

OREGON WATER WONDERLAND UNIT II SANITARY DISTRICT

BUDGET COMMITTEE MEETING MINUTES

May 21, 2026 - 11:00 a.m.

1. **Call to Order and Roll Call of Directors:** Chairman Jerry Preston called the meeting to order at 10:58 a.m. Members present; Rick Wiser, Dan DeHaven and James Teel. **Members absent:** None. **Committee Members:** Stan Porter. **District Employees:** Ellie Davis and Rick Durham. **Visitors:** None.

The Board and Budget Committee Members were given the budget packet, made introductions and reviewed the budget message.

2. **Form LB-11:**

- a. We expect to continue utilizing funds for the radio telemetry system associated with the vacuum system. Rick obtained a bid to purchase approximately 100 radio units for an estimated cost of \$80,000. This new technology will help us identify issues more quickly and mitigate potential problems. The asphalt paving project has been deferred for many years, and we anticipate removing and repaving existing asphalt, which has been deteriorating for nearly 20 years. We also intend to add \$30,000 to the capital reserve account.

3. **Form LB-20:**

- a. Jerry asked if there was anything that needed to be brought to their attention. Ellie added that the district will need to raise rates, particularly in light of the recent review by S&P Global Ratings. Since we are no longer funded by the USDA, investors are monitoring the district's financial performance closely. They also noted that the letter distributed during the last rate increase indicated the district would likely implement annual rate increases of approximately 2%. They observed that this practice has not been followed. For many years, we have relied on SDC reimbursement funds to cover the annual debt service. The bond lenders took notice of this, particularly because we have a limited number of connections. They would like to see the district able to meet its debt service obligations without relying on those funds. The district is proposing an increase in the monthly rate from \$74 to \$80. Board members questioned whether this increase will be sufficient. If it is not, the district will consider implementing annual rate increases going forward.

4. **Personnel Services:**

- a. Employee wages decreased due to staffing changes. Health Insurance costs increased significantly as a result in rising healthcare expenses. Overall, this category remains at a reasonable level.

5. **Materials & Services:**

- a. This area was challenging as we worked to keep increases to a minimum. The district has experienced annual vendor cost increases of 2–3% over the past several years, and those increases continue to affect our budget. We adjusted some expenses, such as gas and diesel, while reducing costs in other areas where needed improvements have already been completed. The current fiscal year was significantly impacted by efforts to address deferred maintenance and operational needs. Overall, we anticipate a substantial decrease in expenses compared to the current fiscal year.

6. **Capital Outlay:**

- a. The driveway into the facility, which is more than 20 years old, was not repaired during the last few budget cycles because other priorities, including mechanical repairs, required attention. With the Airvac Radio System now operational, we plan to purchase an additional 100 radio units, starting at the ends of the 10-inch and 8-inch lines and working back toward

the plant, as these areas appear to experience more frequent issues. The district will use capital reserve funds to cover both the driveway paving project and the installation of the additional radio units.

7. Approval:

- a.** The committee members were all satisfied with the budget as presented. Dan made a motion to approve the budget for fiscal year 2026 – 2027 as presented in the amount of \$2,383,508.00, seconded by James the motion passed unanimously. The budget will be presented to the Board of Directors at a Budget Hearing that will take place on Thursday June 18, 2026 at 10:00 a.m.
- b.** Regarding a rate increase, the district intends to post a public notice indicating that the proposed rate increase will be discussed further before any final decision is made.

8. Adjourn: Chairman Jerry Preston adjourned the meeting at 11:42 a.m.

Respectfully submitted,

Jerry Preston

Jerry Preston, Chairman