled for the proposed Project Team consist of highly qualified engineers and designers. The overall depth and experience of our Team will assure the City of Siletz is being provided with the best engineering to achieve the project objective. A list of the services Dyer provides is summarized to the left. The Project Team Organizational Chart is shown in Figure E.1. Each person listed has significant experience in providing service to municipal clients.

Although individuals are listed, the City may choose to work with specific engineers. This decision will be strictly up to the City. Feedback from the City will determine who and when Team members will be assigned to various tasks.

We have also shown overlapping responsibilities. This allows for Dyer to compensate for vacations, sick leave, training and other activities without compromising budgets or schedules.

The City Engineer will be Aaron Speakman, PE. He is a licensed Civil Engineer with more than twenty years of experience in assisting small communities in municipal engineering.

Two assistant City Engineers are proposed for the City of Siletz. The nature and scope of the work, scheduling, and availability will dictate which Assistant City Engineer is utilized; however, we believe offering the City multiple points of contact will assist in covering the range or projects anticipated by the City.

Ryan Quigley, PE and Trish Rice, PE are both designated as Assistant City Engineers. They will act as secondary contacts for the City and manage day to day project activities. Their background information is provided within this section with the other listed support personnel.

The proposed engineers will work closely with City Staff, Council, general public, regulatory agencies, funding agencies, developers, and contractors in order to achieve the City’s goals.

A brief description of each individual’s qualifications and their roles and responsibilities are summarized hereafter. Resumes for Dyer personnel are included in Section F.

PROJECT TEAM

- EXPERIENCED INDIVIDUALS
- PROVEN TRACK RECORD
- LOCAL EXPERIENCE
- LOCAL REPRESENTATION

RESUMES**AARON SPEAKMAN, PE – CITY ENGINEER**

Aaron Speakman, PE is a registered Civil Engineer with over twenty years of experience. He is known for his work on planning, design, and construction management of storm drainage, water systems, wastewater projects. He prioritizes maintaining relations with clients. He has prepared numerous wastewater and environmental studies and has also been Project Manager on a number of municipal projects ranging from planning documents to pump stations, mixing zone studies, treatment plant upgrades, storm drain projects, and bridges.

Aaron will serve as the primary contact as the City Engineer. Aaron will be responsible for the quality control and quality assurance.

RYAN QUIGLEY, PE – ASSISTANT CITY ENGINEER

Ryan Quigley, PE is a registered Civil Engineer with over twenty years of experience in municipal engineering. Ryan has considerable experience as a Project Manager. He has designed numerous municipal improvement projects in the area including, but not limited to: water distribution systems, booster pump stations, reservoirs, water treatment plants, wastewater treatment plants, transportation projects, and the associated planning and permitting requirements.

Ryan will be the secondary contact as the Assistant City Engineer for the City. Ryan will be in charge of ensuring that schedule and project budgets are met. He will be responsible for coordination with regulatory and funding agencies as well as providing input on studies, planning documents, permitting requirements, design of water and wastewater infrastructure projects, and construction management.

TRISH RICE, PE, CWRE – ASSISTANT CITY ENGINEER

Trish Rice, PE, CWRE is a registered Civil Engineer who recently joined the Dyer staff after working for the City of Sweet Home for over thirteen years. She is also a Certified Water Rights Examiner (CWRE). Trish has several years of experience with regulatory reviews and coordination, private development plan reviews, water rights review, construction management, and project management. She coordinated design reviews, funding applications, and state and local permitting of the sixty million dollars for the Sweet Home Wastewater Treatment Plant Improvements project; including processing reimbursements of the seven million dollars of Oregon legislative appropriation funds. Trish has also completed several federal and state funding applications and coordinated with the funding agencies.

Trish will serve as the third contact as the Assistant City Engineer. She will be responsible for design, modeling, studies, plan review, water rights, cost estimates, and construction management.

JESSE MCELWAIN – DESIGNER / OBSERVER

Jesse McElwain, EI is a registered Civil Engineering Intern with over four years of experience. He has assisted with the design of several transportation and municipal projects. Jesse's experience includes preparation of technical specifications, drawings, funding applications, permits, and construction observation.

Jesse will be responsible for performing and assisting others with project design, drafting, and as-built drawing development.

SUBCONSULTANTS

VLMK CONSULTING ENGINEERS STRUCTURAL AND ARCHITECTURAL SERVICES

VLMK has provided structural engineering and architectural support to The Dyer Partnership for over twenty years. They have a proven track record of providing sensible design at a reasonable cost. Recent projects we have worked on together have been Wastewater Treatment Facility Upgrades for the cities of Coquille, Drain, Gold Beach, Canyonville, and Sutherlin. VLMK was also responsible for structural engineering for the City of Sutherlin’s Nonpareil WTP Improvements, as well as Winston-Dillard’s new raw water intake. VLMK has also provided technical support during the development of the structural design and construction management of the City of Coos Bay Pump Station No. 1, the largest wastewater pump station on the west coast of Oregon.

The Dyer Partnership will rely on VLMK to provide structural engineering and architectural support as needed during the design and construction phases of the upcoming projects.

R&W ENGINEERING, INC. ELECTRICAL ENGINEERING SERVICES

R&W has been providing electrical engineering services since 1978. They have an excellent track record on water and wastewater pump stations and water and wastewater treatment facilities. R&W is also experienced in automation, Supervisory Control and Data Acquisition (SCADA) systems, and sustainable design.

The Dyer Partnership will count on R&W Engineering, Inc. to provide electrical engineering support as needed during the design and construction phases of projects.

FOUNDATION ENGINEERING GEOTECHNICAL ENGINEERING SERVICES

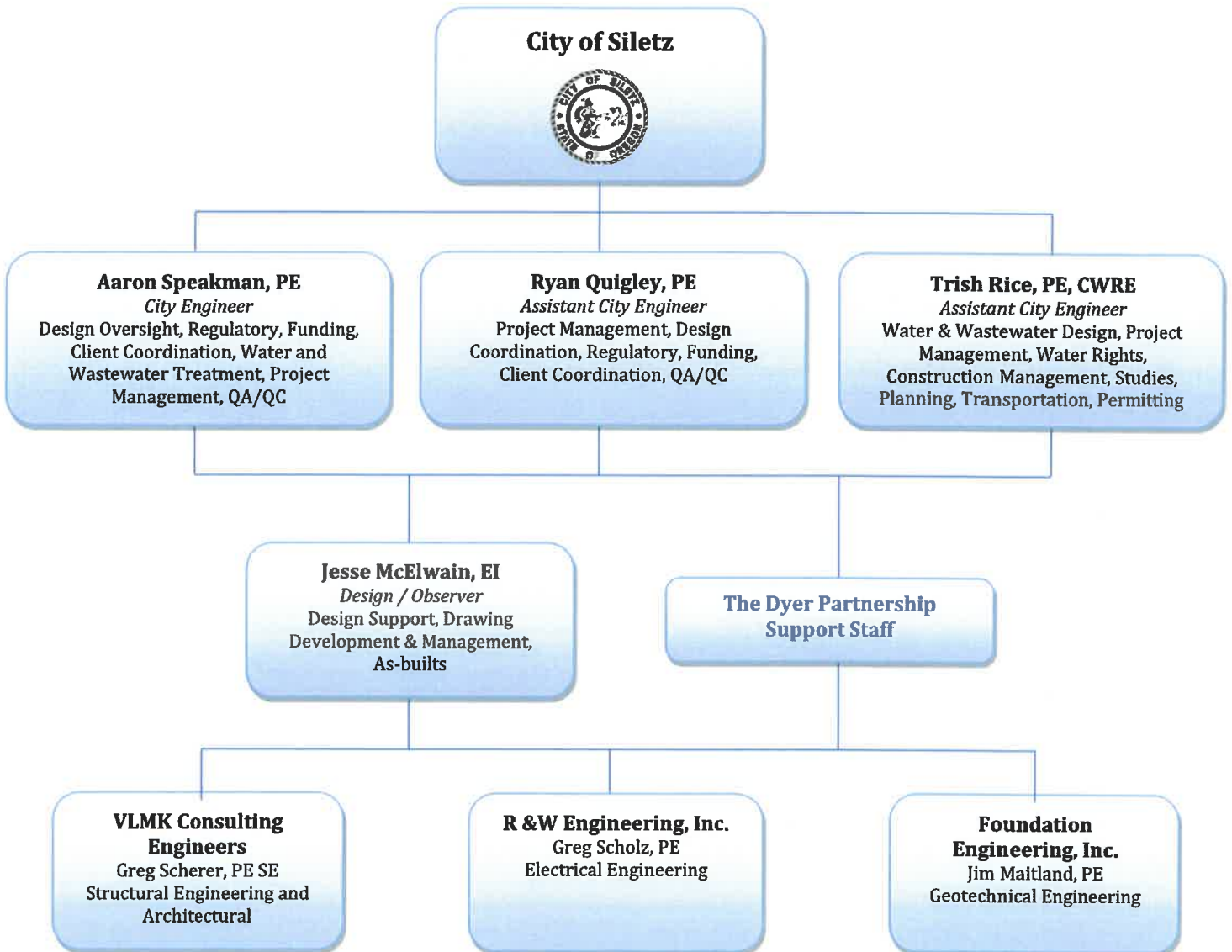
Foundation Engineering, Inc. has over forty years of experience as Geotechnical Engineers, including extensive experience with municipal projects. Foundation Engineering has a long working history on water and wastewater projects with The Dyer Partnership and has provided similar services for the cities of Coos Bay, Drain, Gold Beach, Sutherlin, Canyonville, Myrtle Creek, Yachats, and Yoncalla projects.

The Dyer Partnership will depend on Foundation Engineering, Inc. to provide geotechnical services as needed during the design and construction phases of projects.

The following organizational chart, Figure E.1, indicates the core team members that will head each specific area. Additional members (engineers, technicians, clerical, etc.) are available for assignment to specific projects or tasks as needed.

Together with the technical staff and resources of The Dyer Partnership, we are confident that we will provide the best team for providing engineering services to the City of Siletz.

**FIGURE E.1
PROJECT TEAM - ORGANIZATIONAL CHART**



SECTION F - COMMITMENT STATEMENT

COMMITMENT

- ❑ DEDICATED NAMED STAFF
- ❑ EXCELLENT WORKING RELATIONSHIP WITH OUR CLIENTS
- ❑ HIGHLY QUALIFIED SERVICES

The Dyer Partnership Engineer & Planners, Inc. has the resources required for engineering services and will make available the necessary manpower, equipment and materials to complete the various projects. The named staff will be working directly on engineering services for the City. Resumes follow.

We feel that with our work for the City for the past four years, our experience throughout western and southwestern Oregon, and the capabilities of the Dyer Team, we will continue to provide successful projects and high quality service for the City. We also have a successful track record in providing high quality service to a number of other cities and governmental clients that bears testimony to our firm's dedication and loyalty.

AARON SPEAKMAN, PE

CITY ENGINEER

REGISTRATION

- STATE OF OREGON
PROFESSIONAL ENGINEER
No. 70769

EDUCATION

- BS CIVIL ENGINEERING
OREGON STATE
UNIVERSITY, 2002

AFFILIATIONS

- SOUTHWEST CHAPTER OF
PROFESSIONAL ENGINEERS
OF OREGON (PEO)

Aaron is the President of The Dyer Partnership and a registered Civil Engineer with over twenty years of experience in municipal projects and studies. Aaron has a successful track record as City Engineer and general client liaison for projects totaling over fifty million dollars. He has demonstrated excellent design, estimating, construction management and writing skills while possessing the ability to bring new ideas and approaches to projects. He has proven to be an asset on projects and strives to assure that all project participants obtain satisfaction and value.

SELECT EXPERIENCE

MORRILL BRIDGE REPLACEMENT Curry County, Oregon

This project replaces the existing Morrill Bridge with a new 100-foot concrete precast bridge. Coordination with County and ODOT staff to deliver the project through the State Funded Local Bridge Project funding was provided. The new bridge is in the final closeout stage of construction. Significant cultural resource and permit coordination was provided for this project. Total project cost is estimated at two million dollars.

2021 WATER TREATMENT PLANT IMPROVEMENTS Gold Beach, Oregon

Aaron was responsible for the project management, design, bidding, and construction management of the water treatment plant improvements. The project included two 700 gallons per minute (gpm) treatment units, structural, seismic, chemical storage tank, filter system, Supervisory Control and Data Acquisition (SCADA), instrumentation, chemical feed system modifications, and a raw water intake building. The project is currently under construction.

WASTEWATER SYSTEM IMPROVEMENTS City of Drain, Oregon

This project included the design of a new wastewater treatment plant. The facilities include the design of a 2.41 Million Gallons per Day (MGD) Sequencing Batch Reactor (SBR), UV disinfection system, irrigation pump station, facultative sludge lagoon, and new operations building and laboratory. The project was completed in 2019 and construction costs were approximately seven million dollars.

WASTEWATER TREATMENT PLANT IMPROVEMENTS City of Sutherlin, Oregon

This project included the design of a new wastewater treatment plant. The facilities include the design of a 7 MGD SBR, tertiary filters, UV disinfection system, aerobic digesters, screw press dewatering facility, new operations building, and laboratory. The project was completed in May 2021. The construction cost was approximately seventeen million five hundred thousand dollars.

WATER MASTER PLAN

Heceta Water People’s Utility District, Oregon

A 20-year planning report for the District’s water systems included population projections, hydraulic modeling, fire flow mapping, and analysis of existing water infrastructure. Future projects needed to improve the water distribution system, treatment facilities, and storage facilities were recommended within the plan along with estimated project costs and a schedule for each project.

PUMP STATION NO. 1 REHABILITATION PROJECT

City of Coos Bay, Coos Bay, Oregon

This pump station rehabilitation project included the replacement of existing vertical turbine wastewater pumps with new submersible pumps. The firm pumping capacity of the station is 17 MGD. The design includes a new pump station control building, site development, and wastewater improvements for the pump station. This project was completed in the fall of 2017 and the project cost was approximately two million dollars.

WASTEWATER SYSTEM IMPROVEMENTS PHASES II & III

City of Gold Beach, Oregon

These projects included a new 2.4 MGD wastewater treatment plant, 240,000 sf drain field, 3.4 MGD pump station, two 200,000 gallon glass-fused steel digesters, two new collection system pump stations, and general site improvements. Aaron, as Project Manager, was responsible for design and construction management. Project costs were nine million dollars.

SOUTH EMPIRE BOULEVARD WATER LINE RELOCATION PROJECT

Coos Bay-North Bend Water Board, Coos Bay, Oregon

Mr. Speakman was the Project Manager and lead designer for this water line project that relocated 4,200 lineal feet of 12-inch and 16-inch water line. The project was a fast-tracked design and construction project that involved close coordination with the City and other utilities in an effort to relocate the water line and facilitate a City of Coos Bay roadway improvement project. Project costs were one million five hundred thousand dollars.

WATER TREATMENT PLANT IMPROVEMENTS

City of Sutherlin, Oregon

This project replaced the City’s existing 2.0 MGD direct filtration plant with a new 3.2 MGD high solids removal plant that included a sedimentation basin, absorption clarifier and mixed media filters. The new plant was needed to address the increasing levels of iron and manganese. Other improvements included a new control building with laboratory, dual chamber concrete backwash basin, three new 100 Horsepower (HP) treated water pumps, a Miox disinfection system, new telemetry and SCADA system, rehabilitation of three booster pump stations and rehabilitation of the existing treatment plant building. There were also enough funds to install approximately 3,700 lineal feet of 18-inch water line to complete the City’s main trunk system.

RYAN QUIGLEY, PE

ASSISTANT CITY ENGINEER

REGISTRATION

- **STATE OF OREGON**
PROFESSIONAL ENGINEER
OREGON PE NO. 69394PE

EDUCATION

- **BS CIVIL ENGINEERING**
OREGON STATE
UNIVERSITY, 2001

Senior Vice President with over twenty years of experience in water and wastewater infrastructure projects. Mr. Quigley has considerable experience with water treatment, storage and distribution projects, including the completion of several water system master plans. His previous experience at a small consulting firm has given Mr. Quigley the hands-on capability necessary to complete these projects from conception to start-up. In addition to his experience with drinking water, Mr. Quigley has gained valuable experience in the wastewater field during his time with The Dyer Partnership. Mr. Quigley places a high value on working closely with clients to ensure their input is considered and their needs are met.

SELECT EXPERIENCE

WASTEWATER TREATMENT PLANT UPGRADES

City of Molalla, Oregon

Mr. Quigley participated in creating the Predesign Report, and design documents for the City. He will be responsible for bidding, contracts, and construction management. The Wastewater Treatment Plant Upgrade project is currently out for bids, and includes Transfer Pump Station upgrades, new equalization basin, new grit removal system, new sequencing batch reactor, effluent filtration system, new disinfection system, recycled water storage improvements, and other appurtenances. The projected total project cost estimate is between thirty-eight and forty-six million dollars.

BLACKBERRY LANE STREET RECONSTRUCTION

City of Tangent, Oregon

Mr. Quigley completed the design and onsite construction management for the City of Tangent's Blackberry Lane Street Reconstruction project. The project included the replacement of 1,200 linear feet of existing asphalt and roadway base and the installation of approximately 2,400 linear feet of rolled curb and gutter and 1,200 linear feet of sidewalk.

RAW WATER INTAKE SYSTEM

Winston-Dillard Water District, Oregon

Mr. Quigley contributed to the design and is currently providing construction management for the construction of the District's new raw water intake system. The project includes the removal of approximately 400 cubic yards of rock from the S. Umpqua River, the construction of a 14-foot diameter, 59-foot tall intake structure, installation of three (3) vertical turbine pumps, and a new chemical feed system.

HIGHWAY 99E MULTI-USE PATHWAY

City of Tangent, Oregon

Mr. Quigley is currently assisting with design for the project that will connect the two existing multi-use path segments on Highway 99E near the Tangent Post Office.

BIRDFOOT DRIVE SIDEWALK

City of Tangent, Oregon

Mr. Quigley is currently assisting with design for the project that will add sidewalk to the south side of Birdfoot Drive, between Highway 99E and Old Mill Road.

WATER TREATMENT FACILITY IMPROVEMENTS

Molalla, Oregon

Mr. Quigley contributed to the design and construction management for the City's new water treatment plant. The project included a 1,400 gallons per minute (gpm) treatment unit, electrical, controls, instrumentation, chemical feed system modifications, and onsite sodium hypochlorite tank replacement.

PUBLIC WORKS STANDARDS FOR DESIGN AND CONSTRUCTION

City of Tangent, Oregon

Mr. Quigley provided project management for the recent updates to the City's Public Works Standards for Design and Construction.

WATER MANAGEMENT, CONSERVATION AND WATER SYSTEM

MASTER PLAN

City of Molalla, Oregon

Mr. Quigley recently completed the Water Management, Conservation and Water System Master Plan for the City of Molalla. The Oregon Health Authority approved the Plan which included a detailed review of the City's intake, treatment, storage, and distribution system, with recommend improvement alternatives and detailed project cost estimates. The Plan included a Water Conservation and Management Plan component to satisfy the requirements of the Oregon Water Resources Department.

PATROL STREET SEWER AND WATER CONSTRUCTION

City of Molalla, Oregon

Mr. Quigley contributed to the design and provided construction management for the City's Patrol Street Sewer and Water Construction project, which included the replacement of 1,075 linear feet of 6-inch sewer line and 1,500 linear feet of 8-inch water line.

WATER SYSTEM MASTER PLAN

City of Siletz, Oregon

Mr. Quigley assisted with the completion of the Water System Master Plan for the City of Siletz. The Oregon Health Authority approved the plan which included a detailed review of the City's intake, treatment, storage, and distribution system, with recommend improvement alternatives and detailed project cost estimates.

WASTEWATER FACILITIES PLAN

City of Scio, Oregon

Mr. Quigley contributed to the completion of the Wastewater Facilities Plan for the City of Scio. The Oregon Department of Environmental Quality approved plan included a detailed review of the City's sewer collection and treatment system.

REGISTRATION

- STATE OF OREGON
PROFESSIONAL ENGINEER
OREGON No. 83917PE**
- CERTIFIED WATER RIGHTS
EXAMINER OREGON No.
83917CWRE**
- STATE OF OREGON
DISTRIBUTION OPERATOR II
No. D-25732**
- STATE OF OREGON
COLLECTION OPERATOR II
No. 14794**
- PROJECT MANAGEMENT
INSTITUTE
PROJECT MANAGEMENT
PROFESSIONAL No. 3235429**

EDUCATION

- BS CIVIL ENGINEERING
OREGON STATE UNIVERSITY,
2010**

AFFILIATIONS

- WATER ENVIRONMENT
FEDERATION (WEF)**

**TRISH RICE, PE, CWRE
ASSISTANT CITY ENGINEER**

Mrs. Rice recently joined the Dyer staff after working for the City of Sweet Home for thirteen years. Trish has provided permitting, construction observation, funding acquisition, operations support, and GIS support on numerous municipal projects.

SELECT EXPERIENCE

**SECTION STREET RECONSTRUCTION
City of Molalla, Oregon**

Mrs. Rice is currently working on this reconstruction project. The project includes a new road section, curb and gutter, sidewalks, Americans with Disabilities Act (ADA) accessible curb ramps, storm drainage improvements, and water and sewer line replacement on Section Street, from S. Molalla Avenue to Shaver Avenue.

**I/I ABATEMENT
Sweet Home, Oregon**

While at the City of Sweet Home, Trish provided planning and observation of in-house Inflow and Infiltration (I/I) abatement projects including sewer lateral replacements, lateral and manhole grouting, field investigation, and CCTV inspections.

**GIS DEVELOPMENT
Sweet Home, Oregon**

Trish developed the Public Works elements of Sweet Home’s GIS. She performed geodatabase design, field data collection, ongoing records maintenance, ArcGIS Online maps creation for field crew use. She has also produced map products for a variety of uses including utilities, zoning code updates, business development, and emergency response.

**MAHLER WATER RECLAMATION FACILITY IMPROVEMENTS
Sweet Home, Oregon**

Trish managed over eight million dollars in contracts through the design phase of a sixty million dollar activated sludge facility upgrade and the construction of the two million dollar interim improvements. The design included every unit process on both liquid and solid streams. Trish performed intensive coordination with operators, consultant engineers, integrators, contractors, regulators, and funding agencies. She also performed equipment selection, design and specification reviews, completed funding applications, and construction oversight of the interim improvements. This project included a 100,000 gallon sludge blend tank, dewatering screw press, and conveyor system.

**9TH AVENUE WATER LINE REPLACEMENT
Sweet Home, Oregon**

Mrs. Rice was responsible for planning, contract administration, and construction observation for replacement of 1,700 feet of small diameter water mains. The project included installation of 8-inch water mains and services, ADA ramps, and street overlay.

JESSE MCELWAIN, EI

DESIGNER / OBSERVER

REGISTRATION

- **STATE OF OREGON**
ENGINEERING INTERN NO.
97199EI

EDUCATION

- **BS CIVIL ENGINEERING,**
OREGON STATE UNIVERSITY,
2020

Jesse McElwain is a registered civil engineering intern with over four years of experience, who recently obtained his professional engineer license from the State of Oregon. He assists with design and optimization of municipal water, stormwater, sewer, and transportation projects. Experience includes preparation of technical specifications, assistance with drafting and design, computer-aided modeling, funding applications, permit acquisition, regulatory compliance, risk assessment, mitigation strategies, and onsite quality control and construction observation.

SELECT EXPERIENCE

TMDL IMPLEMENTATION PLAN

City of Tangent, Oregon

Jesse has assisted in completing several of the City's Total Maximum Daily Load (TMDL) Annual Reports as well as the TMDL Mercury Update and recently the TMDL 5-Year Review and Update. His work on these projects included Oregon Department of Environmental Quality (DEQ) coordination, data collection and analysis, regulatory compliance, stakeholder engagement, collaboration with the City and DEQ, TMDL monitoring and assessment, identification of best management practices, development of pollution reduction strategies, incorporating existing City Ordinances and Development Code into TMDL updates, establishing flexible and adaptive management strategies for TMDL reporting, and technical writing to provide DEQ, Environmental Protection Agency (EPA), state, and federal TMDL compliant report matrices.

RAW WATER INTAKE SYSTEM

Winston-Dillard Water District, Oregon

Jesse assisted with hydraulic and hydrodynamic modeling, preliminary drafting and design, project specifications, drawings, and submittals for the construction of the new raw water intake system. The project included the removal of approximately 400 cubic yards of rock from the S. Umpqua River, the construction of a 14-foot diameter, 59-foot tall intake structure, installation of three (3) vertical turbine pumps, and a new chemical feed system.

5TH & ALDER STREET – WATER LINE IMPROVEMENTS

City of Toledo, Oregon

Jesse assisted in the design, specifications, construction management, and onsite construction observation for the water line improvement project. The project included the abandonment and replacement of an existing 4-inch diameter water line with a new 6-inch diameter water line to enhance fire flows for the surrounding residents and included new service lines, mainline connections, fire hydrants, gate valves, water line hot tap, removal and replacement of asphalt concrete pavement, and landscaping.

ECKERD AVE. SEWER AND WATER LINE REPLACEMENT PROJECT

City of Molalla, Oregon

Jesse assisted in the design, specifications, ODOT Right-of-Way (ROW) permit and coordination, construction management, and onsite construction observation for the water, sewer, roadway and sidewalk improvements.

PROJECTS

WORKING WITH THE CITY OF SILETZ SINCE 1983

SECTION G – RELEVANT PROJECTS

EXPERIENCE WITH THE CITY OF SILETZ

Dyer has completed several projects with the City of Siletz since 1983. Several projects are listed below.

1. Water Right Claim of Beneficial Use
2. Water Master Plan
3. SW Swan Avenue Improvements – Phase 1
4. SW Swan Avenue Improvements – Phase 2
5. Generator Sizing and Cost Estimates for Water Treatment Plant, Raw Water Storage & Pump, and Raw Water River Intake
6. Wastewater Facilities Plan
7. Raw Water Reservoir
8. Bensell Street SCA Improvements
9. System Development Charges for Water and Wastewater Revised
10. Biosolids Management Plan
11. Water and Wastewater Capital Improvement Plan
12. Inflow and Infiltration Improvements
13. Palmer Avenue SCA Improvements
14. Water Treatment Plant Improvements
15. Wastewater Treatment Plant Improvements

In addition to the above projects, The Dyer Partnership has assisted the City with funding applications, a tracer study at the Water Treatment Plant in accordance with Oregon Health Authority requirements, and an evaluation of installing a new Biosolids Dewatering Facility with screw press and associated appurtenances.

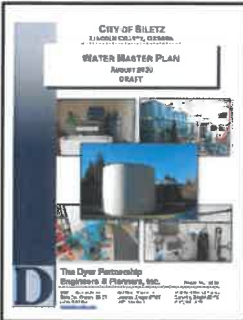
SIGNIFICANT PROJECTS

The following list includes several projects completed in the local communities, including those completed for the City of Siletz. Additional reference projects are available upon request.



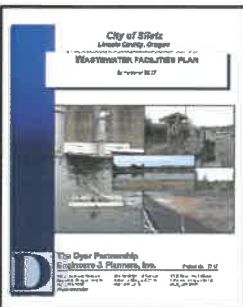
**CITY OF SILETZ
RAW WATER RESERVOIR IMPROVEMENTS**

This new 1.5 Million Gallons (MG) glass fused to steel raw water reservoir was built to allow for continuous water treatment during wet weather months. Additional work included an access road, concrete block building and a water booster pump station. Contact: Barbara Chestler, City Recorder (541) 444-2521



**CITY OF SILETZ
WATER MASTER PLAN**

The City’s existing Water Master Plan (WMP) was completed in 1996. Since that time, the City’s water infrastructure has aged, evolved, and was in need of ongoing investments to maintain an adequate level of service for the City and the contracted water consumers. The City’s water system infrastructure in operation consists of: the raw water intake, Influent Pump Station, 1.5 Million Gallon (MG) raw water storage tank, raw water tank pump station, Water Treatment Plant (WTP), three treated water storage tanks. The Water Master Plan developed a Capital Improvement Plan (CIP), which divided the recommended ten improvements into two phases in order to receive funding and achieve completion. Improvement recommendations included updates to the raw water intake, Influent Pump Station, and Water Treatment Plant; adding a cathodic protection system to the 0.5 MG treated water storage tank; resurfacing the 0.3 MG treated water storage tank; reassessment of the 0.2 MG treated water storage tank; distribution system improvements to increase fire flow, replacement of aging asbestos cement pipe, and the reassessment of the 0.3 MG treated water storage tank. Contact: Barbara Chestler, City Recorder (541) 444-2521



**CITY OF SILETZ
WASTEWATER FACILITIES PLAN**

The City of Siletz owns and operates its own municipal wastewater collection and treatment system. The system consists of a gravity flow collection system with one pump station in the collection system and one pump station at the wastewater treatment plant. Raw sewage is also conveyed from the Confederated Tribes of Siletz Indians (CTSI) to the City of Siletz system for treatment and disposal. Final effluent discharges to the Siletz River. The Wastewater Facilities Plan evaluated the condition of the existing collection system and assessed its capacity, identifying current system deficiencies, estimated current and projected wastewater flows and loads from within the current City Limits; developed potential wastewater collection system improvements to correct existing problems and to serve the existing and future development within the City Limits consistent with the DEQ regulations and requirements. Cost estimates and phasing recommendations for the improvements to the wastewater treatment facility were provided that will (once in operation) meet the conditions of the effluent discharge permit, comply with Total Maximum Daily Load (TMDL) restrictions if any, and provide treatment capacity for future growth. Contact: Barbara Chestler, City Recorder (541) 444-2521



**CITY OF SILETZ
SW SWAN AVENUE IMPROVEMENT PROJECTS**

The roadway reconstruction project was completed in two phases. The projects involved the design, bidding, and construction management of the approximately 4,065 square feet of roadway reconstruction, 750 tons of asphalt concrete overlay, 5,520 square yards of paving fabric, and 544 square yards of cold plane pavement removal. Other work includes demolition work, aggregate base, asphalt concrete pavement, water valve adjustments, manhole adjustments, stop bars, striping, landscaping, and other miscellaneous items. Contact: Barbara Chestler, City Recorder (541) 444-2521



**CITY OF SILETZ
WATER SYSTEM IMPROVEMENTS**

Design and construction administration of a \$2.8 million water system improvement project. Improvements included a new 350 gallons per minute (gpm) water treatment plant, a 500,000 gallon reservoir with a new raw water intake system, and installation of 15,500 feet of 12-inch, 8-inch and 6-inch distribution piping. Contact: Barbara Chestler, City Recorder (541) 444-2521



**CITY OF SILETZ
WASTEWATER SYSTEM IMPROVEMENTS**

This was the first flow-through Sequencing Batch Reactor (SBR) installation in the State of Oregon. The City of Siletz is the only municipality allowed to discharge to the pristine Siletz River. This plant serves a community of 1,100 people. This project consisted of design and construction-period services for construction of a new SBR system to replace the existing lagoon system. Additional facilities included a headworks, surge overflow basin, ultraviolet disinfection, aerobic digesters, facultative sludge lagoon and control building. Contact: Barbara Chestler, City Recorder (541) 444-2521



**CITY OF RIDDLE
2022 WATER SYSTEM IMPROVEMENTS**

This project involved the design, bidding, and construction management of new water lines along 3rd Avenue and 4th Avenue. The projects were identified as part of the City’s Water Master Plan (The Dyer Partnership, 2020), and consisted of 1,254 lineal feet of new 8-inch diameter water line, and 350 lineal feet of new 6-inch diameter water line. The new water lines replaced old infrastructure prone to water loss and other performance issues. Contact: Robert Tilton, Public Works Director (541) 874-2571



**CITY OF SUTHERLIN
NONPAREIL WATER TREATMENT PLANT IMPROVEMENTS**

The Nonpareil Water Treatment Plant Improvements project included planning, design, and construction administration of for the City’s main Water Treatment Plant. Construction improvements included: intake improvements, raw water pump station improvements, intake vault improvements, clarifier improvements, filter system improvements, including new underdrain system, backwash pump, flow meter, treated water pumps, Supervisory Control and Data Acquisition (SCADA) control system, miscellaneous control instrumentation, canopy over new air scour blowers, backwash pond, and site improvements. Contact: Kristi Gilbert, Community Development Director (541) 459-2856



**CITY OF SUTHERLIN
WASTEWATER TREATMENT PLANT IMPROVEMENTS**

This project included the design, bidding, and construction management for the four (4) basin Sequencing Batch Reactor (SBR) that has a treatment capacity of 7 Million Gallons per Day (MGD). The project included a new collection system pump station, new headworks, new influent pump station, new SBR, new digesters, new tertiary filters, new UV disinfection facilities, new screw press dewatering facilities, and an operations building and lab facility. Contact: Kristi Gilbert, Community Development Director (541) 459-2856



**CITY OF SUTHERLIN
WATER SYSTEM IMPROVEMENTS**

This project was a two-schedule project for the bidding, design, and construction management of the construction of a new 6th Avenue and Oak Street Booster Pump Station as well as construction of Schoon Mountain Reservoir. The new 6th Avenue and Oak Street Booster Pump Station construction included a new 20 Hp duplex booster pump station, controls, instrumentation, and other miscellaneous related work and building. The Schoon Mountain Storage Reservoir included clearing, grubbing, excavation, hauling, drainage work, placement of imported granular compacted fill, finish grading, and gravel surfacing. The constructed tank site provided space for a new 135,000-gallon storage reservoir and parking area. A new 135,000-gallon bolted glass fused steel reservoir including concrete footing, foundation, and associated yard piping and appurtenances. The existing storage tanks and ancillary equipment or structures were demolished. A perimeter security fence and gate around the reservoir site was also constructed. Contact: Kristi Gilbert, Community Development Director (541) 459-2856



**CITY OF CANYONVILLE
WASTEWATER SYSTEM IMPROVEMENTS PHASE II**

The project included the preparation of a Wastewater Facilities Plan, Predesign Report, plans, and specifications for the installation and commissioning of a new influent screening system, new grit removal system, new influent pump station, new secondary screening system, new Membrane Bioreactor, new ultraviolet disinfection system, new solids treatment and management systems, and new control panels and SCADA system. Contact: Dawn Bennett, City Administrator (541) 839-4258



**CITY OF CANYONVILLE
SE CANYON STREET IMPROVEMENTS**

Design, bidding services, and construction administration were provided for the SE Canyon Street Improvements project. Improvements included the following: cold plane pavement removal, street reconstruction, aggregate base, asphalt concrete pavement, concrete sidewalks, and paving fabric. Other work includes miscellaneous demolition work, installation of stop bar, water valve box adjustments, manhole adjustments, utility vault adjustment, and landscaping. Contact: Dawn Bennett, City Administrator (541) 839-4258



**CITY OF MYRTLE CREEK
RIVERSIDE PUMP STATION IMPROVEMENTS**

This project comprised the design, bidding, and construction management of a new sewer pump station. The construction included the pumps, controls, piping, structure, and other ancillary components. A new pressure sewer pipe was constructed along Riverside Dr. to connect and discharge into existing pressure sewer line. New gravity sewer lines to re-direct the gravity sewer flow away from the existing pump station and to the new pump station were also built. The project included the demolition of the existing pump station. Contact: Lonnie Rainville, City Administrator (541) 863-3171



WINSTON-DILLARD WATER DISTRICT RAW WATER INTAKE SYSTEM

This project included the design, bidding and construction management for a new raw water intake system. The new intake project included the removal of approximately 500 cubic yards of rock from the South Umpqua River for the construction of a new 14-foot diameter by 59-foot tall concrete intake structure. The intake structure supports three 800 gpm vertical turbine pumps that will convey raw water from the intake to the existing water treatment plant through a 195 foot long, 14-inch diameter ductile iron transmission line. The project also included the construction of a raw water screen cleaning pump building and separate chemical feed building. Contact: Tanner Pence, District Manager (541) 679-8467



CITY OF GOLD BEACH 2021 WATER SYSTEM IMPROVEMENTS

This water system improvement project included the design, bidding, and construction management for the construction of over 9,000 feet of new water lines, a new triplex raw water pump station, water treatment plant improvements including two 700 gpm treatment units, filter rehabilitation, valve replacements, instrumentation, SCADA system, new chemical storage building, chemical feed pumps, system modifications, seismic and structural building upgrades, and a raw water intake building for the WTP. This project is being funded through Business Oregon, Safe Drinking Water Revolving Loan Fund (SDWRLF). Contact: Anthony Pagano, City Administrator (541) 247-7029



CITY OF COQUILLE WATER SYSTEM IMPROVEMENTS

This project was developed to improve the Water Treatment Plant (WTP) and associated intake. Reconfiguration of the WTP yard piping, upgraded chemical feed system, rehabilitation of existing filters, installation of updated electric operated control valves, installation of new sludge removal system and tube settlers for the settling basin, installation of a new 14,000 gallon stainless steel tank and associated piping, construction of a new air supply system, installation of a new operating system, miscellaneous associated work, replacement of a Coquille River raw water intake raw water pump and associated piping were completed. Additionally, upgrades to the intakes pump station monorail pump hoist system, electrical, and instrumentation systems were performed. Contact: Forrest Neurburg, City Manager (541) 396-2114



CITY OF MOLALLA WATER TREATMENT FACILITY IMPROVEMENTS

The project included the construction of one 1,400 gpm mixed media treatment unit and associated equipment, electrical connections, controls, instrumentation, chemical feed system modifications, miscellaneous valves and fittings, site piping, and the replacement of an existing backwash pump. The work also included the replacement of the sodium hypochlorite storage tanks and feed lines. Upon completion of the system improvements, existing filters and associated equipment and controls were decommissioned and demolished. Contact: Dan Huff, City Manager (503) 829-6855



**CITY OF COQUILLE
RINK CREEK RAW WATER MAIN PROJECT**

For this project, approximately 16,000 feet of 14-inch diameter PVC water main was installed to replace the City's existing main from the Rink Creek Reservoir to the water treatment plant. Work was primarily performed on private property. Improvements included a surge control valve for pressure relief, installation of new roadway with 48-inch and 60-inch diameter culverts for stream crossings, asphalt-concrete and gravel surface replacement, and rehabilitation of the reservoir intake structure, including removal and replacement of the screen assembly and eight 10-inch diameter sluice gates. Contact: Forrest Neuerburg, City Manager (541) 396-2114



**CITY OF COOS BAY
PUMP STATION NO. 1 IMPROVEMENTS**

This project included the replacement of the existing vertical turbine wastewater pumps with new submersible wastewater pumps, new pump controls, and new backup power generator, and electrical room. Significant rehabilitation was performed on the inside of the existing concrete wet well. The pump station has a capacity of 17 MGD, and contains pumps two 85-Horsepower (HP) pumps and two 135 HP pumps. Contact: Jim Hossley, Public Works Director (541) 269-8918



**CITY OF COOS BAY
6TH AVENUE CULVERT REPLACEMENT**

This project replaced a failed stormwater culvert with a new precast concrete bridge. The bridge was required to meet fish passage requirements. Extensive state and federal environmental permitting, federal cross cutters, design, bidding, and construction management was provided. Contact: Jim Hossley, Public Works Director (541) 269-8918



**CITY OF COQUILLE
IRVING AND 13TH STREET IMPROVEMENTS**

This project included new street improvements along North Irving Street and East 13th Street including approximately 140 tons of aggregate base, 240 tons of asphalt concrete pavement, one catch basing (Type G-2), one catch basin (ditch inlet), 110 lineal feet of new 12-inch storm drain pipe, and riprap storm drain slope protection. Dyer also provided construction management services, part time observation services, and field revisions. Contact: Forrest Neuerburg, City Manager (541) 396-2114



**CITY OF COOS BAY
TIDEVIEW TERRACE STORM DRAIN REPLACEMENT**

This project included removal and replace approximately 130 lineal feet of 10-inch storm drain line, 340 lineal feet of 12-inch storm drain line, 280 lineal feet of 15-inch storm drain line, 30 lineal feet of 24-inch storm drain line, rehabilitation of three manholes, rehabilitation of three catch basins, four new catch basins, curb and gutter removal and replacement, concrete driveway approach removal and replacement, ac pavement trench resurfacing, roadway reconstruction, and related work items. Contact: Jim Hossley, Director (541) 269-8918

- EXPERIENCE**
- 42 YEARS OF EXPERIENCE
 - MUNICIPAL ENGINEERING
 - COMMITTED TO SMALL COMMUNITIES
 - COMMITTED TO THE PUBLIC SECTOR
 - HIGHLY QUALIFIED STAFF
 - LOCAL PRESENCE

SECTION H -EXPERIENCE

COMPANY EXPERIENCE

The Dyer Partnership is currently contracted with twenty-five clients including seventeen where we act as City Engineer or Engineer of Record. We also represent two sanitary districts or authorities and five water districts, boards, or associations. Dyer is the Engineer for Salmon Harbor Marina. Our firm takes pride in the commitment we provide our clients and we continue to provide increased service to a growing clientele located throughout western and southwestern Oregon.

The Dyer Partnership has had an established presence for over forty-two years. Not only are we highly experienced and qualified, we feel that we are well-suited to continue to provide engineering and planning services to the City of Siletz.

Public Clients & Years of Service				
	<i>Clients</i>	<i>Years of Service</i>		<i>No. of Years</i>
		<i>From</i>	<i>To</i>	
1	City of Bandon	1995	Present	29
2	City of Brookings	2008	Present	16
3	City of Brownsville	2018	Present	6
4	Bunker Hill Sanitary District	2001	Present	23
5	City of Canyonville	2010	Present	14
6	Charleston Sanitary District	1995	Present	29
7	Colton Water District	2023	Present	1
8	City of Coos Bay	2011	Present	13
9	Coos Bay-North Bend Water Board	2003	Present	21
10	City of Coquille	1983	Present	41
11	City of Drain	1998	Present	26
12	City of Gold Beach	1995	Present	29
13	Heceta Water People's Utility District	2012	Present	12
14	City of Lakeside	2019	Present	5
15	City of Molalla	2015	Present	9
16	City of Myrtle Creek	2012	Present	12
17	City of Reedsport	2020	Present	4
18	Salmon Harbor Marina	2021	Present	3
19	City of Scio	2018	Present	6
20	City of Siletz	1983	Present	41
21	City of Sutherlin	2005	Present	19
22	City of Tangent	2018	Present	6
23	Umpqua Water Basin Association	2023	Present	1
24	Winston-Dillard Water District	2018	Present	6
25	City of Yoncalla	2000	Present	24

AVAILABILITY

- DYER STAFF
AVAILABLE VIA PHONE
AND EMAIL AS
NEEDED**
- WILL NOT CONTRACT
WITH CONFLICTING
INTEREST PARTIES**

SECTION I - AVAILABILITY

By submitting this Statement of Qualification, The Dyer Partnership Engineers & Planners, Inc. is prepared to commit the necessary manpower and resources required to provide the services specified in the Statement of Qualifications. Services for planning, design, bidding, and construction management can be provided for the four major infrastructure systems: water, wastewater, storm drainage, and transportation. The Dyer Partnership has a highly qualified team of subconsultants for the areas of structures, architecture, geotechnical, and electrical.

With eleven engineers and sixteen technical personnel available, Dyer is able to work on a variety of projects. Dyer prioritizes projects effectively to meet project schedules while maintaining flexibility to respond to urgent or emergency situations such as sinkholes, slides, etc. as they occur.

If selected, The Dyer Partnership will never contract with any other agency that would represent a potential conflict such as a developer or other private entity within the City. In doing so, this allows The Dyer Partnership to remain solely committed to the City and its interests. We provide similar dedication to other clients where we serve as Engineer of Record and this has demonstrated our loyalty and emphasizes that we strive to serve the City's best interests.

The Dyer Partnership is available to facilitate a one-stop meeting with all of the major funding agencies, for the purpose of identifying funding packages, inclusive of potential grant monies, for the City's projects. The Dyer Partnership is positioned to begin planning, funding acquisition, and design work as needed.

Dyer does not submit Statement of Qualifications for projects which we believe are beyond our capacities or limitations.

REFERENCES

- ❑ 17 MUNICIPALITIES
- ❑ 1 MARINA
- ❑ 2 SEWER DISTRICTS
- ❑ 5 WATER DISTRICTS, BOARDS, & ASSOCIATIONS

SECTION J - REFERENCES

CURRENT GOVERNMENT CLIENTS

The Dyer Partnership strives to maintain its reputation for sound engineering and timely delivery with each and every project. We are committed to delivering excellence in all services while maintaining the highest standards of professional integrity. Our mission is to add value to each of our client’s projects and to achieve project success.

Listed below are our twenty-five clients that currently use our firm’s services for planning, design, and construction management of their municipal, district, boards, or association’s

projects. This list contains the name of a contact person, their telephone number, and address for the clients where we are currently under contract as a City Engineer or Engineer of Record.

CITY OF BANDON

Torrey Contreras, City Manager
 555 Highway 101, PO Box 67
 Bandon, Oregon 97411 (541) 347-2437

CITY OF BROOKINGS

Anthony “Tony” Baron, Public Works Director
 898 Elk Drive
 Brookings, Oregon 97415 (541) 469-2163

CITY OF BROWNSVILLE

S. Scott McDowell, City Administrator
 255 N Main ST, PO Box 188
 Brownsville, Oregon 97327 (541) 466-5880

BUNKER HILL SANITARY DISTRICT

Dan Hinrichs, District Attorney
 93685 E Howard Lane
 Coos Bay, Oregon 97420 (541) 267-0229

CITY OF CANYONVILLE

Dawn Bennett, City Administrator
 250 N Main Street, PO Box 765
 Canyonville, Oregon 97417 (541) 839-4258

CHARLESTON SANITARY DISTRICT

Deren Dibble, District Manager
 63365 Boat Basin Road, PO Box 5522
 Charleston, Oregon 97420 (541) 888-3911

COLTON WATER DISTRICT

Betty Hodges, District Manager
 20987 S Highway 211
 Colton, Oregon 97017 (503) 824-2500

CITY OF COOS BAY

Jim Hossley, Public Works Director
 500 Central Avenue
 Coos Bay, Oregon 97420 (541) 269-8918

COOS BAY-NORTH BEND WATER BOARD

Ivan Thomas, General Manager
 2305 Ocean BLVD, PO Box 539
 Coos Bay, Oregon 97420 (541) 267-3128

CITY OF COQUILLE

Forrest Neuerburg, City Manager
 851 N Central BLVD
 Coquille, Oregon 97423 (541) 396-2114

CITY OF DRAIN

Harold Burris, Public Works Superintendent
 129 West "C" Street, PO Box 158
 Drain, Oregon 97435 (541) 836-2417

CITY OF GOLD BEACH

Anthony Pagano, City Administrator
 29592 Ellensburg Avenue
 Gold Beach, Oregon 97444 (541) 247-7029

HECETA WATER PEOPLE’S UTILITY DISTRICT

Carl Neville, General Manager
 87845 Highway 101
 Florence, Oregon 97439 (541) 997-2446

CITY OF LAKESIDE

Rick Hohnbaum, City Recorder / Manager
 915 North Lake Road, PO Box L
 Lakeside, Oregon 97449 (541) 759-3011

CITY OF MOLALLA

Dan Huff, City Manager
315 Kennel Avenue, PO Box 248
Molalla, Oregon 97038

(503) 829-6855

CITY OF MYRTLE CREEK

Lonnie Rainville, City Administrator
207 NW Pleasant, PO Box 940
Myrtle Creek, Oregon 97457

(541) 863-3171

CITY OF REEDSPORT

Deanna Schafer, City Manager
451 Winchester Avenue
Reedsport, Oregon 97467

(541) 271-1989

SALMON HARBOR MARINA

Jim Zimmer, Harbor Manager
100 Ork Rock Road
Winchester Bay, Oregon 97467

(541) 271-3407

CITY OF SCIO

Ginger Allen, City Manager
38957 NW 1st Avenue
Scio, Oregon 97374

(503) 394-3342

CITY OF SILETZ

Barbara Chestler, City Recorder
215 W Buford Avenue, PO Box 318
Siletz, Oregon 97380

(541) 444-2521

CITY OF SUTHERLIN

Kristi Gilbert, Community Development Director
126 E Central Avenue
Sutherlin, Oregon 97479

(541) 459-2856

CITY OF TANGENT

Joe Samaniego, City Manager
32166 Old Oak Drive, PO Box 251
Tangent, Oregon 97389

(541) 928-1020

UMPQUA BASIN WATER ASSOCIATION

Brad Johnson, General Manager
4972 Garden Valley Road
Roseburg, Oregon 97471

(541) 672-5559

WINSTON-DILLARD WATER DISTRICT

Tanner Pence, District Manager
121 NW Douglas Blvd.
Winston, Oregon 97496

(541) 679-8467

CITY OF YONCALLA

Jennifer Bragg, City Administrator
2640 Eagle Valley Road, PO Box 508
Yoncalla, Oregon 97499

(541) 849-2152

**REGULATORY
COMPLIANCE**

QUALITY CONTROL

SECTION K - INFRACTIONS

**REGULATORY COMPLIANCE, MONITORING, AND REPORTING
INFRACTIONS**

1. The Dyer Partnership has never been disqualified by any City, District or Association, the Department of Administration Services or the State Contractor's Board.
2. Dyer meets all applicable federal, state, and local permitting requirements.
3. Internal quality control helps produce plans and specifications specifically for each project.
4. The Dyer Partnership has never had a regulatory compliance monitoring or self-reporting infraction filed against them.
5. Dyer has never failed to meet its financial obligations.
6. Ability to obtain bonds as required.

SUMMARY OF LEGAL ACTION

The Dyer Partnership is not involved in any legal actions.

Nesika Illahee Pow Wow Parade Permit Request

MEMORANDUM TO COUNCIL

RE: Nesika Illahee Pow Wow Parade Permit

Fr: City Recorder/ Admin Assistant

Date: 04-08-024

ISSUE: The Confederated Tribes of Siletz Indians holds their annual Pow Wow Parade that happens on City streets during the second weekend of August.

HISTORY: It is that time of the year when CTSI requests a parade permit for the Nesika Illahee Pow Wow Parade. The route will be the same as the following years. Please see the attached letter that we will be sending for authority to conduct the parade.

ACTION: None required unless there are concerns.

April 22

March 26, 2024

City of Siletz
215 Buford Ave
Siletz, OR 97380

RE: Nesika Illahee Pow Wow Parade

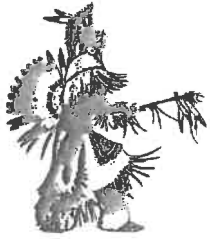
The Nesika Illahee Pow Wow committee would like to request a parade permit for our annual Nesika Illahee Pow Wow Parade on August 10th 2024. The route will be the same as in the years past and I have an attached map. We will furnish traffic control with our local police and Pow Wow security personnel. All debris will be cleaned after the event.

The Parade will begin at 10:00 AM and last to 11:00 AM. I understand that typically I will be receiving the permit once you have received this letter. Staging will begin at 9:00 AM and the parade will be underway at 10:00 AM and will finish approximately at 11:00 AM. If you have questions or require additional information please contact me at 541-444-8230 or buddyl@ctsi.nsn.us

Sincerely,



Buddy Lane
Confederated Tribes of Siletz Indians
Cultural Resources Manager Director
buddyl@ctsi.nsn.us
541-444-8230
PO BOX 549
Siletz, OR 97380



P.O. Box 318
Siletz, OR 97380



Ph. (541) 444-2521
Fax (541) 444-7371



April 23, 2024

Buddy Lane, Cultural Education Director
Confederated Tribes of Siletz Indians
PO Box 549
Siletz, Oregon 97380

RE: Nesika Illahee Parade Permit

This letter is the Authority to conduct a Parade in the City Streets within the City of Siletz on Saturday, August 10th, 2024.

The Permittee shall be responsible for all clean up of debris deposited on the streets as a result of the Parade. The Permittee shall be responsible and liable for all accidents, damages or injuries to person or property, resulting from said Parade legally chargeable to the Permittee.

The Permittee shall hold the City of Siletz, its Officers, Agents, or Employees blameless and said Permittee shall indemnify them against any loss, injury, or damage which they or any of them may sustain by reason of acts, conduct or operation of the Permittee, its Agent, or Employees in connection with said Parade.

You will need to sign both letters and return one copy to the City and it will become part of the Parade Permit along with a current copy of the Tribe's Liability Insurance Policy and the route map. (we have a copy of the map on file already)

If you have any questions, please contact me immediately at 541-444-2521.

Sincerely,

Barbra Chestler,
City Recorder

I have read and agree to the above Provisions.

Date: _____

Sewer Rehabilitation Project Update

The City Council may convene into an
Open Session and act on any of the above
work session agenda items in
accordance with Oregon Public Meetings
Laws

Adjournment