

**SEAL ROCK WATER DISTRICT
MINUTES OF THE
BUDGET COMMITTEE MEETING
April 21, 2016**

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7 Call Budget Committee

8 Meeting to Order: Commissioner John Garcia called the Budget Committee meeting to order at 6:10 p.m.
9 Thursday, April 21, 2016.

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11 Present: John Garcia, Board President. Appointed Budget Committee members: Garry Helms,
12 Barry Compton, James Senn, Deanna Gravelle, Barbara Flewellyn. Staff: Joy S King,
13 Office Manager; Adam Denlinger; General Manager. See sign in sheet for public
14 attendance.

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16 Excused Absences: Rob Mills, John Filbert, Glen Morris, Sandra Mies-Grantham

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18 Elect Presiding
19 Officer: John Garcia nominated James Senn as the Presiding Officer of the Budget Committee
20 Meeting per ORS 294.336(8).

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22 Items Discussed before

23 Discussion of Budget: James Senn asked about the emergency replacement of Oceania Drive waterline
24 and how much would it impact the District. The General Manager, Adam Denlinger
25 explained that the total cost for replacing the waterline is about \$160,000. The District is in
26 the process of applying for an emergency grant ECWAG from USDA which could be up to
27 \$150,000.

28 James Senn also asked how the fluoridation of City of Newport's water could
29 impact the SRWD customers. The GM explained there is no dollar impact to the District.
30 The Ballot Measure is for the Newport Community to vote on. The impact to the District's
31 customers is when we temporarily get fluoridated water from the City of Newport through
32 the intertie when the need arises.

33 The status of the water right application to use Beaver Creek as source water was also
34 discussed. After Water Resources Department receive comments from various agencies –
35 DEQ, Fish and Wildlife and etc, then there will be a 90 day public comment period. After
36 this WRD will review the comments and could approve the water right application with
37 certain conditions.

38 Backup generators for each pump station were also discussed. When there's power
39 outages water could still be delivered to customers since the District has installed
40 generators for pump stations.

41
42 Budget Message: Budget Officer, Adam Denlinger read the budget Message for FY 2016-17. (See
43 attached).

44 Amend/Approve

45 Budget Document: James Senn, Budget Committee Presiding Officer led the discussion in reviewing
46 and amending the proposed budget for FY 2016-17, one page at a time
47 and approve the budget by fund as follows:

48 Under General Fund:

49 Page 1, line 7 - Water Sales Revenue doesn't include a rate increase.

50 The City of Toledo increased its wholesale water rate to the District by 4.6%
51 beginning January 1, 2016. Staff balanced the budget without increasing the customer
52 rates.

53 Page 2, line 3- Salaries Office – The salaries for 2016-17 is down since two of the office
54 employees have reached the top of their wage scales. Also, the increase in salaries in
55 2015-16 included an overlap in salaries in anticipation of a retirement of an office staff.

56 Page 2, Line 5- Employee Benefits decreased due to decreases in workers' comp rate
57 and unemployment rate.

58 Page 2, Line 12- Professional Services has increased. A single audit is required for FY
59 16-17 as required by USDA, Sensus Handheld Support budget has been transferred from
60 Computer Software line item and OrcoTech IT support started with a fix monthly charge.

61 Page 2, line 18- Miscellaneous amount has decreased. Amount budgeted for Xpress Bill
62 Pay and Chase Credit card charges related to online payments has been transferred to
63 Line 19 – Dues, Fees & Assessments.
64 Page 3- Line 3- The increase in Field Salaries is for two temporary field workers from a
65 Temp Agency. Two of the senior operators are being utilized as resident inspectors for the
66 phase 3 and Oceania Drive and 143rd St. projects, leaving a shortage of help with the daily
67 operation of the District. The budgeted amount is for two temp workers for 3 months.
68 Page 3, line 11- Toledo Water Purchase. The City of Toledo increased the whole sale rate
69 from \$3.41 to \$3.57 beginning Jan. 1, 2016. The amount of gallons purchased has also
70 increased due to line flushing of newly installed water lines by the contractor.
71 John Garcia motioned to approve the General Fund budget in the amount of \$2,137,700
72 which is comprised of pages 1 thru 5. Motion seconded by Barry Compton.
73 Motion carried 6-0.
74 Barry Compton motioned to approve the Debt Service Fund budget in the amount of
75 \$844,066. Motion seconded by Garry Helms. Motion carried 6-0.
76 John Garcia motioned to approve Revenue Bond Reserve Fund budget in the amount of
77 \$74,532. Motion seconded by Deanna Gravelle. Motion carried 6-0.
78 Page 9, line 14- Source Water Reconnaissance Study/Preliminary is budget for Phase 4
79 project.
80 Page 9, line 24- EMR/AMI is budget amount for automated meter reading which is part of
81 Phase 3 projects and will be funded by USDA grant. John Garcia motioned to approve
82 budget for Capital Projects in the amount of \$10,710,045. Motion seconded by Barry
83 Compton. Motion carried 6-0.
84 John Garcia motioned to approve the budget for the following reserve funds – R.D.
85 Requirement Reserve (page 10) in the amount of \$39,280; Depreciation Reserve (page
86 11) in the amount of \$150,200; System Development Charges (page12) in the amount of
87 \$187,828; Water Source & Distribution Improvement Reserve (page 13) in the amount of
88 \$657,600. Motion seconded by Barry Compton. Motion carried 6-0.
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90 The SRWD Land and Building Reserve is expiring at the end of FY 2015-16. The budget
91 committee discussed the necessity of extending the reserve fund to support the
92 acquisition of land and building needs for source water and improving system distribution.
93 John Garcia motioned to approve Resolution No. 0416-01 A Resolution to Extend the
94 SRWD Land and Building Reserve Fund (see attached). Motion seconded by Barry
95 Compton. Motion carried 6-0.
96 John Garcia motioned to approve the SRWD Land & Building Reserve Fund (page 15)
97 budget in the amount of \$134,700. Motion was seconded by Deanna Gravelle. Motion
98 carried 6-0.
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100 Public Comments: None. No public was in attendance.
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102 Approval of the
103 FY 2016-17Budget: John Garcia motioned to approve the FY 2016-17 Budget as presented. It was seconded
104 by Barry Compton. Motion carried 6-0.
105 Approval of Permanent
106 Rate Limit and the
107 Exempt Bond Amount: John Garcia motioned to approve the Permanent Rate Limit for the General Fund
108 Operations as .1259 per \$1,000 of the total assessed value of the District, and the Exempt
109 Bond amount of \$587,500 as the ad valorem property taxes to be certified for collection as
110 of July 1, 2016.
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112 Next Meeting: Budget Hearing on May 12, 2016 at 4:00 pm.
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114 Adjournment: Board President, John Garcia adjourned the meeting at 7:55 pm.
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Approved by Secretary

Date