



OCEANSIDE WATER DISTRICT
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FISCAL YEAR 2026-2027
BUDGET COMMITTEE MEETING MINUTES
WEDNESDAY, MAY 13, 2026, AT 1:00 P.M.

Oceanside Community Club, 1550 Pacific Ave in Oceanside

Board Members Present: Paul Newman (Chairman), Spike Klobas (Secretary), Pam Zielinski, Chris Grant, Charles Ansorge (Vice Chair/Treasurer)

OWD Staff Present: Christian Anderson (District Manager), Amber Sprague (Office Manager), Dennis Johnson (Aldrich Advisors) via Zoom

Budget Committee Members Present: Patti Smith (Cape Meares), Kay Woldridge (Oceanside), Kent Searles (Oceanside). Two Vacancies due to last minute circumstances.

General Public Present: none

1. Call the meeting to order at 1:03pm. (P. Newman)
Overview of Oceanside Water District as a Special District of Oregon supplying water. Revenue source is almost exclusively from customer water rates, supplemented by System Development Charges and special project grants. (P. Newman)
2. Self-Introduction of Budget Committee Members.
3. Election of Budget Committee Chairperson. **Mr. Newman made a motion to elect Chris Grant, as the Budget Committee Chairperson. Ms. Klobas seconded the motion. Motion Passed unanimously.**
4. Elect Budget Committee Secretary. **Ms. Klobas made a motion to elect Kay Wooldridge, as the Budget Committee Secretary with minutes taken by Amber Sprague. Mr. Grant seconded the motion. Motion Passed unanimously.**
5. Review of Budget Message (C. Grant, D. Johnson, C. Anderson) Budget Message document was read.
6. Review of "Proposed" Budget for Fiscal Year 2026-2027. Answer questions/concerns from Committee and/or public. (C. Grant, D. Johnson, C. Anderson)
 - a. Mr. Searles Question: Needing clarification on the percentage increase from resources between last year and next year between the Budget Message narrative and that presented on Form #1. Mr. Johnson Response: Pointed to the correct column to reference, clearing up the confusion.
 - b. Mr. Searles Question: How was \$43,000 decided for this year for meter replacement if \$170,000 is the needed total amount. Mr. Anderson Response: The amount is achieving \$170,000 over four years but allowing to collect over five years if needed.
 - c. Mr. Searles comment: More frequent rate raises over years would be better than one giant increase, referring to the years in which the rates were not raised. The financial burden on consumers would be less.
 - d. Ms. Smith question: What does "proportional increase for other customers" mean? Mr. Grant Response: Hotels, restaurants, duplexes, etc. Have a different rate than single family dwellings. Their rate will increase by 20% as well, but the exact amount for each is not listed in this document.
 - e. Mr. Grant comment: The OWD is impressed with management (Mr. Anderson) and facility operations, but recent OHA audit and letter demonstrate from an external entity that the management and facility operations are exemplary.
 - f. Mr. Johnson: Reviewing financial highlights and graph. Biggest take-away: not raising the revenue (rates) during FY 2021-2023 means expenses were greater than revenue and now OWD must play "catch-up."

- g. Ms. Smith Question: Must the profit margin outlined by the debt covenant be maintained at all times throughout the year? Mr. Johnson Response: No, the profit margin is reviewed annually in the audit.
 - h. Mr. Johnson comment: Though OWD did not maintain the 1.2% profit margin for 2-3 years, and the auditors brought the non-compliance up with IFA, IFA did not change the loan interest rate from 1% to 3%.
 - i. Ms. Zielinski Question: Did OWD have the option to participate in PERS retirement? Mr. Newman: That would need to be reviewed. SDAO might say the district must be either PERS or 401K.
 - j. Mr. Ansong Question: What are the practical reasons for pursuing the Netarts Water and Oceanside Water Intertie? Mr. Anderson Response: In events such as major waterline breaks, fire, major part replacement delay greatly impacting treatment and distribution of water to the community, one district can temporarily support the other. Common practice among adjoining water districts.
 - k. Mr. Ansong Question: What has caused the Professional Services category to double in the last two years? Mr. Newman and Ms. Sprague response: Contracting Tillamook Computers to increase cyber security, contracting with Aldrich Advisors for accounting and bookkeeping (decreases OWD Personnel), and this year, a \$30K increase due to the Engineering fees related writing the Master Plan.
 - l. Mr. Ansong Question: What is the SDC amount budgeted and received this year and for next year? Ms. Sprague Response: FY 25 budgeted three SDC received and at this moment has received four. FY 26 we also budgeted three SDC since in past years we have received zero.
 - m. Mr. Ansong Question: Is it expected that the meters failure rate will happen all at the same time? Mr. Anderson: Manufacturer is seeing meter heads lasting 2-3 years longer than the ten-year mark. So far only one OWD meter has need to be replaced.
 - n. Ms. Klobas Question: How many meters are kept on hand? Mr. Anderson Response: six meters for new developments and four meter heads (which are the part needing replacement).
 - o. Mr. Kent Question: Are all water membranes active at one time? Mr. Anderson Response: Yes, all 14 are active at the same time at the two plants.
 - p. Mr. Anderson comment: Last few years, OWD has learned how to best maintain the membranes to extend life. For example: turning off the plant during storms when water sources experience high turbidity.
 - q. Ms. Klobas Question: Where are the membranes made? And is better to make the purchase now and then shelve until replacement? Mr. Anderson response: Originally made in Japan but it might now be made in China. The membranes should be purchased right before installing. They do not age well on the shelf.
 - r. Mr. Ansong Comment: Complimented Budget presentation and preparedness.
7. Approval of Fiscal Year 2026-2027 Proposed Budget. (P. Newman) **Ms. Zielinski made a motion to approve the Fiscal Year 2026-2027 Proposed Budget. Ms. Wooldridge seconded the motion. Motion Passed unanimously.**
8. Adjournment of Budget Committee Meeting. **Mr. Ansong made a motion to adjourn the Budget Committee Meeting at 2:28pm. Ms. Wooldridge seconded the motion. Motion Passed unanimously.**

Respectfully Submitted,



Kay Wooldridge, Budget Committee Secretary. Minutes taken by Amber Sprague