

**Rivergrove Water District
Budget Committee Meeting Minutes
Monday, April 24, 2022**

The Budget Committee meeting was held on this day at 17661 Pilkington Road, Lake Oswego. Attendees included Commissioners Roth, Johnson, and Magura as well as Budget Committee members Jon McDowell, Todd Johnston, and David Paul Butler. General Manager/Budget Officer Janine Casey was also in attendance. Commissioners Patterson and Howell, and committee members John Bartho, Lisa Merlo Flores, and John Mac Pherson were excused.

1. Call to Order: The meeting was called to order at 5:30 p.m.

2. Public Attendance: No public attended.

3. 2023-2024 Budget Committee Appointment and Budget Committee Chair Election: Budget Committee volunteers Jon McDowell, Todd Johnston, and David Paul Butler were appointed to the committee, and Jon McDowell was appointed as the Budget Committee Chair by a motion from *Commissioner Johnson, seconded by Budget Committee Member Johnston, 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:

- Replace 300 LF of 6" asbestos-cement pipe with 6" ductile iron pipe on Marlin Court.
- Replace 150 LF of 6" asbestos-cement pipe with 8" ductile iron pipe on Childs Road.
- Begin the design review process to upsize 1,700 LF of 10" asbestos-cement pipe with 10" ductile iron pipe on Childs Road from the canal to SW Indian Creek Avenue.
- Install two new fire hydrants to increase fire protection for customers.

b. Highlights from ending Fiscal Year:

- Obtained grant funding to replace critical transmission and distribution mains which need replacement due to age, materials, and risk of failure in a seismic event.
- Replaced 315 LF of 4" asbestos-cement pipe with 8" ductile iron pipe on Deemar Way.
- Replaced 350 LF of 4" asbestos-cement pipe with 8" ductile iron pipe on Tamara Avenue.
- Replaced three aging fire hydrants on Tualamere Avenue, Deemar Way, and Tamara Avenue.
- Purchased/installed new stationary generator for Well 1; installed portable generator for Well 3.

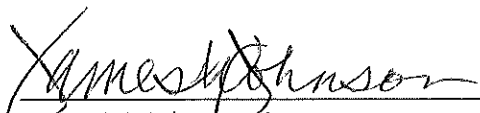
- Installed 125 new meters on customer service lines.
- Performed annual maintenance for valve exercising and fire hydrant flushing.
- Published 2023 Water Quality & Consumer Confidence Annual Report and three newsletters.
- Completed Fiscal Year 2021-2022 Financial Audit.
- Updated the Board of Commissioners' Policy Handbook and Employee Handbook.

c. Discussions and Questions:

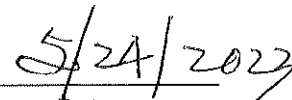
- Revenue – A rate increase of 3% was proposed for FY 2023/2024 based on the current inflationary climate. The District faces the challenge of keeping rates affordable to rate payers while continuing to upgrade existing asbestos cement distribution pipes to ductile iron. The District is maintaining an accounts receivable rate of 100% due to strict adherence to the payment policy and has not had any bad debt write-offs since 2019.
- Personnel Services – Administrative and operator wages were increased to allow for cost-of-living increases. Due to rising costs in medical coverage for employees, a budget increase of 50% was allotted.
- Materials Services – Funding for material services remained consistent from the previous fiscal year despite continuing inflation. Cost saving measures were taken to perform in-house locating rather than contracting out the service resulting in a \$10,000 annual savings. An additional savings of \$15,000 was realized and reallocated due to abandonment of the Premise Isolation Program.
- Professional Services – Overall funding for professional services decreased due to limited capital improvement projects projected for the upcoming fiscal year. An increase in attorney fees was allotted for bond funding research.
- Capital Outlay and Improvements – Funding for the AMR Meter Program was decreased since current costs outweigh the benefits. Funding was reserved to support two main replacement projects on Childs Road and Marlin Court.

6. Approval of the Budget: The FY 2023/2024 budget was approved by a motion from **Commissioner Johnson, seconded by Commissioner Magura, and passed by a unanimous vote.**

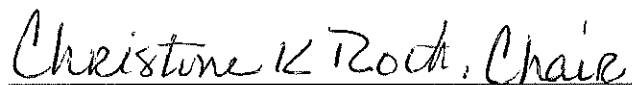
7. Adjournment: Budget Committee Chair Jon McDowell adjourned the meeting at 6:38 p.m.



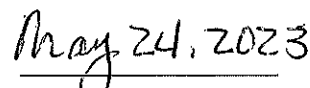
 James W. Johnson, Secretary



 Date



 Christine K. Roth, Chair



 Date