

**OTTER ROCK WATER DISTRICT**  
**2022-2023 BUDGET MESSAGE**

April 4, 2022

Budget Committee and Otter Rock Water Board:

The purpose of this Budget Message is to highlight the major issues and changes and to discuss future projections for the fiscal year 2022-2023.

The District is required to present a balanced budget of the upcoming fiscal year by June 30th of each year. The budget committee, consisting of up to five citizens and the governing board members, meets to build and approve the budget for the district. During the budget process the public is asked to comment on the proposed budget at two different times. Once near the beginning and again at the end at the budget hearing. After the budget is approved by the Budget committee, a budget hearing will be scheduled before final approval by the governing body – the Otter Rock Water District board. In many cases a budget committee makes few recommended changes to the proposed budget, but in this district the budget process has become a very collaborative endeavor with a fully engaged citizen component of the budget committee.

In the last fiscal year, 2021-2022, the District has experienced a number of transitions and changes. Once the District exceeded 150 connections we were required to employ a Water Operator with advanced certification under OHA regulations. The District contracted with Hiland Water Inc, as of July1, 2021, to perform the duties once filled by our Superintendent position. Hiland staff had to become familiar with all of the quirks of our aging water system and then had their own staffing problems for a number of months in late 2021. The District is continuing to fine-tune our communications with Hiland. We had several new board members come on-board and then leave.

A number of projects have had a slow start, but several major achievements have been made.

The State of Oregon required us to begin chlorination of our water and after many fits and starts attempting to plan a system we could afford, Hiland jumped in to get a system functioning for us in short order. The funds to cover this addition to our system were provided by a donation from the Cape Foulweather Sanitary District in early 2021.

The District contracted with Civil West Engineering to assist us in preparing an application to FEMA for a Hazard Mitigation grant (HMGP 4562) that could provide a substantial portion of funding for our much needed system rebuild. The pre-application, which consisted of 37 files for a total 55 MB of data, was submitted in late January 2022. Our first SDC (System Development Charge) monies were received this year for new lots under development. This money is restricted to use for improvements to the system that increase system capacity.

The District continues to strive to provide the same or better level of service at the lowest cost to our water customers. There will likely be discussions of water rates and/or fee increases this year as we evaluate what we have accomplished and compare it to what we anticipate for the next year. If rates or fees are increased, the District will hold a hearing along with the budget hearing required on the approved budget, both as required by Oregon statutes.

The District has seen three new customers come on-line, two from the Mahala subdivision and one other previously undeveloped lot in the District, that adds a modest amount to our revenue. The District anticipates at least one more connection to the system in the next year.

The District is still focused on continuing to install more meters throughout our system.

Several leaks in the system have required repairs by Hiland in the last year. Knowing the age of our system, we anticipate the continuing need to budget for limited system repairs until the system can be rebuilt.

A number of costs for services have increased and will be reflected in the final budget for next year.

The District has tentatively scheduled the budget hearing and final approval of the budget for June 28th, at the latest.

Respectfully submitted,  
Beth Elliker