



## **Finance & Budget Committee Summary Notes**

### **Regular Meeting**

**MONDAY, NOVEMBER 14, 2016 2:30 P.M.**

Chair Dawes called meeting to order at 2:44PM

Pledge of Allegiance lead by Director Buckman.

Roll Call was taken. All Committee members were present.

#### **Oral and Written Communications:**

Chair Dawes announced that now is the time for persons wishing to speak on a matter not on the agenda. There were no requests to speak.

#### **AGENDA:**

##### **1. Review and Discuss Monthly Financial Report for October 2016**

GM Gentry presented the October Monthly and YTD financial reports for discussions.

Chair Dawes began review with discussion of monthly Claims Report. Committee questioned continuing Chevron charges, transfer all cell phone expenses to Fund 10, expenses for PG&E regarding landscaping and directed changes be made to description and asked about County Haz Mat charges whether or not those were annual or monthly. GM replied that Haz Mat charges are annual and noted that the other items were noted for changes and follow-up.

There were no other Committee or public comments.

Chair began a review of Statement of Revenues report and noted that staff should advise when appropriation shift for legal expenses has been made for reporting purposes.

GM replied that it is planned to provide and show shift for the November reporting period.

There were no further Committee or public comments regarding the Statement of Revenues.

Chair began a review of Statement of Expenses report by questioning the transfer out, line item 905 for each fund account. The expense seemed to be a duplication of another line item for transfers described in line 70000 of each fund. He requested GM to clarify or correct these items in each fund account.

There was much discussion about the salary and wage as shown for Fund 40 which were not shown as in alignment with budgeted numbers. Committee wants some corrections noted or explained. Committee also noted that any adjustments or corrections made may also require adjustments to reported taxes paid line items. GM noted the item for follow-up and correction as needed.

Committee also asked about SCADA expenses shown in Fund 40 and questioned whether or not those were annual or some other costs.

Committee reviewed Cash Report by stating their question about the beginning balances for Fund 10 as not yet accurate and need correcting. GM replied that adjustments to individual accounting trial balances and ledgers must be done before the Cash Report will show accurate numbers. Staff anticipates completing this work by November month reporting time.

**2. Review and Discuss a Sole Source Award for Engineering Design Work related to SLT Blending Well Line proposed as a 2016-17 CDBG grant funded water quality improvement project.**

Chair asked GM to do a short overview since the written report is submitted and has been reviewed by members. GM gave the background on this CEDBG project and the past involvement of the Wallace Group. He also reviewed work already been done for this project.

Director Buckman asked about how much work the District Utility crew could do. GM replied that there is some work that can be done but not the complete project. Chair Dawes noted that the District has to front-end the costs with reimbursement by County after project completion.

Members noted the reduced price by Wallace Group.

There were no requests to speak on this item.

Committee members unanimously agreed to recommend that the Board review and approve the sole source award as presented.

**3. Review and Discuss a Report of Quarterly General Counsel Expenses**

Chair asked GM to give a short overview since a written report is a part of Committee packet.

GM reviewed the YTD expenses for legal services for first quarter period and described 3 categories of expenses accrued by General Counsel, PERB proceedings, General Services and Steinbeck Trial and Case.

The PERB expenses as of 10-31-2016 represent 24% of total expenses incurred. Steinbeck Trial/Case represents 20% of total and General Services is 56% of total expenses. Total legal expenses budgeted are \$165,500 with \$88,866 spent as of 10-31-2016.

Committee asked GM to continue quarterly reports on legal expenses but should be anticipated that a mid-year adjustment is likely for these ongoing expenses.

There were no further questions or comments by Committee or members of the public.

**4. Review and Discuss District Connection Fees and Rates**

Chair asked GM to give a short review since there is a written report in packet. GM gave an overview on how connection fees and rates are subject Prop 218 requirements and procedures. Earlier this year, District did adopt changes to Will Serve procedures and fees.

GM also indicated that a rate study work effort is planned to begin in January 2017 which will also reveal any needed changes to utility rates and financial planning by the District.

There were no Committee questions or comments. There was no request by the public to speak.

**COMMITTEE COMMENTS:**

Chair Dawes asked for follow-up at future meeting, if necessary, on wireless meters and the timing of monthly billing by District (whether or not changes might be needed on dates of reads and bill preparation.)

Committee discussed and agreed to set a special meeting to review consultant bids. Special meeting date was November 21<sup>st</sup> and gave direction to GM.

Chair adjourned meeting at 4:38 PM.

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