

Budget Committee Minutes

Date: 4/5/2020

Attendees: Taw Tamlin, JoDee Shultz Hancock, Wayne Morrow

Chairperson: Taw Tamlin

Secretary: Wayne Morrow

Meeting Method: Zoom with on-line audio and video

Time: Begin 2:00 Adjourn 4:00

Recorded: No

Old Business – None

New Business:

- A. **Review Committee Charter:** The Committee reviewed that attached committee charter Draft issued 4/1/2020 and unanimously vote to accept for submittal to BOD and Administrator.
- B. **Budget:** The BOD has sole authority to issue the annual budget based on forecasts from the Administrator which are then submitted to the Budget Committee for initial review and evaluation before submitting to the BOD for final review and authorization.
- C. **Operating Forecast:** The first priority is the operating forecast that details the operating revenue and expenses required to buy, sell, and deliver water to our members. This forecast includes loan payments, depreciation, office expenses, administration wages, taxes, audit fees, cost of water, utilities, office supplies, repair and maintenance labor and materials, and engineering and other professional fees as required to maintain existing infrastructure. It does not include revenue or expenses to expand the current system, add new taps, or plan and execute major projects.
- D. **Schedule:** The budgeting must be completed before the end of the current FY so forecasts must be submitted to the Budget Committee by the end of April with the Operating Forecast having the highest priority.
- E. **Other Forecasts**
 1. **New Taps:** Revenues and expenses for adding new taps to the existing water system.
 2. **Meter Pit Upgrades:** Labor and Materials required to upgrade substandard meter pits to current standards.
 3. **Projects:** Revenues and expenses for major projects to expand or repair the existing system to include engineering, materials, licenses, contract work, and construction management.
- F. **Management:** It was agreed that Taw, as chairperson, will forward the above requirements to the Administrator and that JoDee will be available as needed to assist the Administrator if necessary. However, the details of how the Administrator prepares forecasts is specifically left to the Administrator with the caveat that forecasts must be professional, well formed, and detailed enough to allow forecast line items to be traced to specific line item expenses.
- G. **Format:** Forecasts must be compatible with the ARWP chart of accounts so that all sub-forecasts are presented as proforma P&Ls which can be compiled into a set of summary financials and so that the budgets can be set up in QB to allow actual revenue and expenses to be monitored and tracked against the budget as needed.