



2201 Laverne Avenue
Klamath Falls, OR. 97603
Phone 541.882.5744 Fax 541.882.5013

Board of Directors

Position 1 – Mike Griffith
Position 2 – Jim Bellet, Board Chairman
Position 3 – Charles R. Dehlinger

District Manager/Secretary

Michael Fritschi

BUDGET COMMITTEE MEETING MINUTES May 17, 2021

- 1. Call to Order** – Director Bellet called the meeting to order at 5:02 P.M.
- 2. Roll Call** - Director Griffith, Director Bellet, and Director Dehlinger was present. Citizen Budget Committee Members Charles Kujawski, and Leonard Harrington were also in attendance. Citizen Budget Committee Members Anders Rasmussen was absent. Budget Officer/District Manager Michael Fritschi was in attendance.
- 3. Introductions** – Introductions were established.
- 4. Appoint Chairman** – Board Chairman Bellet and Citizen Kujawski appointed Leonard Harrington as the Budget Chairman.
- 5. Reading of the Budget Message** – Budget Officer Fritschi presented an overview of the 2020-2021 fiscal year budget and then presented the proposed budget for fiscal year 2021-22.
- 6. Budget Discussion by Budget Committee** – Director Bellet noted that not all the justifications had the same prior year ranges, and some were missing 1 to 2 prior fiscal year entries. The Budget Officer mentioned that a re-formatting will need to be done to keep all the justification prior year ranges uniform with the last 5 prior fiscal year entries.

Director Griffith asked about the comparison of Resources Enterprise fund line item 16 listed as “Total resources, except taxes levied” in the amount of \$34,563,383 and line item 20 listed as “Total resources, except taxes to be levied” in the amount of \$35,091,700. The Budget officer was not able to provide an answer to Director Griffith at the meeting but will investigate this and provide an answer at the next board meeting.

Director Bellet asked about the NPDES modification fee in the amount of \$28,000. The Budget Officer informed Director Bellet that the fee is charged if DEQ grants the NPDES modification for removing the effluent chlorine average requirement. If removed the District will save \$15,000-\$20,000 in chemical dichlorination costs per year during the 5-year interim NPDES period.

South Suburban Sanitary District
May 17, 2021 – Budget Committee Minutes

Director Bellet asked what a stacker was from the Treatment facility capital outlay. The Secretary did not inquire from the Treatment Supervisor but trusts her judgement in procurement. The Secretary will get that information to the Board at the next meeting.

Director Griffith noticed that the Collection System uniform budget is double from previous fiscal years. The Budget Officer mentioned that some of that expense is a year where more boots are expected to wear out and need replacing.

Director Griffith also noted that Collections System education budget is significantly higher than previous fiscal years. The Budget Officer explained that a large part of that budget is to get the District Maintenance Tech certified in mechanical maintenance reliability which entails a weeklong course and exams. There were also a lot more training requests during the District Smart Goal setting this last January.

The Secretary presented information from a recent preliminary design meeting that deepening Lagoon #1 and Lagoon #2 (allowing gravity storage flow and additional storage) may pose some economic benefit to the District compared to construction costs to build onsite pump and pipeline transfer infrastructure for onsite storage conveyance. While the engineers have yet to make a recommendation, the District is in a good position to do the work this summer based on the sludge removal project already occurring. The District received a quote to deepen the 25-acre Lagoon #1 by 2.5 feet, transfer spoils north of the treatment facility and construct a new clay liner for \$1.8 million. The Budget Officer has received this information last Friday and was not able to send a corrected budget in time for the meeting. If added to the budget, the Budget Officer would put the work out to bid if was considered the best option by the engineers working on the preliminary design.

7. Public Input – There was no public input presented.

8. Budget Changes or Corrections
See motion to approve.

9. Motion to Approve the Budget – Director Griffith moved to approve the budget as presented with a modification of \$1.5 million taken from ending fund balance and placed in Treatment capital outlay for use in excavating (deepening) Treatment Lagoon #1, Director Dehlinger seconded the motion, and the motion was approved by a unanimous vote.

10. Adjourn – Director Bellet moved to adjourn, Director Griffith seconded the motion, and the motion was approved by a unanimous vote. The meeting was adjourned at 6:15 P.M.

Secretary _____

Board Representative _____