



## MINUTES OF BUDGET & FINANCE COMMITTEE MEETING August 2, 2022

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 2, 2022, at 2:00 p.m., via video/teleconference.

### MINUTES

1. **Convene Meeting:** 3:00 P.M.  
**Introduction of New Members:** Monica Martinez and Elizabeth Paulsen  
**Roll Call**

Committee Members - Present

Gail Mahood, Committee Chair

Jeff Hill

Monica Martinez

Elizabeth Paulsen

Olesya Kalinowska - absent excused

Staff - Present

Rick Rogers, District Manager

Kendra Reed, Director of Finance and Business Services

Holly Hossack, District Secretary

2. **Oral Communications:** None
3. **Unfinished Business:** None
4. **New Business:**

A. OPERATING MARGINS

R. Rogers introduced this item.

K. Reed explained the Operating Margin. Calculated by taking the operating income and dividing it by the total revenue. It represents how well the District can generate profits through its cooperations and is a good indicator of what portions of revenues are available to cover non-operating costs.

Discussion by the Committee and staff regarding:

- .27 Operating Margin through May of 2022
- 2021 CZU Fires caused Operating Margin to fall
- Budgeted Margin was for .29, in line with this budget
- Accruals will continue through September 2022
- Estimate accruals for Board meeting
- Unfilled positions and operating goals
- Operating Expenses and Capital Expenses
- Reserve Fund Policy was explained
- Operating income is lower but not critical
- Water Usage revenue is down
- Not all water sources are available
- The Committee needs to start working on a rate study- RFP
- Most of our costs are fixed and recurring
- Funding for operating, Capital budget, projected costs, reserves, FEMA, loans, etc.
- Current year adjustments to the budget
- Grant writer for grant funding
- Operating Margins industry standard
- Debt service

Timeline for the Rate Study for the next meeting.

Order manuals from AWWA.

5. **Adjournment:** 3:47 p.m.