



MINUTES 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, August 4, 2020 9:00 am, via video/tele conference.

MINUTES

1. Convene Meeting 9:00 a.m.
Roll Call: L. Henry, B. Fultz, S. Architzel
Staff: R. Rogers-District Manager, S. Hill-Director of Finance and Business Services,
H. Hossack-District Secretary
2. Oral Communications: None
3. Old Business:
RATE ASSISTANCE PROGRAM (RAP) UPDATE
S. Hill updated the Committee on the RAP. She said that the program started accepting applications on July 15th and have received 14 approved applications and 6 more that have pending paperwork. At this time our website is not allowing on-line forms.
B. Fultz questioned if the credits will be applied retroactively.
S. Hill said that the credits will not be applied retroactively, they will be going forward. They will see the credit on the next bills.
Discussion by the Committee and staff regarding funds not spent on the program, on-line forms, secure information and outreach for the program.
4. New Business:
MODIFICATION OF BILLING RATE
R. Rogers explained the item. In June 2020 the Scotts Valley Water District requested emergency water through our emergency intertie. One of their wells went down from mechanical failure and a large water storage tank was off-line for painting/coating maintenance. They used the emergency water for about 13 days, roughly 3 million gallons of water was used. This was the first use of the emergency intertie that was upgraded through a grant. The bill for the water was \$45,548.39 as per the agreement with SVWD. SVWD is requesting a reduction in the billing. He is looking for direction from the Committee.
S. Hill added that in 2018 there was also a large bill to SVWD that was calculated the same way. She thinks that any changes to the rate should be in the agreement.
Discussion by the Committee and staff regarding bi-directional element of the intertie and amendment to the agreement.

L. Henry thinks that the District should try to work with SVWD on this matter.
S. Architzel agrees that we should try to work with other municipalities. But it should be in an agreement.

B. Fultz said that there should be pricing policy.

Discussion by the Committee and staff regarding municipal rates.

S. Hill noted that her example shows what the cost would be if the roles were reversed and there is about a \$1400 difference. She thinks that SVWD is looking for a wholesale rate.

Discussion by the Committee and staff regarding wholesale rates, SMGWA sharing water and selling water.

C. Dzendzel said she is concerned that this would be setting a precedent, selling our water too cheaply.

L. Henry said that the intertie is for emergencies only.

B. Thomas said that there should be a municipal water rate.

B. Holloway questioned what the cost would be if the transfer went the other way. What does the Dist. Counsel say about paragraph 5? He thinks that the school district should get the best rate.

B. Fultz said he is skeptical of a pricing policy that is municipal only.

Discussion by the Committee and staff regarding a recommendation to the Board, SVWD operational and maintenance costs, municipal rates and recovery of costs.

S. Architzel made a motion that this item go to the full Board with recommendation being that staff will look into reducing the SVWD bill and amending the agreement with lower rates for emergency intertie water. The motion was seconded.

L. Henry, S. Architzel voted in favor of the motion. B. Fultz voted no. Motion passed.

Discussion by the Committee and staff regarding the specifics of the motion and the information to take to the Board.

5. Informational Material: None.

6. Adjournment 10:06 a.m.