



Fiscal Year 2021-2022

BUDGET MESSAGE

The primary goal of the Corbett Water District is to provide clean safe drinking water to our valued customers. The Corbett Water District was established as a taxing district in 1932 and currently provides drinking water to an estimated 1,080 service connections in the Corbett and Springdale area. The source of our water is the North Fork and South Fork intakes of Gordon Creek. Water is transported roughly five miles to our treatment plant, which consists of three filter ponds, a clear well, and a one-million-gallon reservoir. The plant was built in the 1980's. In addition to the filter ponds and treatment plant the District has four other reservoirs with a storage capacity of 1.95 million gallons. The Corbett Water District filters the water using a slow sand filtration process. The water is then disinfected with sodium hypochlorite (chlorine) at a rate of one milligram per liter of water. This ensures that harmful bacteria and organisms in the water have been eliminated, and the water is safe to drink. Because of the acidic nature of our surface water, soda ash is also added to raise the pH and adjust alkalinity level. This reduces the amount of corrosion in plumbing and metal surfaces of the reservoirs. Both processes meet the state and federal drinking water standards.

This past year was a challenging year for all of us. The impact of COVID-19 was felt throughout the community as well as within the water district. Staffing levels were reduced to part-time with alternating work days for the Utility workers with the intention of preventing the spread of the virus. The District manager position was vacated in June and filled by an interim manager. A Utility Worker vacated his position in December last year, leaving us down to one Utility Worker for several months. The ASR Feasibility test well project was met with its own unique challenges. The project has had several setbacks with much higher unanticipated costs to the District. The number of water main breaks has been historically high for the year and the increased costs of hiring contractors to do the repairs has unexpectedly impacted the District financially. Neglect to the maintenance of the pressure reducing valve stations combined with the thin walled PVC piping throughout the District has led to some costly repairs.

In November of last year, I was hired on as the District Manager and I can say it has been uniquely challenging. I remain dedicated and strive to improve the Corbett Water District. I want to continue to do my best to serve our customers and provide them with safe and clean drinking water.

One of my main goals for the District is to get back to a healthy level of staff in order to do the jobs we need to be doing as a water district. I hired two new employees into the District which brings our current Utility worker staff to three and we retained the two administrative personnel. In my plan to keep the current staff and make CWD a more competitive work place, I proposed some changes to the employee benefits packages as well as the idea of creating a Utility III work lead position. I proposed to the board that we increase the amount of the medical benefits that the district pays and add disability and life insurance as those are standard employer paid benefits. I also proposed that we add a VEBA benefit. This is an account that the employer pays into and the employee can save money for unexpected medical costs. The board voted to approve these changes and I hope to see them implemented in the upcoming FY 2021-2022.

A priority for me is to update the current CWD Master plan. The last update was in 2003. The Master plan provides the District with invaluable information. It gives us the current status of the water district as well as providing guidance for short-range improvement projects and long-range planning. The Master plan is the guidance for the future of the district. It's also a state regulatory requirement to update the plan every 20 years. If the project gets funded and we are able to start in 2021, we can expect to complete the plan by 2022 and stay compliant with the twenty-year requirement for 2023. Included in the Master plan update, is a water rate study. This study will take a look at our current water rates and give us a plan to implement a strategic rate increase in order to complete critical infrastructure improvement projects as well as keep up with the cost of maintenance. As part of funding for the Master Plan/Rate study, we are applying for the state SIPP grant and the state Safe Drinking Water Revolving Loan Fund.

As we all know the cost of everything is going up. The District has not had a raise in water rates since 2012. Since 2012, the national average inflation has gone up 14.6%. The District is primarily funded through billing for water service. Since there is no projected growth for the Corbett area, unlike other municipalities and districts, we cannot expect to keep up with rising costs by adding customers. In the past the District has been able to keep costs down by doing a

lot of work in-house. In the recent years that has not been the case. Most of the work has been contracted out which is expensive. Also, very few capital outlay projects were completed last year. The District has in previous years had a considerable cash-carry over balance. Because of the cost over-runs from the ASR feasibility test-well project, that amount has been vastly reduced. My intention will be to propose a rate increase to be introduced in July 2021. This is in order to generate the needed revenue for the upcoming FY 2021-2022.

My vision for the Corbett Water District is to put in place a sustainable operational plan and develop and implement a Master plan for the future of the District. This includes having a well-rounded team that can support the repairs and maintenance of the distribution system as well as the operations of the treatment plant. Current staffing levels are good and I believe we can start to do our own main repairs and move away from contract work.

One of the missing pieces is to have the necessary tools and equipment to do the job. When I first got here what was left of the fleet was two pick-up trucks and a backhoe in need of maintenance. The two dump trucks and small pickup had been sold to auction. The flat bed tilt-trailer was in bad shape and unusable. Since then, we have repaired and rehabbed the flat-bed trailer as well as serviced the backhoe. We installed a tow hitch on one of the pick-ups so that both vehicles can pull trailers. One of the needed pieces of equipment is a dump truck to haul rock with a snowplow attachment to plow the roads to the treatment plant and intakes during the winter. We have one ordered with board approval and it should be delivered in July/August timeframe. The other missing piece is a mini-excavator. This is a small and relatively affordable piece of equipment that can be transported around the district on our flatbed trailer. Our current means of excavating a hole is the back-hoe and we also use the vacuum trailer for small jobs. The large backhoe is an obsolete way to dig for repairs or replace pipe. Its great for moving large amounts of materiel but it's hard to dig from the roadway. Also, it's not transportable so you have to drive it from the office to the job site. This waste time especially if your job is far away from the district office and can be hazardous, especially driving at night. The industry standard is to use an excavator. Almost all utilities have moved from digging with a backhoe to the more portable mini-excavator. Its mobile, easy to operate from the road and it will allow us to do our own repairs.

I saw in previous budget messages and some annotations that there was a plan to replace the old diesel back up generator from inside the building and install a propane generator outside. This was to meet the OSHA requirement and maintain compliance. Also, as a critical service i.e. water provider, even in times of inclement weather we still need to be able to perform our jobs. With the high winds in the Corbett area, power outages are a reality. I plan to replace the generator and install a new one outside per code.

I plan to implement a more robust water sampling and flushing plan. The District has very few water sampling locations. I plan on installing dedicated sampling locations at strategic locations around the District. This will give us a better picture of what's happening in the District and allow for earlier detection of potential problems. We will also repair or replace the existing dead-end flushing points in the system. Dead-ends can lead to stagnant water and bacterial growth which can be potentially harmful. The current piping and valving are no longer functional.

We continue to make payments on our loan with Oregon Economic and Community Development Department which is scheduled for pay off in December 2025.

This budget is built on an assumption that revenue from water sales and property tax receipts will remain steady and that we will receive the SIPP funding as well as the SDRLF to complete the Master Plan/Rater study. It also assumes that a rate increase will go into effect on July 1st, 2021.

This budget was prepared in compliance with Oregon Budget Law.

I respectfully submit the Fiscal Year 2021-2022 proposed budget for the discussion and deliberation of the Budget Committee and interested citizens of the Corbett Water District.

Tom Edwards

District Manager/Budget Officer