

MINUTES

MAY 8, 2001

Corbett Water District Third Budget Meeting

Budget Chairman Rick Weaver called the Budget Committee Meeting to order at 6:00 pm. Budget members, Barb Adams, Dave Mysinger, Troy Falconer and Jim Leckron were present. Board members present were Jeff Grover, Ed Kalberg, Sandra Redfern, Henry Schwartz and Ken Blanc. Superintendent Randy Stark and District Clerk Kathie Cicerich were also present.

Guests present: Barb Giddeon, Bob Colclessor, Steve Wilson and Malcolm Freund.

Sandra Redfern and Jim Leckron declared a "potential conflict of interest" because they are related to employees of the District.

Rick Weaver asked each Board and Budget member to comment on the proposed 96% rate increase. Barb Adams would like a conservative rate increase and would like the money to go towards laying new pipes. She is not for the \$5.00 monthly reservoir rate surcharge. Troy Falconer would like to keep the rate increase to a minimum and is not sure about a surcharge. Ken Blanc is not sure about a surcharge but mentioned paying for a reservoir through property tax so folks can deduct it on their taxes. Dave Mysinger, Jeff Grover and Henry Schwartz would like to see a 10 to 15% rate increase and liked the idea of a \$5.00 surcharge. Jim Leckron mentioned the \$5.00 surcharge isn't a bad idea and thought a 5% rate increase was sufficient. Fixing leaks is his top priority. Sandra Redfern suggested a \$5.00 surcharge for the reservoir and a second \$5.00 surcharge for pipeline replacement. She also recommended a small rate increase. Ed Kalberg stated the District needs a surcharge and rate increase. He recommended the reserve funds and mentioned the District needs to take care of its infrastructure. There was some discussion about funding a new reservoir.

Jeff Grover made a motion to decrease water sales revenue from \$734,834 to \$455,000. This amounts approximately to a 10% increase from the current budget year. Dave Mysinger seconded the motion. It was brought to attention that a 10% increase over the budgeted water sales revenue from the current year amounted

to \$491,810. Jeff Grover amended his motion to increase water sales to \$491,810. Dave Mysinger seconded the amended motion. There was some discussion. Board members voting for the motion were Ken Blanc, Rick Weaver, Jeff Grover and Dave Mysinger. Board members voting against the motion were Jim Leckron, Henry Schwartz, Sandra Redfern, Barb Adams, Ed Kalberg and Troy Falconer. Motion failed. Discussion followed regarding water sales revenue.

Jeff Grover made a motion to increase water sales revenue to \$475,000. Dave Mysinger seconded the motion. Mr. Stark estimated the \$475,000 is a 25% increase in rates based on actual water sales from 1999-2000. There was some discussion. Members voting for the motion were Ken Blanc, Dave Mysinger, Jeff Grover, Henry Schwartz, Sandra Redfern and Rick Weaver. Members voting against the motion were Jim Leckron, Ed Kalberg, Barb Adams and Troy Falconer. Motion passed.

Discussion ensued regarding the reserve funds. The reserve funds are meant to set money aside to fund depreciation of existing assets. Ed Kalberg made a motion with regards to changes on page 3, beginning with line item 12. Line 12 change to zero, line 13 change to \$20,000., lines 14, 15, 16 and 18 change to zero. Line 20 change to \$100,000. This changes line 22 to \$120,000. Ken Blanc seconded the motion. Mr. Stark stated that line 13, reserve fund #10-reservoirs, is intended to save money to paint reservoirs. Members voting for the motion were Ken Blanc, Jeff Grover, Henry Schwartz, Sandy Redfern, Troy Falconer, Barb Adams and Ed Kalberg. Members voting against the motion were Jim Leckron and Rick Weaver. Dave Mysinger abstained from voting. Motion passed.

Ed Kalberg made a motion on page 1, line 7 under reservoir rate surcharge to be established at \$120,000 (\$10.00 monthly surcharge), which is the amount equal to the transfers of the reserve funds. Also change the reading to reserve rate surcharge not reservoir. Jeff Grover seconded the motion. There was some discussion. Members voting for the motion were Jeff Grover, Ed Kalberg, Henry Schwartz and Rick Weaver. Members voting against the motion were Ken Blanc, Jim Leckron, Sandra Redfern, Troy Falconer and Barb Adams. Dave Mysinger abstained from voting. Motion failed.

The Budget meeting was adjourned at 7:30 pm, for the purpose of holding the regular monthly Board meeting.

Budget Chairman Rick Weaver reconvened the Budget Meeting at 8:25 p.m.

After much discussion, Jim Leckron made a motion to eliminate the \$5.00 reservoir rate surcharge. Barb Adams seconded the motion. There was some discussion regarding the reservoir rate surcharge. Members voting for the motion were Ken Blanc, Dave Mysinger, Jim Leckron, Henry Schwartz, Sandra Redfern, Barb Adams, Ed Kalberg and Troy Falconer. There were no votes against the motion. Rick Weaver and Jeff Grover abstained. Motion passed.

There was discussion concerning the estimated \$55,566 for a new master plan. Under Materials and Service, Jeff Grover made a motion to take the exact same figures that were adopted for the Budget year 2000-2001 and use them for the 2001-2002 Budget year. This would lower the Materials and Services fund to \$131,000. Ed Kalberg seconded the motion. The Committee discussed the fact this would not cover the cost for a new master plan. The District needs a new master plan to continue our water rights. Also, utility rates are going up and is \$9,000 enough to cover the costs. After some discussion Jeff Grover amended his motion to increase Engineering and Surveys to \$55,566 to cover the cost of a new master plan. This would raise the Materials and Services fund to \$184,566. Dave Mysinger seconded the amended motion. Members voting for the amended motion were Dave Mysinger, Jeff Grover, Jim Leckron, Henry Schwartz, Sandra Redfern, Troy Falconer, Rick Weaver and Ken Blanc. Members voting against the amended motion were Barb Adams and Ed Kalberg. Motion passed.

Jeff Grover made a motion to eliminate Reserve Fund #10 (Reservoirs) and Reserve Fund #60 (System Improvements). Sandra Redfern seconded the motion. This motion would eliminate all reserve funds. There was discussion among the committee. Members voting for the motion were Dave Mysinger, Jeff Grover, Jim Leckron, Henry Schwartz, Sandra Redfern, Barb Adams, Troy Falconer and Rick Weaver. Members voting against the motion were Ed Kalberg and Ken Blanc. Motion passed.

There was discussion concerning the Proposed expenditures in Personal Services. The purposed wages for the District's six employees include a 3.3% cost of living increase, 5% merit increase and \$1,000 bonus per employee. Generally merit increases are 3% and bonuses can be less then \$1,000 or no bonus at all. After much discussion Dave Mysinger made a motion to eliminate the \$1,000 bonus per employee and to restrict raises to Employees to only 3.3% cost of living. Ken Blanc

seconded the motion. After some discussion Jeff Grover made an amendment to the motion to take the \$4,606. that is left over and move it to Overtime and Temporary help to balance the budget. Troy Falconer seconded the amendment. This lowers the Personal Services fund to \$305,250. There was some discussion. Members voting for the amendment to the motion were Ken Blanc, Dave Mysinger, Jeff Grover, Henry Schwartz, Barb Adams, Ed Kalberg, Troy Falconer and Rick Weaver. Jim Leckron and Sandra Redfern abstained due to conflict of interest. The amendment to the motion passed. Members voting for the motion made by Dave Mysinger were Ken Blanc, Jeff Grover, Henry Schwartz, Barb Adams, Troy Falconer and Dave Mysinger; Members voting against the motion were Ed Kalberg and Rick Weaver. Sandra Redfern and Jim Leckron abstained. Motion Passed.

Mr. Jeff Grover moved that the Budget Committee approve this 2001-2002 budget as proposed by the Budget Committee, certifying that the permanent tax rate of 0.5781 per \$1,000 of assessed value is to be used to calculate Taxes Necessary to Balance the Budget in the General Fund Resources Category. Dave Mysinger seconded.

Before the member voted on the motion, Mr. Weaver asked for audience comments. Malcolm Freund asked about leak detection in the District. Bob Colclessor commented he appreciated the work the Budget Committed had done. Barb Giddeon agreed with him.

Members voting for the motion were Ken Blanc, Jeff Grover, Sandra Redfern, Henry Schwartz, Barb Adams, Troy Falconer and Dave Mysinger. Members voting against the motion were Rick Weaver and Ed Kalberg. Jim Leckron abstained. Motion passed.

Rick Weaver adjourned the Budget Committee Meeting at 10:30 pm.

