

FINANCE COMMITTEE NOTES

June 9, 2021

Attendees:

Committee members: Mark Gibboney (Chair) and Randall Reed

Staff members: John Bosler, Chad Brantley, Eduardo Espinoza, Rob Hills, Frank Chu, Roberta Perez, Taya Victorino, Elisabeth Mendez, and Cindy Cisneros

Members of the Public: None

Call to Order: 10:00 a.m.

Public Comment: None

Additions/Deletions to Agenda: None

Introductory Remarks by Chair Gibboney

Chair Gibboney announced for the record that this meeting was conducted by teleconference pursuant to the Brown Act waivers provided for under the Governor's Executive Orders in response to the COVID-19 State of Emergency. Further, the agenda stated that there was no public location for attending this meeting in person. The agenda stated that the public may listen and provide comment telephonically by calling the number listed on the agenda. Chair Gibboney took a roll call of Committee members and staff present on the call as listed above.

1. Water System Capital Capacity Fee Study

- Staff presented the results of a study completed using the same methodology as the previous study approved by the Board in 2013.
- The study updated the capital assets currently in service and the additional capital assets that will be needed in the future to provide water service to new customers through build-out of the District's service area in the year 2040. The study is intended to establish a fair and equitable fee for new customers gaining access to and benefiting from the existing water system, which has been paid for by existing customers.
- Based on inflation in the cost of building assets in the future annual adjustments of 2% per year are proposed through July 1, 2025. In addition, the adoption of the proposed Capital Capacity Fees will increase this revenue source by about 16%.
- The Committee reviewed the Capital Capacity Fee Study and provided comments.

2. Review Draft Prop 218 Notice

- Staff presented a draft Proposition 218 Notice addressing the proposed Water Rates for January 1, 2022 through January 1, 2026. The notice is designed to clearly explain the proposed rates and outside agency pass-through charges to the ratepayers. It also explains how the ratepayers may participate in the rate setting process.

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- Requirements under Proposition 218 compel public agencies to follow the notice and majority protest provisions. In order to comply the District will:
 - Mail written notices to property owners and/or customers-of-record 45 days in advance of the public hearing which is expected to be held on September 28, 2021.
- The Committee supported the proposed Draft Prop 218 Notice and recommended forwarding this item to the Government & Public Affairs Committee on June 17, 2021 for review and consideration.

3. FY 2022 Wages & Benefits

- Staff performed an analysis on the annual wage adjustment and is recommending that the District apply a 3% annual cost of living increase (COLA).
- The cost of a 3% COLA combined with other staffing plan amendments represents a net savings of \$147,841 compared to the original FY2022 Wage and Benefits Budget.
- A detailed comparison of the proposed changes in the different components of wages and benefits highlighted the savings in regular wages as well as the savings in pension costs due to the CalPERS advance payment program.
- The Committee supported the proposed 3% COLA and recommended forwarding this item to the full Board of Directors for consideration and approval on June 22, 2021.

4. Staffing Plan Amendments

- Staff presented a review of the proposed amendments to Employee Policy No. 2.2, Compensation and Pay Regulations. The amendments affect the Executive, Operations, and Engineering Departments, streamlining the reporting structures and helping to ensure the District is well situated now and into the future.
- The Committee reviewed the following proposed staffing changes/ranges:
 - Change job description of Assistant General Manager (AGM) (no salary change in compensation schedule)
 - Delete the title of Director of Engineering Services from the compensation schedule
 - Change the title of Human Resources Manager to Director of Human Resources and Risk Management at compensation schedule range 83
 - Create a new title of Automation & Controls Supervisor at compensation schedule range 62
 - Delete the title of Capital Projects Coordinator from the compensation schedule
 - Change the title and job description of Water Production & Controls Supervisor to Water Production Supervisor (no salary change in compensation schedule)
- The Committee supported the proposed staffing plan and recommended forwarding this item to the full Board of Directors for consideration and approval on June 22, 2021.

Meeting Adjourned at 10:57 a.m.