



BOARD OF DIRECTORS SPECIAL MEETING (WORKSHOP) MINUTES

Tuesday, January 12, 2021 at 3:00 PM
Via Teleconference – No Live Attendance

CALL TO ORDER

President Wright called the meeting to order at 3:02 PM.

ROLL CALL

BOARD MEMBERS PRESENT: President Nancy Wright, Director Randy Duncan, Director Steve Grasha, Vice President Russ Martin, Director Ivan Sewell

STAFF PRESENT: Arden Wallum, Dori Petee, Brian Macy, Matt McCue, Danny Friend, Arturo Ceja, April Scott, Amanda Lucas

PUBLIC INPUT

No public input

MID-YEAR BUDGET REVIEW AND PROPOSED FY 2020/21 SUPPLEMENTAL BUDGET REQUEST DISCUSSION

Mr. McCue presented the Mid Year Budget request. He began with the original budget overview and then presented the mid-year changes. It was presented that the original budget predicted no growth in revenue therefore, included no revenue increases. Additionally, staff was directed that there would be essential spending only and no change to the current classification plan/organizational chart. The following changes are being presented today; adjust revenue based on the year-to-date information, operating expenses increase, classification and compensation plans are made current and finally an increase to capital expenditures.

Staff has a greater understanding of how the District managed and continues to manage during the pandemic. Mr. McCue noted the latest rate increases in water and sewer (9.5% increase in water rates and 5% increase for sewer) as well as the new registers/meters have picked up 19% in accuracy. The above increases result in \$2,337,707 increase in total operating revenue. Mr. McCue reviewed the Operating Expense changes and Capital Expenditure changes. Classification & Compensation changes (proposed) - COLA Adjustment of 3.7%; Salary Matrix adjusted to add new level to adjust of the new AGM (Assistant General Manager) position; Merit adjustments unfrozen and applied retroactively and lastly adjust GM salary to market.

Staff fielded questions and comments from the Board. There were minor discussions.

Mr. McCue continued by addressing our debt service ratio and major capital projects.

ADMIN BUILDING DISCUSSION

Assistant General Manager, Brian Macy presented. The purpose of this discussion is to address questions that have arose during previous meetings of the Board. Mr. Macy reviewed the project history, addressed the project status, Corporate Yard enhancements, budget items and the new building options.

Mr. Macy reviewed the plan moving forward with regards to size of building and estimated costs. This was for the Administration Building only. He then reviewed the Corporate Yard Improvements that have been proposed. Mr. Macy reviewed the estimated cost of both projects and the need to bring the two projects together.

Mr. Macy then reviewed the new proposal of bringing the two properties together with a new Admin/Corporate Building on the current Corporate Yard property. He also reviewed the current costs with the COVID-19 impacts. Local projects were studied, and staff is planning to meet with the City of DHS to review their plans and costs of the new City Hall Building.

Mr. Macy presented a rendition of a building being proposed at the location of the current Corporate Yard.

Staff fielded questions and comments from the Board. There were minor discussions.

GENERAL MANAGER'S COMMENTS

Mr. Wallum commented on the vista reservoir issues and commended the staff for their work into the early morning hours. He also praised the Cal Warren system for their assistance. Mr. Friend expanded on the issues and gave some background on the incident. Mr. Friend also recognized key staff members who responded to this incident.

DIRECTORS' COMMENTS

Director Duncan reported about last weeks DWA Board Meeting and mentioned he spoke during public comment and thanked them for their assistance with the Vista Reservoir Emergency. It is his opinion that SCE be held responsible for the damage caused. Mr. Friend noted the District has put in a reimbursement request with SCE.

Director Sewell thanked Mr. Friend for the explanation on the Vista Reservoir Emergency and thanked staff for today's presentation.

Director Grasha reported on CVWD's COVID-19 numbers and a sudden death of one of their employees (non-COVID related).

President Wright commented on salary surveys from ACWA and CASA.

ADJOURN

President Wright adjourned the meeting at 5:29 PM.

Respectfully submitted,

Arden Wallum
Secretary of the Board of Directors