

**CORBETT WATER DISTRICT
BUDGET HEARING
Written Summary
June 18, 2013**

Board members present: Jeff Hargens, Sonny Boyd, Kevin Wilhelm.

Absent board members: Robert Gaughan, Robert Churnside.

Staff present: James Jans, Shanti Burns.

Audience members present: Brian Lee, David Jacob, Gordon Fulks, Marty Olsen.

Chairman **Jeff Hargens** called the meeting to order at 6:25 p.m.

APPROVAL OF THE AGENDA

Sonny Boyd made a motion to approve the agenda, **Jeff Hargens** seconded, passed unanimously.

REVIEW OF THE PROPOSED AGENDA

Shanti Burns explained that in April 2013, while preparing the budget documents to turn into the Tax Supervising and Conservation Commission (TSCC), it was noticed that the Debt Service column was formatted as text; therefore it was not calculating in the auto sum format for the total budget amounts. This left the budget sheet showing the total expenditures as \$911,322; however it should have included the debt service amount of \$138,458, making the total expenditures \$1,053,513. We immediately called TSCC to inform them of this error, as we were concerned because the budget committee had already approved the budget. After meeting with both representatives at the TSCC office, they informed us that the easiest way to correct this error was to first find where we could come up with the extra revenue. This was easy, as the District has always budgeted our beginning balance very low in case any emergencies occur. We have also been conservative in our water sales/base rate figures. The next correction that needed to be made was to include the Debt Service category funds without increasing expenditures over 10%. We did this by lowering the system improvement line and increasing the operating contingency by the same amount, as operating contingency is not considered an expenditure. They informed us to make a resolution in July 2013 moving the funds from the operating contingency back into system improvement and we will be back at our original budgeted amounts. Luckily this issue is an easy fix, however even with TSCC reviewing the budget before the manager presented the proposed figures, as well as the office staff, board and budget committee members reviewing the budget, it was overlooked. **Jeff Hargens** informed the audience that the budget committee saw and approved the payment of the loan, however by mistake it was not included in the total they approved. **Sonny Boyd** states that the difference between the approved budget and the adopted budget figures is \$142,191, which is more than just the debt service amount of \$138,458. **James Jans** informed him that this difference is due to the increase of the operating contingency category since the total budget increased after the debt service amount was included in the totals. **Shanti Burns** informed him that TSCC reviewed the budget, and we are using the numbers they provided us with.

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RESOLUTION 2013.06.01: ADOPTION OF 2013-2014 BUDGET & LEVY

Jeff Hargens read as follows:

Be it resolved that the Board of Commissioners of Corbett Water District hereby adopts the budget for the fiscal year 2013-2014 in the total amount of \$1,153,513 now on file in the Corbett Water District office.

Be it resolved that the Board of Commissioners of the Corbett Water District hereby imposes the taxes provided for in the adopted budget at the rate of \$0.5781 per \$1,000 of assessed value; and that these taxes are hereby imposed and categorized for tax year 2013-2014 upon the assessed value of all taxable property within the district.

The resolution was then signed by all present members of the board.

Copies of the resolution were distributed to all audience members that requested them.

RESPONSE LETTER TO TSCC

The Tax Supervising & Conservation Commission issued a letter to the District stating the loan repayment fund ended with a negative balance for the year ending June 30, 2012 and suggested that the District monitor their expenditures closely. The response letter written by the District states the District made the full loan payment that was budgeted for and since the money comes directly out of our checking account there were enough funds to cover the payment. The audit should have shown a transfer into the loan repayment fund from the general fund. This has been discussed with the auditors and the loan repayment fund will not have an ending fund balance at the end of the 2012-2013 budget year.

Jeff Hargens made a motion to adjourn the budget hearing, **Kevin Wilhelm** seconded, passed unanimously. Meeting adjourned at 6:38 p.m.