

COOS BAY-NORTH BEND WATER BOARD  
P. O. Box 539 – 2305 Ocean Boulevard  
Coos Bay, Oregon 97420

Minutes  
Budget Committee Meeting

12:00 noon  
June 6, 2024

The Budget Committee of the Coos Bay-North Bend Water Board met in open session in the Board Room at the above address, date, and time for the purpose of reviewing the proposed budget for Fiscal Year 2024-25. Committee members present: Aaron Speakman, Jeff Bridgens, Melissa Olson; Patty Scott, Greg Solarz, Rob Kilmer, Bill Richardson and Carmen Matthews. Committee members absent: None. Water Board staff present: Ivan Thomas, General Manager; Matt Whitty, Engineering Manager; Jeff Miller, Interim Operations Manager/Water Treatment Supervisor; Aimee Hollis, Customer Relations Manager; Jason Mills, Distribution Supervisor; Micah Demanett, Meter Services Supervisor; Junibert Magalona, Accounting Technician; Stacey Parrott, Executive Assistant-HR Specialist; and Vince Stonesifer, Field Services Technician (virtually); Board Legal Counsel Melissa Cribbins was present. Media present: none. Board Chair Greg Solarz opened the meeting at 12:00 noon and Mr. Kilmer led the Board and assembly in the Pledge of Allegiance.

Introductions of the Budget Committee members, council and staff were made.

Chair Solarz said as this was the first Budget Committee meeting for this fiscal year's budget process, it was appropriate to elect a Committee Chair. Mr. Bridgens moved to nominate Melissa Olson as Chair. The motion was seconded by Mr. Matthews and passed unanimously.

Budget Chair Melissa Olson asked if there were any corrections or additions to the June 15, 2023, Budget Committee Minutes. Mr. Solarz moved the minutes be approved as written. The motion was seconded by Mr. Kilmer and passed unanimously.

Budget Committee Chair Melissa Olson asked Mr. Thomas to present the proposed budget.

General Manager Ivan Thomas presented an overview of the budget, stating the first meeting would be a discussion of the proposed operation and maintenance expenses, the debt service schedule, and capital improvement plan. The next Budget Committee Meeting is scheduled for June 13, 2024, at noon and will cover a recap of projects, revenues, and balancing the budget, and discuss the breakdown of the proposed rate adjustment to customers.

Mr. Thomas pointed out the Water Board's mission statement "Providing a reliable, quality service meeting the present and future needs of our communities" truly believe we are following in our day-to-day functions and strategic planning which will be shown through the budgetary process.

Mr. Thomas stated the utility's budget format is advocated by the National Association of Regulatory Utility Commissioners and American Water Works Association.

Operations and maintenance expenses are classified into functional categories and working divisions. Functional category budgets are based on the spread over the last several years and adjusted based on projected activities for the upcoming fiscal year's budget to forecast the next year's Operations and Maintenance budget.

This year the revenues for FY2024 are projected to be \$59,800 over the budgeted amount. Revenues for FY25 are forecast with a conservative approach taken based on the lowest month for each month of the year for the last five years in each customer class.

The proposed rate adjustment for FY24-25 is 6.60% or an additional \$603,100 based on revenue projections. This rate adjustment consists of the following based on revenue projections: Cost of living adjustment for Union employees and non-union employees; an increase in utilities; and an increase in capital projects. A significant increase is expected in labor and benefits, including pensions. \$110,000 of the increase is attributed to the actuarial review for the closed pension plan, which has been closed since 2013. An additional \$75,000 is allocated for cost-of-living adjustments (COLAs), health insurance benefits, and other employee benefits. The cost of essential supplies, such as meters and other materials is rising. An anticipated increase in power costs through Pacific Power of approximately \$110,000. Increased use of credit cards by customers has led to higher processing fees. Property and casualty insurance costs through CIS are increasing as well.

Capital funding for the capital improvement program includes the meter change-out program, which FY24-25 is expected to be last year for increase in rates. Approximately 1.5% is allocated for main replacements and maintenance of aging infrastructure.

The operations and maintenance expenses are classified into functional categories as shown on Schedule B of the budget. The current FY24 budget and year-end estimates were reviewed, noting that we were under budget due to staffing shortages. The proposed budget for FY25 was discussed, emphasizing that budget increases in functional categories do not necessarily equate to rate increases but reflect where work is coded. Total operating expenses are projected to be \$9 million, with a net operating income of \$913,800. Mr. Bridgens inquired if it is a requirement of the regulatory framework to include depreciation in the budget. Mr. Thomas explained that historically, depreciation has been included in the budget. He noted that it is generally recommended for utilities to do so due to the frequent retirement and replacement of assets. This practice ensures continuity and accuracy in financial planning.

Actual 7/1/2022 to 7/1/2023	Current Budget 2023-2024	ITEM	Estimated Year Ending 6/30/2024	Budget Fiscal Year 7/1/24-6/30/25
<b>OPERATING REVENUE</b>				
<b>Sale of Water</b>				
5,566,593	5,641,900	Residential	5,802,200	6,174,100
1,966,738	1,971,600	Commercial / Multi-Residential	2,004,400	2,135,800
787,264	801,400	Industrial	654,200	697,300
57,372	56,900	Commercial Fire Protection	57,200	61,000
506,197	514,200	Public Authorities	521,100	555,200
44,225	44,900	Public Hydrants	46,900	50,000
44,534	41,100	Other Water Sales	45,800	48,800
<b>8,972,923</b>	<b>9,072,000</b>	<b>Total Water Sales</b>	<b>9,131,800</b>	<b>9,722,200</b>
<b>Other Operating Revenue</b>				
49,514	38,600	Rent from Water Property	31,600	32,700
5,660	10,500	Servicing Customer's Installations	5,000	5,300
139,977	130,800	Misc Water Revenue	203,700	152,800
<b>195,151</b>	<b>179,900</b>	<b>Total Other Operating Revenue</b>	<b>240,300</b>	<b>190,800</b>
<b>9,168,074</b>	<b>9,251,900</b>	<b>Total Operating Revenue</b>	<b>9,372,100</b>	<b>9,913,000</b>
<b>OPERATING REVENUE DEDUCTIONS</b>				
<b>Operating Expenses</b>				
136,959	265,900	Source of Supply	156,200	216,500
396,032	512,600	Power and Pumping	438,000	536,000
1,163,052	1,504,600	Purification	1,347,400	1,620,800
0	12,700	Transmission	700	12,800
752,829	1,665,700	Distribution	1,224,200	1,608,900
1,361,514	1,516,200	Customer Accounting & Collecting	1,465,300	1,807,100
1,176,554	1,283,300	Administrative & General	1,134,000	1,261,200
<b>4,986,941</b>	<b>6,761,000</b>	<b>Total Operating Expenses Excl Depreciation</b>	<b>5,765,800</b>	<b>7,063,300</b>
1,877,577	2,020,500	Depreciation	1,877,700	1,935,900
<b>6,864,518</b>	<b>8,781,500</b>	<b>Total Operating Expense</b>	<b>7,643,500</b>	<b>8,999,200</b>
<b>2,303,556</b>	<b>470,400</b>	<b>NET OPERATING INCOME</b>	<b>1,728,600</b>	<b>913,800</b>

Mr. Thomas reviewed Source of Supply. Upper Pony Creek and Merritt Lake are the main reservoirs. Upper Pony Creek holds about 2 billion gallons when full, providing sufficient water for about two years without rain. Merritt Lake, with a storage capacity of 125 million gallons, is crucial for day-to-day water quality management for treatment. The team is engaged in various activities, including checking lake levels, rehabilitating wells, environmental monitoring, and dam structural monitoring. Collaboration with organizations such as the State Department of Water Resources and US Forest Service ensures we meet environmental commitments. Contractors such as GSI and Coos Watershed Association assist in fulfilling water management and conservation plans and other environmental and water right commitments. The sources of supply functional category was under budget by approximately \$100,000 mainly due to understaffing and more time spent in mains, meters and services. The FY24-25 budget includes full staffing and plans for updating the water management conservation plan and ongoing surface water management plan reporting. The utility is budgeting \$216,500 for FY24-25.

Jeff Miller, Interim Operations Manager, reviewed power and pumping. Stating that the reservoir plays a crucial role in our water supply. The dam at Upper Pony Creek has a valve house and a jet valve that directs water to Merritt Lake. The spillway at the dam has been frequently flowing for the past few years, ensuring a steady water supply to Merritt Lake. Water from Merritt Lake is treated at the plant, transforming raw water into clean, safe drinking water. This treated water is then pumped to reservoirs and distributed to customers. Continuous improvements are being made to increase efficiency related to energy and pumping costs.

These include:

- Optimizing pumping systems to ensure proper maintenance and replacement cycles
- Installing variable frequency drives (VFDs) for precise control of pump functions
- System wide leak detection system

Last year the utility budgeted \$512,600 with an estimated year ending \$438,000, primarily due to staffing shortages. The proposed FY24-25 budget amount of \$535,000 includes provisions for full staffing and anticipated power cost increases.

Mr. Miller introduced the Purification Section budget and an overview of this function of the utility. The treatment plant has 7 full time personnel. The treatment plant is operated to assure that regulatory water quality standards and the Board's expectations are met. The main function of the purification section is the operation and maintenance of the Pony Creek Treatment Plant, which is a conventional water treatment plant that can produce up to 12 million gallons per day. The treatment plant runs 365 days a year. 1.24 billion gallons were produced in 2023 with an average daily demand of 3.4 million gallons and peak daily demand of 7.19 million gallons (occurring in August). Staff evaluates the performance of processes and continually work to achieve greater efficiencies; monitor the watershed supply, production and distribution system status (pump stations and reservoir levels) through SCADA.

Pony Creek Treatment Plant has a quality control lab that performs many series of testing on a daily, weekly and monthly basis. Through the Safe Drinking Water Act, the E.P.A. is authorized to establish minimum national health-based standards for all public water systems. The Oregon Health Authority monitors public water systems for compliance with both national and state standards. The Oregon Environmental Laboratory Accreditation Program (ORELAP) provides oversight and lab certification. The laboratory at the Pony Creek Treatment Plant is accredited for microbiology testing for drinking water. Staff are able to run samples in the Pony Creek Treatment Plant lab and report the samples to the state. Besides those samples, staff run approximately 17,000 benchtop analysis per year for regulatory compliance and process control, making sure the plant is running efficiently. Those analyses include bacteriological, pH, turbidity, manganese, temperature, chlorine and odor tests.

Completed projects accomplished in FY23-24 were integration of 3 new turbidimeters; integration of new LCA5 and color analysis equipment; improved Treatment Plant security system; new roof replacement; continued installation of the PAC unloader system; and OHA approved tracer study for possible future option to send water directly to Ocean Boulevard.

The following purification projects are planned for the 2024-2025 fiscal year:

- Install a Monochloramine Analyzer to help ensure high water quality.
- Complete the purchase of a vehicle that is more accommodating for the collection of our State required compliance sampling.
- Replacement of the aging and broken HVAC systems.
- Addition of an online consulting company for assistance in achieving a higher level of water quality.
- SCADA Master Planning Short Term Solution Projects.

Mr. Miller stated purification expenses include operation and maintenance of the treatment plant. Last year the utility budgeted \$1,504,600 with an estimated year ending of \$1,347,400. Expenses came in under budget due to staff turnover and lower operating costs as well as ongoing training of new staff and implementation of newly budgeted equipment. This year the

utility is budgeting \$1,620,800. The increased budget is to sustain more experienced water treatment plant operators, increase in power costs, and aging infrastructure. Clarification was provided on how the budget allocations will support ongoing and upcoming projects.

Customer Relations Manager, Aimee Hollis gave an overview of the customer service section. There are currently 14 positions in customer service, including Ms. Hollis. The Customer Services Representatives (CSR's) operate the utility's call center. They open and close accounts for customers, manage customer accounts, and process all payments. The data processing section consists of a Utility Billing Leader and Clerk-Customer Service perform accurate and consistent customer billing and data processing functions, coordinate manual and automated meter reading processes. The Meter Services Supervisor assigns, directs and supervises activities for the Field Customer team. Field Customer Services Representative I accurately reads meters to maintain a consistent billing schedule, meter testing, replacement and maintenance. The Field Customer Services Representative II performs verification of meter readings, assists customers with high consumption and possible leak issues, and delivers collection and informational notices. The Field Services Technician is the utility's cross connection specialist. He is also a licensed and certified tester and tests all of the utility's in-house backflow systems. This position is responsible for the management and enforcement of cross connection program rules to protect water quality and public health.

Ms. Hollis gave an overview of the payment methods consisting of E payment, online check, cash, check, and credit cards. The use of credit cards has steadily increased and is now the highest mode of payment. However, it is also the most expensive due to processing fees. There has been a general downward trend in the number of past due bills being sent out, despite occasional spikes. There is a slight increase in 48-hour notices and shutoffs. This trend may be due to changes in notification methods. There was a transition from door hangers to automated voicemails and emails, which may be perceived as spam by recipients. Future improvements include plans to add text message alerts to improve customer communication and reduce the number of notices and shutoffs.

Ms. Hollis noted the customer billing format changed to full-sheet billing from postcard billing to enhance customer privacy and provide more detailed information. Full-sheet bills include reading dates and periods; prior and current readings; detailed usage breakdown; and 24 months of usage history for comparison. Customer feedback received has been positive, including notes on returned bills appreciating the new format. Cities using our billing service can now include more information on the full-sheet bills, enhancing communication with residents. FY24 cost estimates for postcard billing was \$84,596. For FY25 full-sheet billing is estimated at \$137,865, resulting in a significant increase. Increases in costs are due to the Springbrook software and print and mail statement services, however, are planning to launch a campaign to increase sign-ups for online statements, which offer convenience and cost savings.

Ms. Hollis gave an update on the current Automated Meter Reading System (AMR) installation. Approximately 6,417 AMRs have been installed. The reading system displays various data points such as no flow, high flow, and potential issues, enabling immediate field action. Additional benefits of AMRs are leak detection and improved customer service due to proactive response to flow anomalies. Additionally, they have the ability to provide customers with up to 90 days of hour-by-hour water usage data. This helps identify unusual consumption patterns, such as water usage during times when the household is typically inactive. This has resulted in a decline in service orders for billing and leak checks due to on-site issue resolution by the field team. For FY25, there are planned installations of approximately 934 meters, focusing on the

downtown city and east side areas. The estimated cost is \$225,000 for the installation of these meters.

Ms. Hollis shared that the meter service offices are currently spread across three different areas. They are requesting the Meter Service Office be relocated downstairs and renovated in a central location on the first floor, consolidating all supplies into the retention room next door. The new space will include five workstations for the field service team, a supervisor's office, printers, an external door, and a window for natural light. The estimated project cost is \$81,500.

Last year the utility budgeted \$1,516,200, with an estimated year ending of \$1,465,300. These expenses are on track to come in just under budget or meet FY24 budgeted expenses. For FY25 the utility budgeted \$1,807,100. The increased budget is due to higher labor and benefit costs, as well as increased supplies and inventory for meter services. Additional costs include the subscription to the Springbrook software and print and mail statement services.

Mr. Matthews sought clarification on why there is a significant difference in the budget for print and mail services if there is no rate increase. Thomas clarified that the observed difference is not due to a rate increase but rather the allocation of funds. He emphasized that a larger budget does not necessarily imply a rate increase. The budget includes costs related to increased meter expenses, the closed pension plan, particularly significant as this division has many employees in that plan, and the addition of a meter services supervisor. These factors combined contribute to the notable budget difference.

Distribution Supervisor, Jason Mills gave an overview of the Distribution and Transmission section. The Distribution section consists of a staff of 11 including Mr. Mills and Jeff Miller, Operations Manager (50%). Current vacancies include one Distribution Technician position.

Mr. Mills gave an overview of the distribution expenses to include operation and maintenance of water mains, pump stations and reservoirs. The Distribution System serves customers from north of Hauser to south of Millington; up Coos River and extends west to Shore Acres State Park. The system consists of 37 pressure zones; 34 pump stations; 19 reservoirs; 258 miles of water mains sized from 1-inch to 36 inches in diameter; 5,380 control valves; 1,275 fire hydrants, and transmission mains as follows: 1.5 miles from Joe Ney to Upper Pony Creek; 5.5 miles in the sand dunes; and 1 mile from Pony Creek Treatment Plant to the clearwell. The system covers customers at various elevations, requiring numerous pump stations, reservoirs, and pressure-reducing valves.

The Distribution crew performs installation of water mains and services, maintenance of mains, reservoirs and pump stations, and maintenance of Water Board properties.

In 2018 the utility entered into a steel tank maintenance program and underwent significant maintenance to address corrosion issues. The Veolia tank management program has extended the life of these tanks, with annual maintenance fees reducing after the initial higher payments expected for FY26.

Some projects for FY25 include replacement of multiple one and two-inch galvanized mains; installation of a permanent generator at the Telegraph pump station, along with upgrading the power system and motor control; large pump and suction piping replacement at the Terramar pump station; and Mission Communications upgrade of 12 remote telemetry units at pump stations and reservoirs.

Regarding the Vehicle Replacement Program, staff want to ensure that our fleet size and composition meets our current and future needs. An Asset Management Program is used to enter in all the maintenance schedules to optimize the performance and longevity of vehicles and then develop strategies to optimize consumption. This program is to lower corrective maintenance costs, increase reliability of the utility's equipment, minimize breakdowns, and provide annual funding for ongoing replacements. The following equipment to be purchased are included in the FY24-25 budget addition of Bobcat E35 compact excavator (\$58,000); Rubber track conversion of Bobcat E63 compact excavator (\$15,000); Three-quarter ton 4WD pickup with utility bed to replace current older vehicle (\$50,000).

The FY24-25 budget also includes the purchase of new tools for Distribution crew, including a portable valve turning tool; equipment for pressure testing; and Mission remote terminal units (RTUs).

The expense budget items last year are low, the utility budgeted \$1,665,700 with an estimated year ending of \$1,224,200. Mr. Mills stated expenses came in under budget primarily due to being short three employees at times, vacancy of the Operations Manager positions a portion of the year, less travel for training and spending more time in capital projects (water main replacements). This year the utility budgeted \$1,608,900 due to benefit increases; being fully staffed; a decrease in larger capital projects; and an increase in material and fuel costs.

Last year the utility budgeted \$12,700 for transmission mains with an estimated year ending of \$700. In FY24 there were no major emergencies, and equipment rental to keep transmission mains covered. This year the utility budgeted \$12,800 for FY25. The increased budget is due to locating and repairing leaks on the dunes transmission main and regular maintenance.

General Manager Ivan Thomas introduced the Administrative and General sections. The Finance Division includes one Finance Director, Accounting Technician, Payroll Clerk, and a vacant position of Clerk-Accounting.

The administrative and general expenses will be under budget in FY24. Last year the utility budgeted \$1,283,300 with an estimated year ending of \$1,134,000. The expenses came in under budget due to staff turnover, with all tasks completed. This year the utility budgeted \$1,261,200. The FY24-25 budget is due to labor and benefit adjustments, full staffing levels, SDC & Rate Study and significant increase in property/liability/cyber insurance.

Regarding fixed assets and depreciation, Mr. Thomas stated all purchased capital assets are valued at an estimated cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Depreciation is computed using the straight-line method over the estimated useful lives of the various assets as follows:

Buildings	5 to 50 years
Land Improvements	10 to 100 years
Furniture and fixtures	3 to 15 years
Machinery and equipment	3 to 15 years
Vehicles	6 to 20 years
Water utility system	10 to 75 years

Last year the utility budgeted \$2,020,500 with an estimated year ending of \$1,877,700. This year the utility budgeted \$1,935,900.

Mr. Thomas reviewed other income:

- Interest revenues - Last year the utility budgeted \$157,400 with an estimated year ending of \$266,400 This year the utility budgeted \$199,800.
- Misc non-operating revenues - Last year the utility budgeted \$732,500 with an estimated year ending of \$35,700. This year the utility budgeted \$219,000.
- Sewer/Surcharge funds collected – Last year the utility budgeted \$12,682,400 with an estimated year ending of \$12,032,000. This year the utility budgeted \$12,612,900.
- Sewer/Surcharge billing & collecting fee – Last year the utility budgeted \$190,600 with an estimated year ending of \$190,500. This year the utility budgeted \$193,800.

Mr. Thomas reviewed income deductions:

- Interest on long term debt and other interest - Last year the utility budgeted \$276,600 with an estimated year ending of \$266,200. This year the utility budgeted \$232,800.
- Amortization of bond discount and expense - Last year the utility budgeted \$27,000 with an estimated year ending of \$26,400. This year the utility budgeted \$13,200.
- Sewer/Surcharge funds remitted – Last year the utility budgeted \$12,986,000 with an estimated year ending of \$12,324,600. This year the utility budgeted \$12,858,900.

Net income available for FY24-25 for debt reduction is \$1,280,400.

Mr. Richardson inquired about the charges for billing services provided to the cities. Mr. Thomas explained that the charge is the collecting fee as stated in the budget. For this year, the fee was \$190,000, and it is projected to be \$193,000 for FY 24-25. The fee increases annually based on the Consumer Price Index (CPI). These charges cover the billing and collecting services for both cities.

Mr. Thomas gave an overview of the Debt Service Schedule which includes debt for the Water Supply Expansion Project, the Bay Crossing, Water Treatment Plant Expansion Project, and the Oregon Department of Transportation South Empire Boulevard Main Replacement Project. Total outstanding debt at the end of FY24 is \$6,159,100. The total amount of principal and interest to be paid in FY2024-25 is \$1,466,500.

Engineering Manager Matt Whitty gave an overview of the Engineering Section. The Engineering Section consists of Mr. Whitty and two Engineering Technicians. The Engineering Section manages a large portion of the utility's capital projects, from the planning level through construction management and project completion. The Water Board has City, ODOT and County projects which influence the capital budget.

The Engineering Section's primary responsibilities are assessing the condition of the utility's infrastructure, management of the watershed, coordinate with ODOT, County and City projects, inspection of contractor installations, utility locates, private development regulation and capital project delivery.

Infrastructure condition assessments include dam inspections, tank and pump station inspections when they are getting cleaned (the utility has a private contractor for steel tank maintenance), inspect concrete tanks looking for any cracks, customer calls/concerns, visual inspections on sample asbestos cement water mains, water main leaks and breaks.

Over the past years there has been an upward trend for water main leaks and breaks as well as an upward trend in annual costs for the maintenance of mains. Staff gather information on all

breaks and keep a close watch on aging infrastructure. Mr. Whitty shared details on some of the major water main breaks for FY24 including costs associated with repair. Mr. Matthews inquired if the remote telemetry units could indicate where high flows are occurring to help locate potential main breaks. Mr. Mills explained that the telemetry units will deliver a dialer alarm via phone or text to notify of low pressure in specified areas. This will assist in identifying and addressing main breaks more efficiently.

Regarding the watershed, the utility has an annual contract with the U.S Department of Agriculture who help manage the watershed. For the fiscal year 2024-2025, we will hire a contractor to clear vegetation on both the downstream and upstream sides of the dam. This task was previously carried out by inmates at Shutters Creek. There is a total of 3,085 acres of watershed with 1,444 acres of harvestable acres and 415 acres of buffers. Mr. Kilmer inquired about updates to buffer zones in light of current forest management rules. Mr. Whitty explained that with the implementation of the new rules, an additional 40 acres will be added to the existing 415 acres of buffer zones, resulting in approximately 455 acres of buffers.

Mr. Whitty gave results of the last three timber sales:

2017 Timber Sale

102 Acres

Net Revenue \$175,038

2019 Timber Sale

95 Acres

Net Revenue \$449,896

2023 Timber Sale

72 Acres

Anticipated Net Revenue \$950,000

Regarding the 2017 timber sale, the unit was basically a lot of brush with scattered trees, and it did not have very good volume. We couldn't offer it as a timber sale by itself because it didn't have a lot. We didn't get much revenue from it, but now have that back into production. We have really good stocking so in another 60 years it should be more profitable.

Mr. Whitty shared an overview of the sustained yield forest management over the next 40 years: Harvestable acreage: 1,444 acres; harvest rotation: 25 acres per year; harvest age: 58 years. A timber sale is planned every two years, ensuring an even age distribution across the forest. This strategy results in trees being harvested at 58 years old, maintaining a balanced and sustainable yield moving forward.

Regarding Capital Project Delivery:

- Reservoir work is normally consultant supported.
- Pump Stations – Do in-house design on smaller pump stations but use consultants for the larger stations.
- Water Mains - Most designs are done in-house for contractor installations. Staff take care of identifying the project, surveying, producing and designing all specifications, bid the project, project management and inspection.

Mr. Whitty reviewed the capital budget summary proposed for the coming fiscal year:

Water main replacement projects:	\$1,030,800
Reservoir projects:	\$ 325,000
Pump station projects:	\$ 193,000
Pony Creek Treatment Plant projects:	\$ 305,000
Mission RTU Bundle (12 locations)	\$ 74,500
Cathodic protection:	\$ 0
Meter replacement program:	\$ 338,000
Miscellaneous projects:	<u>\$ 262,500</u>
Total FY23-24 Capital Project Budget:	\$2,528,800

Mr. Whitty reviewed some of the major water main projects proposed for the coming fiscal year:

• Myrtle Ave 1,477' 6" PVC – 14 <sup>th</sup> to 17 <sup>th</sup> +16 <sup>th</sup>	\$433,500
• Lockhart 2,375' 10" Di – S10th To Bdwy (100% Funded)	\$338,800
• Total Estimated Cost = \$850,000	
• Harris 605' 6" PVC – Marple to Wasson	\$ 142,500
• Market / California PS Inlet/Outlet 60' 2" PVC	\$ 29,600
• Underwood Ave 200' 2" PVC – N 8 <sup>th</sup> St West	\$ 35,000
• Chamberlain 410' 2" PVC – Coos River Hwy South	<u>\$ 51,400</u>
	\$1,030,000

For the Engineering Section, last year the utility budgeted \$446,100 with an estimated year ending of \$436,700. This year the utility budgeted \$517,500. The increase is due to wages and benefits. These costs do not include what staff has estimated will be spent on capital projects.

There being no further discussion of the operating and maintenance expenses, the debt service schedule and capital portions of the budget, Mr. Thomas reminded the Budget Committee the next meeting was scheduled for Thursday, June 13, 2024, at 12:00 noon. The meeting adjourned at 1:34 p.m.

Approved \_\_\_\_\_

By \_\_\_\_\_

Melissa Olson  
Budget Committee Chair

ATTEST \_\_\_\_\_