

Town of Oriental
Water Advisory Board Meeting
March 24, 2014

A meeting of the Town of Oriental Water Advisory Committee was held on March 24, 2014 at 1:30 PM. Chairman Jim Barton determined a quorum to be present and called the meeting to order at 1:32 PM.

PRESENT: Chairman Jim Barton, Vice Chairman Jackie Mahan, Members Larry DeChesser, Warren Johnson and David Rittenhouse, Town Manager Diane Miller, Past Interim Town Manager Wyatt Cutler, Commissioner Larry Summers, Commissioner Barbara Venturi, Public Works Representative Andrew Cox and Deputy Town Clerk Jayne Beyer

Chairman Barton introduced and welcomed new Town Manager Diane Miller to the ninth meeting of the Water Advisory Committee/Board. Introductions made by each Board member.

Minutes

Water Advisory Board Minutes from March 10th were reviewed. Minor edits were incorporated. Member Rittenhouse pointed out and Chairman Barton agreed that the WF depreciation line is being used incorrectly. An additional edit was made to the Minutes and a future action was taken as to the budget depreciation line. With the incorporation of changes, a motion was made by Member Johnson to approve the Minutes. It was seconded by Member DeChesser and the Minutes were approved by unanimous vote.

Water Fund Budget

The 21 March Water Fund (WF) Budget prepared by the Interim Town Manager Wyatt Cutler and distributed by e-mail in advance of the meeting was reviewed. Chairman Barton presented a comparative analysis of each of the budget drafts received to date (28 February, 10 March, and 21 March). Mr. Cutler began his presentation. Member Johnson moved and it was unanimously approved by the WAB to review the budget on a line-by-line basis. Each item was reviewed and agreement reached by the WAB including the Town Manager. The result of the review and the WAB recommendation is attached as an enclosure to these Minutes which show a positive cash flow of \$600. To arrive at the agreed recommended (WF) budget the WAB determined that Revenues are relatively finite. It was noted by Chairman Barton that on the expense side, alternatives to attain positive cash flow are limited to:

- Reductions in Administrative Fee to Water Fund (Employees expense)
- Reductions in Tank and Lab contracts/or supplies
- Reductions in projected repairs
- Water rate increases
- Draw from the depreciation line to cover 2014-2014 repairs

Each category was analyzed and reviewed.

The WAB unanimously approved on a motion made by Member Johnson and seconded by Member DeChesser to recommend decreasing the depreciation line to balance the 2014-2015 WF budget. The recommendation for each budget line is reflected in the attached spread sheet.

Water Rates

Chairman Barton pointed out that DENR states “The revenue impacts of across the board rate increases are speculative and should never be done without an in-depth rate study (and that) revenue impacts built into the dashboard assume a 3% drop in demand for every 10% increase in price”. The WAB unanimously agreed on a motion made by Chairman Barton and seconded by Member Johnson to **not raise water rates** for the third consecutive year for the Town of Oriental. In the future, the WAB will do an in-depth rate study to prepare for any rate discussions.

Future Actions

The WAB will work with the Town Manager to develop tools for the next budgeting cycle and will examine processes including budget sheets, capital improvement and water rates all aimed at easing the Town administrative burden and provide a more efficient means for administration and budgeting. The WAB tasked itself to develop an internal action list.

Chairman Barton then made a Motion to adjourn the meeting. Vice Chairman Mahan seconded. The meeting was adjourned at 5:35 PM.

The next Water Advisory Board meeting will be held on Monday, April 28, 2014 at 1:30 PM at Town Hall.

Jim Barton, Chairman

Jayne Beyer, Deputy Town Clerk