



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE REPORT
MEETING DATE: June 5, 2019**

The Hidden Valley Lake Community Services District Finance Committee met at the District office located at 19400 Hartmann Road, in Hidden Valley Lake, California.
Present were:

Director Mirbegan
Director Freeman
General Manager, Kirk Cloyd
Full Charge Bookkeeper, Trish Wilkinson

CALL TO ORDER

The meeting was called to order at 12:30 pm by Director Mirbegan.

APPROVAL OF AGENDA

On a motion made by Director Freeman and seconded by Director Mirbegan the Committee unanimously approved the agenda.

DISCUSS AND RECOMMEND:

2019-2020 Budget DRAFT with recommended changes by Directors Mirbegan and Graham. (Hand Carry)

Staff provided an overview of the Sewer and Water three-year budget history. Each budget year is based off of actuals from the previous year.

Staff provided an overview of the 2019-2020 Draft Budget with the suggested cuts to the committee.

The Committee did not come to an agreement on the Draft Budget, no recommendation to the Board.

The Committee will make a recommendation to the Board to implement rate increase for reclaimed water effective January 1, 2020 based on the most recent NBS rate study.

Director Mirbegan will make a recommendation to the Board to consider an optimization study, funding to be added at mid-year budget review.

Director Mirbegan recommend the removal of 40k from the budget.

Director Mirbegan requests cost share of health benefits for Directors go before the board at the June 16 Board Meeting.

Director Freeman is not in favor of the cost share for health benefits or removal of the vac truck, along with many of the suggested changes to the proposed budget.

Director Freeman recommends approval of the recommended budget as presented by the General Manager.

Director Mirbegian suggest waiting on the purchase of the vac truck.

PUBLIC COMMENT

Members of the public and field staff provided clarification for amount of reclaimed water use.

Member of the public and field staff requested clarification of committee statement "GM salary reported by CPS HR Consulting is not accurate information provided to members of the Board from expert opinion."

Members of the public and field staff shared concerns and provided detailed information on the importance of the purchase of a Vac Truck. Not only for I&I, but for staff safety, and for the repair of main line breaks as the backhoe will not meet air regs within the next two years and there are unlimited uses for the vac truck in both water, sewer, recycled water, storm and as a rental to other agencies. The recommendation to postpone for another year received comments that the vac truck has been pushed out for years, the District is close to losing equipment, contracting out cost money. \$335000 for the purchase was budgeted from left-over bond fund, and the funds are available to purchase outright without affecting the operational budget.

Field staff stated that there are twenty miles of collection system that have never been cleaned, sewer spills and overflows cost the District financially but also regulatorily and in the eyes of our constituents. The current rental cost is only for emergency situations, there is no maintenance being done to the main lines. Main line repairs are being done with shovels taking over 8 hours in the middle of the night, using a vac truck would only take an hour and half for a similar dig up. Fire hydrants are out of service for longer periods due to the time it takes for the repairs without a vac truck.

Field staff stated that the mainline at the guard shack is being held together with Band-Aids. It is going to blow anytime. That is a mandatory repair that was cut from the proposed budget.

Ferguson will be at the July Board Meeting to discuss AMR.

COMMITTEE MEMBER COMMENT

Staff opinion and comments are very important and have a lot of influence, pushing projects out is how the district ended up with no water reserves. Making cuts is very difficult however, priorities must be set.

ADJOURNMENT

The meeting was adjourned at 1:52 p.m.