

Pacific City Joint Water-Sanitary Authority
Budget Committee Meeting

May 13, 2010

Chairman Kellow called the Budget Committee Meeting to order at 5:00 pm.

Directors present: Doug Kellow, Carolyn McVicker, Dick Carter and Larry Rouse. Anne Price arrived late.

Budget Committee members present: Scott Culp, Lee Niemeyer, Bill Hite and Stan Martella. Betty Robinson was absent.

Staff present: Tony Owen, Budget Officer.

Election for Budget Committee Officers:

Director Carter nominated Scott Culp for chairperson; Director McVicker seconded. Chairman Kellow asked if there were any other nominations. Hearing none, Chairman Kellow closed the nominations and asked for all members to cast an oral vote to elect Mr. Culp as Chairperson. A unanimous vote of 8 ayes was cast in favor of Mr. Culp. Mr. Culp accepted.

Chairman Kellow handed the gavel to Chairman Culp, and Chairman Culp called for nominations for Secretary.

Director Carter nominated Bill Hite; Mr. Niemeyer seconded. Chairman Culp asked for an oral vote to elect Mr. Hite as Secretary, and a unanimous vote of 8 ayes was cast in favor of Mr. Hite.

Chairman Culp asked Mr. Owen to give an overview of the budget.

BUDGET DISCUSSION

Mr. Owen stated that this particular budget was the most sobering of all the previous ones he had presented to the Committee in the challenges to be faced. Mr. Owen gave an overview of the Budget Message noting in particular the proposed rate structure changes and rate increases. Mr. Owen reported a FlexLease was included in the 005 Fund for Horn Creek costs which would exceed original projections.

Director Carter asked if insurance covered the Airport Lift Station flooding and Mr. Owen replied in the negative that the PCJWSA insurance policy covered none of the damages.

Chairman Culp asked Mr. Owen about the rate structure changes and Mr. Owen stated that the proposed change was just one step in the overall 5-7 year structure change and conservation plan. Mr. Owen gave an overview of the individual changes in structure and pricing.

Mr. Martella asked Mr. Owen if the housing development hadn't slowed down would there still be an issue with funding the Horn Creek Project. Mr. Owen replied in the affirmative that the Horn Creek Project was over budget. Mr. Owen continued that there would be approximately \$300,000.00 in the 005 Water Fund when the Horn Creek Project was completed. Mr. Martella asked how much Horn Creek would run over budget and Mr. Owen replied about \$300,000.00 to \$400,000.00. Discussion ensued concerning project overruns and engineering costs.

Discussion moved back to the rate increase/structure change proposed and questions arose about the amounts of water used for residential accounts compared to commercial accounts and revenues. Mr. Owen explained that the rate increases and structure change would not only derive much needed revenue but was in fact, a method to encourage conservation.

Mr. Owen proceeded with the expense side of the budget going through each of the funds.

The PCJWSA Budget Committee continued discussion of the 2010 - 2011 budget.

BUDGET APPROVAL

Chairman Culp entertained a motion for budget approval.

Motion

Mr. Martella moved to approve the 2010 - 2011 proposed budget as written. Mr. Niemeyer seconded and the motion passed with 9 ayes.

Chairman Culp adjourned the meeting at 6:00 PM.

The PCJWSA Board of Directors approved these minutes on June 1, 2010 by the following votes:

Aye _____ Nay _____ Abstain _____ Absent _____

ATTEST

Scott Culp, Budget Committee Chairman

Bill Hite, Budget Committee Secretary

Doug Kellow, Board of Directors Chairman

Tony Owen, Authority Manager