

MINUTES
CONTINUATION OF SPECIAL BOARD MEETING
FROM TUESDAY, MAY 19, 2020, WEDNESDAY, MAY 27, 2020,
AND SATURDAY, JUNE 6, 2020, WHICH ADJOURNED
AND CONTINUED
June 12, 2020
WEST VALLEY WATER DISTRICT

Attendee Name	Present	Absent	Late	Arrived
Board of Directors				
Channing Hawkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Michael Taylor	<input checked="" type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Kyle Crowther	<input checked="" type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Clifford Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Gregory Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Staff				
Clarence Mansell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Joanne Chan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Linda Jadeski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Shamindra Manbahal	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Naseem Farooqi	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Jon Stephenson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Peggy Asche	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rosa Gutierrez	<input checked="" type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	
Legal				
Robert Tafoya	<input checked="" type="checkbox"/> Remote	<input type="checkbox"/>	<input type="checkbox"/>	

OPENING CEREMONIES

- Pledge of Allegiance - Led by Director Dr. Clifford Young
- Opening Prayer - Led by President Channing Hawkins
- Call to Order
- Roll Call of Board Members

ADOPT AGENDA

President Hawkins stated that he would like to make a brief statement regarding a letter that the District received from the State Controller's Office outlining shortfalls in controls for operations, financial reports, assets and use of public funds from July 1, 2016 to June 30, 2018. It also includes an event that occurred August 2, 2019. President Hawkins stated that he has reviewed the report and would like to make it clear that this will not continue and we are here to discuss a budget and this budget does not have a retreat planned for the Board. We will not tolerate any of these improprieties and lack of financial controls. Our ratepayers deserve better and he is committed to making sure that they do receive better. Since the start of his term in 2020, we have all been working diligently to prevent past practices that have left our agency vulnerable. President Hawkins stated that he would like to thank the staff who attended the virtual meeting this morning to discuss the letter from the State Controller's Office and that employees' made several great points. There will be another virtual meeting held next week for the remaining staff to answer their concerns and address more questions. We understand how this report raises staff concerns which might affect how they feel about this agency. The very same way we are committed to eradicating and eliminating mismanagement or appearances of impropriety as well as committed to making this a safe and healthy workplace for our employees and staff. Tonight we must continue in the right direction and produce a transparent, accountable and responsible budget. Our Chief Financial Officer is projecting a revenue decrease of 10% or \$3 million, which will require very difficult decisions. However, we cannot allow the services to our customers to be impacted. This budget provides infrastructure upgrades to services within the disadvantaged community of Bloomington. We also are continuing the design expansion for our Oliver P. Roemer Water Filtration Facility. The proposed budget also funds the replacement of 1,700 meters, the construction of a new Zone 8 Reservoir to facilitate the projected growth, new waterlines in Santa Ana Avenue in Bloomington to improve water distribution hydraulics, the construction of over 7,000 linear feet of 30" transmission lines to allow the District to boost water supplies to the northern service area as well as repair and replace valves, flow meters and other important infrastructures. President Hawkins would like to thank his Board colleagues for asking questions and making suggestions to ensure our budget is fiscally responsible. He would also like to thank the Chief Financial Officer and staff who has spent countless hours in presenting a budget that includes water service improvements.

PUBLIC PARTICIPATION

There were no public comments.

DISCUSSION

BUDGET WORKSHOP FOR FY 2020-21

Mr. Shamindra Manbahal, Chief Financial Officer, welcomed all again to the continuation of the proposed budget workshop. There were several changes that the Board of Directors recommended at the last budget workshop and a summary of those requests have been prepared. This proposed budget is a very frugal budget. He and staff worked tremendously hard to bring it down to the level of where it is because of the COVID pandemic and environment that it has left us in. Mr. Manbahal

WVWD

Minutes: 6/12/20

extended a thank you to the Board of Directors for their leadership and staff for their contributions to this proposed budget. This proposed budget is an all-inclusive budget with total revenues of \$27 million and total expenses of \$26.3 million. The proposed budget is a balanced budget that does satisfy the bond covenant ratio at 1.32%, which is due to the adjustments that were recommended during the last Special Board meeting. Mr. Manbahal discussed the reductions that were requested and highlighted several areas; such as: the grand total in revenues are proposed at \$27,150,161.18, grand total expenses are proposed at \$26,395,530.32, and debt service payments at \$1,062,629.00, which will leave a deficit of (\$307,998.14) that will be transferred from reserves. Director Greg Young stated then this is not a balanced budget as we will be drawing from the reserves, assuming that there is a revenue decline of 10%. Mr. Manbahal stated yes. President Hawkins asked is there a Resolution related to the reserves. Mr. Manbahal stated that there is a Resolution that the Board approved in 2015 and it outlines the reserve policy. Also, the rate stabilization fund is there for shortfall in sales and currently there is \$853,000 in the account. Director Dr. Clifford Young stated that the rate stabilization fund should be re-visited. President Hawkins stated that he feels that the approach that has been taken to the budget thus far, has been fiscally responsible prioritizing the important projects for being able to increase our local water supply as well as the expansion of the Oliver P. Roemer Water Filtration Facility, which is a very significant water source for our community. Also, partnering with local water wholesalers and retailers to ensure that the ratepayers have water for the future. President Hawkins asked will there be any rate increases in the 2020/2021 budget? Mr. Manbahal stated that there is not a rate increase in this budget that will affect our ratepayers. Questions ensued and staff responded to each question and concern. Mr. Manbahal asked if there were any adjustments to the budget as he would like to place it on the agenda for approval at the next regularly scheduled Board meeting on June 18, 2020. The Board stated that direction has been given and there are no further recommendations at this time.


CLOSED SESSION

Mr. Robert Tafoya reported out of Closed Session stating that there were no reportable actions taken.

- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: Number of Cases: Three (3)

ADJOURN

There being no further business, the meeting adjourned at 8:10 p.m.



Channing Hawkins
President of the Board of Directors
of West Valley Water District

ATTEST:



Peggy Asche, Acting Board Secretary

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Minutes: 6/12/20

