

**CORBETT WATER DISTRICT
BUDGET COMMITTEE MEETING
Written Summary
March 29, 2011**

Board members present: Jeff Hargens, Robert Gaughan, Robert Churnside.

Absent board members: Sonny Boyd, Victor Schmidt.

Budget committee members present: Barbara Adams, Robert Colclessor, Malcolm Freund, Dale Anderson, Kevin Wilhelm.

Staff present: James Jans, Shanti Kraai, Pamela Volk, Jeffery Busto, Nicholas Ray, Hans Rathjen.

Budget chairman **Barbara Adams** called the meeting to order at 6:10 p.m.

APPROVAL OF THE AGENDA

Robert Colclessor made a motion to approve the agenda, **Malcolm Freund** seconded, passed unanimously.

APPROVAL OF THE MINUTES

Malcolm Freund made a motion to approve the minutes of the March 15, 2011 budget committee meeting, **Robert Colclessor** seconded, passed unanimously.

REVIEW OF THE PROPOSED BUDGET

James Jans states that there was a calculation error on page 4, capital outlay. This error has been corrected and revised copies were distributed to the member of the budget committee.

Review of Material and Services: **Malcolm Freund** inquired as to why the chemicals and lab samples category is the same as the prior year. **James Jans** replied that even though the District is saving money by using soda ash, there are new testing requirements this fiscal year which will make the total cost of the category remain the same. **Jeff Hargens** inquired as to the funds used during the 2010-2011 fiscal year for commissioners training and education. **James Jans** states no funds were used during the current fiscal year, however the funds should remain in the category for future years, especially with a new board member that will be elected on May 17, 2011. The cross connection category is new this fiscal year and the funds are for mailing newsletters and notices. The labor associated with cross connections will be under personal services. Election fees to Multnomah County will have to be paid each year an election is held for the District. The engineering fee under materials and services is only for small projects, the engineering fee for larger projects will be included in capital outlay. **Jeff Hargens** feels that the meter repairs category should include the testing of the larger meters in the system. He suggests they should be tested more often, such as every other year. **James Jans** states that the meter testing would just be the cost for labor, which would be included in personal services. He states that the current utility billing system will alert us if a meter is incorrectly recording usage from the prior water use history. To date, the only property taxes the District has to pay is for the Water Treatment

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REVIEW OF THE PROPOSED BUDGET - Review of material and services – (Cont.)

Plant. **James Jans** states that the District has received free telemetry system equipment from Gresham Water District. He states the funds under the telemetry system category is for the installation and maintenance of the telemetry at the Reservoirs. The tools category was reduced since the District is now purchasing tools with warranties. No further questions were stated for the other categories in materials and services.

Review of Capital Outlay: The North Fork intake screen category was a new addition to the budget. The funds will be used for the installation of an intake screen to meet the Oregon Department of Fish and Wildlife requirements. In future years the District will budget for the installation of an intake screen at South Fork. New Equipment, Hydro is a new budget item as well. The funds will be used to install a hydro generator at the Treatment Plant. The electricity produced will be sold to produce revenue for the District. The funds in the fire hydrant category has been increase due to a larger quantity of hydrants to be installed in the system this fiscal year. The fire station will reimburse the District for half the cost of each fire hydrant installed. **Robert Colclessor** and **Malcolm Freund** offered to attend a Multnomah County Fire District #14 meeting to inform them to budget for a larger reimbursement amount this fiscal year. The funds in the meters category is for the purchase of 150 touch read meters. After this fiscal year, there will only be 120 more meters to purchase to complete the conversion from manual reads to the touch read system. **Nicholas Ray** states the touch read system has reduced the time to read meters from 4-5 days down to 2 days and eliminates manual entry errors. The funds in the PRV Station category will be used to upgrade the old Wilkins PRV's to more efficient cla-val PRV's in the system. The funds in the Reservoirs category will be used to possibly remove Reservoir 1 and to remove blackberries from Reservoir 4. Funds are also set aside in this category to install a security fence around both these Reservoirs. **Dale Anderson** would like a list of projects that are to be completed during the 2011-2012 fiscal year. No further questions were stated for the other categories in capital outlay.

Review of Personal Services: The utility worker II category has not increased due to the employee being at the lower end of the pay scale. Even with a merit raise, it is not anticipated that the total funds in the category will change. **Barbara Adams** inquired as to why there is an 8% increase proposed for the utility worker AP category. **James Jans** states that the employees may progress to the next wage step depending on their evaluations. The increase in each wage step is 5%. The District Clerk category has increased due to additional hours. The Assistant Clerk category has decreased due to a reduction in hours. Since the Social Security Administration has announced there would not be a cost of living (COLA) increase for benefits, the budget officer did not set aside any funds in this category. **Jeff Hargens** requested that the budget officer always set aside funds in this category in future years since it is the Board of Commissioners decision if they would like to issue a cost of living raise. He states that even if no COLA is issued he would like the board to have this option available. **James Jans** states that the overtime hours have been considerably reduced since the modification to pager pay and less time required to be spent at the Treatment Plant. The Public Employees Retirement System (PERS) rate has increased from 8.94% to 11.11%. **Barbara Adams** would like the District Clerk to provide an estimated payroll year end report for each worker category. No further questions were stated for the other categories in personal services.

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Review of the Loan Repayment Fund: The loan from the Oregon Economic and Community Development Department will be paid in full in the year 2025. No changes have been made from the prior year in this category.

Review of the General Fund: The net working capital is an estimate of the funds that will be available to use at the beginning of the fiscal year. **Dale Anderson** asked if a rate increase has been considered. **Jeff Hargens** states that the rates should be reviewed in future years since it is apparent that the general fund has been decreasing while the water rates have remained the same. **Dale Anderson** inquired as to how the proposed operating contingency was calculated. **James Jans** states the operating contingency is 10% of the general fund. **Barbara Adams** asked the District Clerk to review the net working capital to verify it is accurate before the next meeting, to be held on April 5, 2011. No further questions were stated for the other categories in the general fund.

Jeff Hargens made a motion to adjourn the budget committee meeting, **Robert Gaughan** seconded, passed unanimously. Meeting adjourned at 8:30 p.m.