

FINANCE COMMITTEE NOTES

November 12, 2020

Attendees:

Committee members:	Randall Reed (Chair) and Mark Gibboney
Staff members:	John Bosler, Carrie Guarino, Chad Brantley, Eduardo Espinoza, Rob Hills, Taya Victorino, Agnes Boros, Frank Chu, Robert Kalarsarinis, Jennifer Fillinger, and Andrea Dutton
Members of the Public:	Jonathon Foster, Davis Farr LLP

Call to Order: 4:00 p.m.

Public Comment: None

Additions/Deletions to Agenda: None

Introductory Remarks by Chair Reed

Chair Reed 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 Reed took a roll call of Committee members and staff present on the call as listed above.

I. Annual Audit (CAFR)

- Staff introduced Jonathan Foster, a partner with Davis Farr LLP, who gave a brief report on the audit and the letters that the independent auditors provide to the Board of Directors.
- Staff made a presentation that provided an overview of the contents of the Comprehensive Annual Financial Report (CAFR) and summarized the results contained in it.
 - Covered the basic components of the CAFR.
 - Operational results of the Water, Sewer and Recycled Water Funds.
 - Sustainability benchmarks including Debt Coverage, Debt Ratio and Days Cash.
- The Committee reviewed the report and recommended it be brought before the full Board of Directors on December 8, 2020.
- Mr. Foster left the meeting at 4:40.

FINANCE COMMITTEE NOTES

November 12, 2020

2. Administrative Policy No. 1.5, Debt Management

- Staff performed the biennial review of the District's Debt Management policy.
- In addition, staff incorporated regulatory amendments recommended by the District's Municipal Adviser.
- The Committee concurred with the proposed amendments and recommended review by the full Board of Directors.

3. Administrative Policy No. 1.3, Reserve & Financial Benchmark

- Staff performed the biennial review of the District's Reserve and Financial Benchmark policy.
- Staff recommended minor updates to the policy and has incorporated changes recommended by the District's Municipal Adviser.
- The Committee concurred with the proposed amendments and recommended review by the full Board of Directors.

4. SB998 Update (Verbal)

- Staff provided the Committee an update of the implementation of the Water Shut-off Protection Act (SB 998) enacted in 2018 with an effective date of February 1, 2020.
- In order for the District to perform a disconnection of water service due to non-payment, the account must be delinquent no sooner than 60-days.
- Staff implemented these new requirements in advance of the February 1 deadline; however, the pandemic moratorium on disconnection of water service due to nonpayment has superseded the SB 998 procedures.
- Staff is actively working with customers who have fallen delinquent since March 2020.

5. Customer Portal Upgrade Demonstration

- Staff presented a live demonstration of the new customer payment portal. Staff covered how the payment process works, how it appears to the customer, features of the new portal, and marketing efforts to our customers.

Meeting Adjourned at 5:20 p.m.