

OTTER ROCK WATER DISTRICT
2023-2024 BUDGET MESSAGE
May 2, 2023

Budget Committee and Otter rock Water Board:

The purpose of the Budget message is to highlight the major issues and changes and to discuss future projections for the fiscal year 2023-2024

The District is required to present a balanced budget for 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 the last fiscal year, 2022-2023, the District has struggled to recruit new board members and has been operating with three members with two positions staying open. Hiland Water Inc continues to be our Water Operator. As noted in last year's budget message, the district was working to fine-tune communications with Hiland. Though this continues to be the case, Hiland has worked hard to improve communications with the board, making sure we are aware of issues that arise and other items of importance.

Columbia Bank merged with Umpqua Bank and the branch we bank with was moved to 1st Security Bank of Washington. Depending on the level of services at 1st Security ORWD accounts may be moved to another banking institution. We have moved all the System Development funds from the General Fund to our Treasury account as these funds are earmarked specifically for improvements to the system that increase system capacity. The Mahala subdivision continues to be developed and there is a possibility of at least 2 more developments in this area.

Supply chain issues impacted our ability to get meters this year but are working with Hiland Water on meter installations as supply chain issues improve. We were informed of a new EPA mandate to complete a lead pipe survey and inventory and may need to enlist Hiland Water on this project. As a side note, volunteer help locating connection valves would help reduce the cost of these projects.

Items that took on a high level of importance this year included work on applications and discussions to source potential funding for our aging infrastructure. Business Oregon required a lengthy application and Civil West was very helpful with this. There has been correspondence with Representative Gombert outlining what is needed to fund the project and a Capital Project Information Form has been submitted to his office for consideration. Portland State University was successful in getting the Median Income survey completed and this will add to our ability to source needed funding. We continue to wait on FEMA and are hopeful grant money will be available to assist with replacing our aging water tank. They have asked for additional information which indicates there is some movement on this. We have also reached out to USDA now that the Median Income survey has been completed, which could open even more funding possibilities. One thing to note on our Infrastructure project is the increase cost due to Inflation, along with increases in labor and materials.

We will look at what was accomplished this year and review water rates and fees. Discussions about water rates and fee increases will be part of the budget committee discussions. The District will hold a hearing along with the budget hearing required on the approved budget, both as required by Oregon statutes.

As noted in last year's message, the District will continue to focus on installing meters throughout our system. Knowing the age of our system, we anticipate the continuing need to budget for limited system repairs until the system can be rebuilt. We will also have to include the new cost of completing the EPA survey mandated to be completed by October of 2024.

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

Respectfully submitted,

Eileen Goldhammer

Treasurer – Otter Rock Water District