

Summary of June 2 2020 ORWD Budget Meeting

All board members, superintendent and volunteer budget committee members were present along with a few interested community members. The meeting was called to order a half hour late due to the difficulty of some participants in connecting through the Zoom website. The meeting was called to order at 6:31 PM and lasted approximately 2-1/2 hours.

Much of the meeting consisted of proposals to reallocate funds from one budget item to another. These proposals won't be finalized until the committee votes on the final draft of the budget. The following are some highlights (not in the order they were discussed):

- It was conceded that the 20-21 budget is based on reliably accurate information; this being first time in the past three years (perhaps longer) that this has occurred. Also it was noted that this has been accomplished through the efforts of the Treasurer and a QuickBooks consultant, both whom have been working for the past two months, to sort out and organize ORWD financial records.
- The Treasurer described changes to the budget format. Color is used to highlight certain items in the budget. Yellow denotes line items with no flexibility. Green denotes the "Special Projects" subsection. Red was used to denote a savings in payroll taxes and computer software.
- The Treasurer pointed out that in June 2018, during the Budget Hearing for 19-20 budget a motion was made and passed by the Budget Committee, that \$15,000 be withdrawn from savings to "jumpstart" meter installation. The funds were to be returned to savings during the fiscal year as revenue became available. However, repayment was not accounted for in the budget, so it did not happen.
- The budget committee, by a margin of 7 to 3, voted not to pay back the \$15,000 to savings. Instead \$10,000 was allocated to Contingencies and \$5,000 will be used to install additional meters.
- A board member said that three years ago we had a system that was breaking but not failing. Now we have a failing system and \$50.00 is not enough to cover the increased maintenance costs let alone installing meters. We need to move forward and fix the whole system now. Other Board members share her opinion.
- There was discussion about the income estimated for commercial meters (\$12,477). It is the average 2019 revenue including additional water use charges.

- A Board member talked about work done to date to analyze the cost of meters installed. It is based on data from FY 18-19 and partial data from FY 19-20. It was not presented in the meeting but, given the emphasis in the budget on meter installation and cost, a summary is included as follows:

29 meters were installed in year one + 32 meters in year two for a total of 61 meter installations. Of those 61 meters, 7 were new installations and were paid by owners.

FY 18-19

Data on 29 meter installations.

Cost data for 28 meters (1 paid by owner of new lot)

Average total cost \$760

Total cost ranged from \$430 to \$1075

Average cost for parts \$373

Average cost for labor \$235

16 of the 29 (55%) required excavation that averaged \$250;

FY 19-20

Partial data for 26 meter installations

(This does not count the 6 meters installed for the Barry Brown lots, all paid by owner.)

Average cost for parts \$396

12 of the 26 (46%) required excavation that averaged \$372.

If we assume the labor was about the same for the second year, our average cost per meter last year was around \$870.

If we assume increased \$ for parts similar to last years increase & excavation about the same rate and cost, then ~~I come up with~~ an average installed meter cost ~~of is~~ about \$1,000.

- \$1172 was allocated for software fees in the 20-21 budget. They came due in May, 2020 and a Board member paid them \$598.99 out-of-pocket. The budget committee passed a motion to reimburse the Board member out of remaining 19-20 fiscal year funds. The left over balance will be allocated to meter installation.
- Questions were asked and answered about the office manager's salary.
- A Board member said that said that the Spring #2 and #3 Flume Special Projects could be postponed, freeing up \$6,000. The committee immediately decided to allocate the \$6,000 to meter installation. It was also suggested that the Spring #3 bypass line project could be postponed but the committee decided to go ahead with it.

- A Board member said that labor hours should be allocated so the Distribution Valve Box Special Project could be implemented. The committee agreed. The Board will consult with the Water Superintendent for estimated hours.
- Purchase of a safe for document storage rather than renting a safe deposit box was discussed. Reasonably secure, fire resistant boxes are moderately priced. A box that is moisture resistant as well can be much more expensive. A safe deposit box may be the most cost effective option.
- The next budget meeting will be combined with the regular monthly Board meeting on June 9th.

Buz Backenstow, ORWD Commissioner Number 2