



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, April 9, 2019 at 9:00 a.m. at the Operations Building, 13057 Highway 9, Boulder Creek, California.

MINUTES

1. Convene Meeting 9:00 am
Roll Call: L. Sanders, L. Henry, B. Fultz
Staff: R. Rogers, S. Hill & H. Hossack
2. Oral Communications: None
3. Old Business:
 - A. REVIEW RESERVE FUND POLICY
 - B. Fultz introduced this item.
 - S. Hill explained the changes due to GASB. Reserve funds should be more fluid and not a specific dollar amount.
 - The Committee discussed the Reserve Fund Policy.
 - S. Hill said the next item will be the Capital Reserve Fund.
 - The Committee discussed the Capital Reserve Fund.
 - S. Hill explained the Restricted Reserves and specific debt covenants. On 2 of the loans we have to hold a year's worth.
 - The Committee discussed the Restricted Reserves.
 - The Committee discussed Emergency Reserves. An emergency will be either operating or capital.
 - S. Hill suggested a revamp with monthly tracking. She can work on a plan and bring back a proposal.
 - The Committee discussed the Capital Reserves. A deeper dive needs to be done on this subject. A workshop should be set up for this issue. S. Hill will put together a couple of models of options to start funding the reserves. The policy needs to be set and then work toward the goal.
 - C. Baughman said that rates will have to be readdressed. Long term water inflationary rates will have to be determined and worked in the calculation.
 - B. Holloway-Boulder Creek, no matter how much or how little you make you can always save something. Look at the purpose for the reserves, when state matching funds are available we want to have the funds needed in reserves. He also pointed out that the District has unfunded liabilities for CalPERS & OPEB.

S. Hill has created a trust fund to fund our unfunded liability.

The Committee discussed the possible buckets for Reserves and unfunded liability. The buckets are Unfunded Liabilities, Reserves, Infrastructure, Deferred Maintenance.

V. Champlin he heard a good advocate for policy and then it rapidly degenerated. Policy is goals, he doesn't see the discussion about setting the goals.

D. Loewen says to put it in the budget.

L. Henry said that the District needs goals beyond our budget.

4. New Business:

A. FY2019/20 BUDGET REVIEW - REVENUE & EXPENSES

B. Fultz introduced this item.

L. Henry said that she really liked the page 8 narrative saying why things are the way they are.

S. Hill said that all quarterly reports follow the same format, if something needs to be highlighted, she will call it out. She explained the spread sheets and detail.

The Committee discussed the revenue & expenses line by line.

B. Holloway said it is confusing to have SMGWA under professional services.

The Committee continued the discussion.

B. Holloway questioned who is the lender on the Probation Tank.

S. Hill responded Capital One

C. Baughman questioned the cost of generators.

S. Hill responded that will be capitalized. Questioned if the Committee is in agreement to bring the memo and backup to the Board.

B. GRANT PROGRAM FUNDING

B. Fultz introduced this item. This is the follow up to the Board suspension the of the Grant Program funding. The Board said it would send the discussion to the B & F Committee. From a cost point of view do we have a sense of how much staff time is spent on administering the grants?

S. Hill it would be Environmental staff time.

B. Fultz said that people in the community have approached him to say, if we take the notion that this money was originally taken out of the Waterman Gap funding as part of giving back to the community. That money is gone. During the meeting where we did the suspensions there were questions about whether there was a way for people to voluntarily provide money to the District that would be earmarked for certain programs.

The Committee discussed this issue.

B. Holloway he is confused by why you would want to involve the District in a charitable donation.

5. Informational Material: None.

6. Adjournment 10:53