

Heceta Water People's Utility District

87845 Hwy 101

Florence, OR 97439

June 6, 2023

Budget Committee Meeting

FY 2023-24

1. CALL TO ORDER

President Wendy Rohner called the HWPUD Committee Meeting to order at 4:00 pm.

2. ROLL CALL

Budget Committee Members Peter Boyer, Scott Maurer, Vito Coviello, Charlotte Ryner, Wendy Rohner, and Frank Spencer; Secretary of Record, Mike Buckwald and CPA Brittany Hornung; GM/Budget Officer, Carl Neville; Cindy Spinner were present. Lanson Moles, Crystal Farnsworth, and Debby Todd were absent.

3. SELECTION OF BUDGET COMMITTEE OFFICERS

ACTION: Scott Maurer nominated Frank Spencer as the Budget Committee Chair. Charlotte Ryner seconded the motion. Rohner, Spencer, Boyer, Maurer, Coviello, and Ryner voted aye. There were no nay votes.

ACTION: Charlotte Ryner nominated Peter Boyer as the Budget Committee Vice-Chair. Scott Maurer seconded the motion. Rohner, Spencer, Boyer, Maurer, Coviello, and Ryner voted aye. There were no nay votes.

4. FY 2023-24 BUDGET

Chairman Spencer asked for clarification in the budget message that asked for discussions with the Budget Officer prior to today's meeting. Member Rohner noted that this meeting was for the full discussion on the budget. GM Neville stated that comment was if any member had specific questions that needed answers prior to this meeting. Chairman Spencer opened the discussion on the proposed budget, asking for the page number and item number. Member Ryner inquired as to what is the S22009 OBDD loan listed on the resources page. GM Neville responded it is the master plan projects loan for phase 1 and we have 23 months to complete the projects. Chairman Spencer asked for clarification on any acronym used in the document. Chairman Spencer inquired as to the increases in payroll. GM Neville stated that the Board adopted an 8% CAP which is included in the budgeted amounts. Member Ryner inquired as to what is included in benefits. Secretary Buckwald stated it is primarily insurance. Member Rohner asked if vacations are included in payment levels. Secretary Buckwald responded that is correct. Member Ryner asked if the District looks at insurance premiums each year. GM Neville stated that we get projected pricing from SDIS and there is a 2% increase this year. Member Rohner asked for actual numbers from current year to be added to compare to proposed budget. Secretary Buckwald stated the proposed budget forms are set by the state, but you can review the financial statements provided to the Board monthly. Member Rohner questioned some of the more prominent increases in material and services. GM Neville stated that we increased insurance coverage as the District was not properly covered. He went on to say we have had an

increase in cost for chemicals and the plant pump has required repair and we have purchased a second set of supplies for future pump repair. Chairman Spencer noted with the increase in inflation the budget numbers are not out of line. He questioned why there was such an increase in IT. GM Neville stated that over the past year, the District has enhanced its security measures including preventative security, firewalls and monitoring. Chair Spencer inquired as to the reduction in the meter update program. GM Neville stated we completed a majority this year and projected next year is fewer meters need replaced. He went on to say we are focusing on the filter rehab to replace the worn-out drains as expected life is 10 years, our filter is 18 years. GM Neville stated in regard to the Collard Lake Loan payoff, we are paying using the money saved on the State Revolving loan paid last year, which we have an interest rate of 2.86%, saving the District \$64,000 in interest. Member Rohner asked what the interest rate on the new loan will be. GM Neville stated one percent. Chair Spencer inquired as to when we expect the Driftwood water line to be started and completed. GM Neville stated we anticipate the project to begin this July and be complete within 24 months. Member Ryner inquired as to why we are increasing the diameter of the pipe size. GM Neville stated primarily due to increase of fire flows plus the pipe was installed in 1966, past its expected age. Member Rohner inquired about the construction cash on hand. GM Neville stated it is the balance of what was not used last year. Member Rohner asked why there is a balance for future construction. GM Neville stated we do not anticipate completing all Phase 1 projects in this budget year. Member Rohner asked if the District has to start paying on the grand total now or when we receive the money. GM Neville stated we only pay on money borrowed. Member Coviello asked if the State earmarks the approved funds for the District so as not to run out of funds before the completion. GM Neville stated the District has a contract and the funds guaranteed to be available over the next 24 months. Chair Spencer inquired if we have had any issues getting loans approved. GM Neville has had no problems with loans from Business Oregon. Member Ryner inquired about the new office building and the SCADA/Telemetry. GM Neville stated the building has several structural issues and the SCADA will be updated to communicate with the pump stations and reservoirs, eliminating the need for manual monitoring. He went on to say both projects are in the Business Oregon loan. Chair Spencer mentioned the offset for the cost will be the savings for current manual processes. GM Neville stated we are still waiting for clarification from the District attorneys on what we can use the System Development Charges (SDC) funds for and also reviewing the SDC ordinance. Secretary Buckwald mentioned that the allocation for SDC improvements needs to be adjusted and transferred to SDC reimbursement after the last SDC increase. Chair Spencer inquired about the raw water pump station. GM Neville stated the project was budgeted \$115,000 last year but we are waiting on parts and anticipate completion in August.

ACTION: Member Rohner made a motion to approve the proposed budget and recommend that it be presented to the Board of Directors. Member Maurer seconded the motion. Rohner, Spencer, Boyer, Maurer, Coviello, and Ryner voted aye. There were no nay votes.

5. ADJOURNMENT

Chair Spencer adjourned the meeting at 4:55 pm.