



NOTICE OF BUDGET & FINANCE COMMITTEE MEETING

Responsible for the review of District finances including: rates, fees, charges and other sources of revenue; budget and reserves; audit; investments; insurance; and other financial matters.

Tuesday, July 7, 2020 9:00 am, via video/tele conference.

MINUTES

1. Convene Meeting 9:03 a.m.
Roll Call: L. Henry, B. Fultz, S. Architzel
Staff: S. Hill-Director of Finance & Business Services, R. Rogers-District Manager, H. Hossack-Dist. Secretary
2. Oral Communications: none
3. Old Business:
Members of the public will be given the opportunity to address each scheduled item prior to Committee action. The Chairperson of the Committee may establish a time limit for members of the public to address the Committee on agenda items.
 - A. SAN LORENZO VALLEY WATER DISTRICT ROADMAP FOR THE FUTURE
S. Hill introduced this item and read the staff memo. Staff is asking the Committee to agree to this plan.
B. Fultz recommends an update at least every other month. He questioned if the financial plan was intended to be a multi-year plan.
S. Hill said this would make it so the District can have a long term financial plan. This is setting us up for a biennial budget next year.
B. Fultz said that we should be looking at a 5-year budget.
Discussion by Committee and staff regarding the Capital Asset Management Plan.
G. Mahood agrees that our biggest expense is staff, the only way to reduce staff is to complete the Capital Projects. Interest rates are historically low; this is the time to take on capital projects. If we had \$20 million would the District be able to manage the projects?
R. Rogers staff is limited and we are close to capacity now. We're working on a healthy list now. We have 1-2 years of projects in progress. There is a lot of maintenance that is not being done.
B. Fultz said that he would like the District to take out another \$10-15 million loan to make further improvements.
E. J. Armstrong questioned if there a policy for declaring an emergency. He thinks it's time to declare an emergency and prepare a bond issue for capital improvement.
S. Architzel questioned what would be useful for the staff that the Committee can do today.

S. Hill said she is asking the B & F Committee to agree to the timeline and framework she has laid out.

S. Architzel says he likes the game plan that staff has put out.

L. Henry agreed.

B. Fultz said he thinks this plan will move us toward more quantitative numbers.

L. Henry says she's not into throwing out numbers that are possible, not fact. She thinks that the Committee should recommend that the District follow the roadmap that S. Hill has presented.

B. Fultz said he was confused. The numbers are actually known.

L. Henry said that we are not going to do \$400 million in pipe replacement in the next couple of years.

Discussion by the Committee regarding the numbers and the timeline to repair all of the pipes.

B. Thomas said that the plan that the staff is putting together will be very useful.

L. Henry said that the staff needs the time to get the process in place.

S. Architzel thinks the Committee needs to get back to what we can actually do today. Everyone is agreed that an update every other meeting will be useful. Everyone sees the value in a long term capital and operational plan. There may be some disagreement on the short term versus long term planning. Let the staff proceed with this roadmap.

R. Rogers suggested that we wrap up this discussion for now.

L. Henry said that the Committee recommends that staff move forward and give updates.

B. PAST DUE WATER ACCOUNTS

S. Hill presented the past due process. When the District was communicating with customers it would trigger people to realize that their water bill was due and they would pay or set up a payment plan. We can't perform shut-offs but we can encourage people to pay before their bills get to high and unmanageable. Staff is looking for input from the Committee to move forward with encouraging customers to pay their bills.

R. Rogers said there's concern that people are going to get into a hole and can't get out with their water bills. We need to start addressing this.

L. Henry said once you get behind it's hard to catch up.

B. Fultz questioned if the folks that are delinquent the same folks that are typically delinquent.

S. Hill said a lot of the people that were typically delinquent are delinquent now but now we have a lot more. There hasn't been a drop in auto-pay. In fact, auto-pay has increased. We have about double our usual delinquency.

Discussion by the Committee and staff regarding delinquency and tenant vs. owner.

B. Thomas said she likes the idea of a courtesy notice. She questioned what policy will be seen on the website regarding this issue.

S. Hill said the policy on the website says that things are suspended so we will need to update that message.

B. Thomas said it seems that there are a lot of these are tenants and she thinks it would be good to include owners in the communication of delinquency.

S. Hill said that legal counsel has taken a hard look at this issue. Once you allow tenants to have accounts it brings in privacy laws. Owners can contact the District and find out if a tenant account is past due but we can't give any consumption information or exact bill amount. We sent out a letter to owners letting them know that we suspended the past due process.

G. Mahood said she thinks that S. Hill's plan is well-thought out and should go to the Board.

L. Henry said she thinks we are in agreement with the plan that is laid out and recommend it to the Board.

Discussion by the Committee and staff regarding the one-time payment plan not being in effect during the pandemic.

L. Henry restated the recommendation to the Board to agree with the plan laid out by S. Hill with the addition of a plan for adding to the payment plan during the pandemic.

4. New Business:

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A. RESIGNATION BY PUBLIC COMMITTEE MEMBER

L. Henry asked if S. Architzel will be available for the next B & F Committee meeting.

S. Architzel said that he will be available for the next meeting.

B. Fultz questioned if we can start advertising for a replacement immediately.

R. Rogers said that we can start advertising now.

B. Fultz said we might get more applicants and expand the Committee.

S. Architzel said he enjoyed his time on the Committee

L. Henry thanked Steve for his service.

5. Informational Material: None.

6. Adjournment 10:53 a.m.