

Rivergrove Water District
2024/2025 Budget Committee Meeting Minutes
Monday, April 22, 2024

The Budget Committee meeting was held on this day at 17661 Pilkington Road, Lake Oswego. Attendees included Commissioners Johnson, Magura, and Howell as well as Budget Committee members Jon McDowell, John Bartho, David Paul Butler, Evelyn Challis, Gabe Gomez, and David Law. General Manager/Budget Officer Janine Casey was also in attendance. Commissioners Roth and Patterson were excused.

1. **Call to Order:** The meeting was called to order at 5:30 p.m.
2. **Public Attendance:** Ms. Janine Law attended the meeting.
3. **2024-2025 Budget Committee Chair Election:** Mr. Gabe Gomez was appointed as the Budget Committee Chair by a motion from *Budget Committee Member Challis, seconded by Budget Committee Member McDowell, and passed by a unanimous vote.*
4. **Budget Officer Overview of Budget Process and Budget Message:** Budget Officer Janine Casey provided an overview of budget procedures. To ensure sound financial practices, Rivergrove Water District operates on three guiding principles: expense management, procurement discipline, and transparency. The District's goal is to provide safe, environmentally sustainable drinking water to all customers at a cost-effective rate to generate adequate revenue consistent with the District's 20-year Master Plan.
5. **Budget Details, Discussion, and Questions:** The District operates under a fiscal year beginning July 1 and ending June 30. The budget document includes the financial history of revenues and expenses for the past two years as well as this year's estimates. The estimates for each fund contained in the proposed budget is based on assessing expected benefits and related costs.
 - a. **Upcoming Projects for new Fiscal Year:**
 - Complete the Resilient Backbone and Asbestos Cement Pipe Replacement Project by replacing 1,700 LF of 10" asbestos-cement pipe with 10" earthquake resistant ductile iron pipe from the canal on Childs Road to SW Indian Creek Avenue.
 - Upgrade the Supervisory Control and Data Acquisition (SCADA) System.
 - Complete new Rate Study to determine if the revenue stream is sufficient to maintain operations and critical infrastructure required to provide clean, safe drinking water to the community.
 - Install two new fire hydrants to increase fire protection for customers.
 - b. **Highlights from ending Fiscal Year:**
 - Replaced 300 LF of 6" asbestos-cement pipe with 6" ductile iron pipe on Marlin Court.
 - Replaced 150 LF of 6" asbestos-cement pipe with 8" ductile iron pipe on Childs Road.
 - Launched the design review process to upsize 1,700 LF of 10" asbestos-cement pipe with 10" earthquake resistant ductile iron pipe from the canal on Childs Road to SW Indian Creek Avenue.
 - Completed 100% inventory of all customer service lines and submitted report to the Environmental Protection Agency.

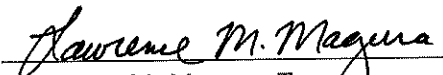
- Installed two new fire hydrants to increase fire protection for customers.
- Performed annual maintenance for valve exercising and fire hydrant flushing.
- Published Annual Water Quality & Consumer Confidence Annual Report and three newsletters.
- Completed Fiscal Year 2022-2023 Financial Audit without any discrepancies.
- Updated the Board of Commissioners' Policy Handbook and the District's Employee Handbook.

c. **Discussions and Questions:**

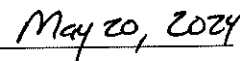
- Revenue – An initial rate increase of 3% was proposed for FY 2024/2025 based on the current inflationary climate. The District continues to face the challenge of keeping rates affordable to rate payers while continuing to upgrade existing asbestos cement distribution pipes to ductile iron. The District is maintaining an accounts receivable rate of 100% due to strict adherence to the payment policy and has not incurred any bad debt write-offs since 2019. ***Due to continuing inflationary costs, the committee voted to increase rates 5% by a motion from Budget Committee Member McDowell, seconded by Commissioner Howell, and passed by a unanimous vote.***
- Personnel Services – Administrative and operator wages were increased to allow for cost-of-living and merit performance increases. A modest increase was also noted for employee retirement compensation and health benefits.
- Materials Services – Funding for material services dropped despite continuing inflation costs and supply shortages. The District remains committed to seeking the best possible costs for materials and services through diligent cost comparative spending.
- Professional Services – Overall funding for professional services decreased due to limited capital improvement projects projected for the upcoming fiscal year.
- Capital Outlay and Improvements – Funding remained consistent with the previous fiscal year.

6. **Approval of the Budget:** The FY 2024/2025 budget was approved by a motion from ***Budget Committee Member Challis, seconded by Budget Committee Member Butler, and passed by a unanimous vote.***

7. **Adjournment:** Budget Committee Chair Gomez adjourned the meeting at 6:58 p.m.



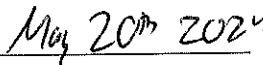
 Lawrence M. Magura, Treasurer



 Date



 Grant E. Howell, Secretary (Acting Chair)



 Date