



BOARD OF DIRECTORS SPECIAL MEETING (WORKSHOP) MINUTES

Wednesday, June 01, 2022, at 1:00 PM
Via Teleconference – No Live Attendance

CALL TO ORDER

President Martin called the meeting to order at 1:00 PM

ROLL CALL

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

STAFF MEMBERS PRESENT: Arden Wallum, Brian Macy, Arturo Ceja, Kurt Kettenacker, Dori Petee, Marion Champion, Jeff Nutter, Eric Weck, Bassam Alzammam, Danny Friend, Therese Murphy, Jeannie Beaver, April Scott, Alex Acevedo

PUBLIC INPUT

This is the opportunity for members of the public to address the Board pertaining to items on this agenda. Please limit comments to three (3) minutes or less. State law prohibits the Board from discussing or taking action on any item not listed on the Agenda (CA Government Code Section 54954.3(b)).

ACTION ITEMS

RESOLUTION 2022-16 IMPLEMENTING LEVEL 2 OF THE MSWD WATER SHORTAGE CONTINGENCY PLAN

The Board adopted Resolution 2022-16, implementing the water reduction actions outlined in the District's Water Shortage Contingency Plan.

Marion Champion presented on the Adoption of State 2 of the Water Shortage Contingency Plan. Urban water suppliers are required to submit a preliminary annual water supply and demand assessment. This must be implemented by June 10, 2022, at a minimum and demand reduction actions identified for a shortage level of 10 to 20% (level 2).

Motion made by Director Grasha, Seconded by Director Sewell.

Voting Yea: President Martin, Vice President Wright, Director Grasha, Director Sewell

Voting Nay: Director Duncan

ITEMS FOR DISCUSSION

FY 2022-2023 BUDGET

Presentation and discussion of the Draft General Managers Recommended FY 2022-2023 Budget.

Mr. Wallum opened by mentioning the District has never been in better shape financially and we have been working for years to get to this point. Mr. Wallum also mentioned the need for additional

sanitary sewer service and capacity. The Regional Plant is the largest project the District has ever constructed and truly defines the budget and the policies and planning that have occurred over the past decades to fund this project and all becoming a reality right now and we are proud to present the 2022-2023 Budget.

Director of Finance, Arturo Ceja presented the balanced budget, updated capital improvements program and funding scenarios. The budget considers the drought conditions and staff has made a very conservative revenue projection. These conservative projections provide sufficient revenue to cover daily operational expenses and substantial capital improvement programs.

Overall revenue budget, MSWD has budgeted \$20.7 million dollars in operating revenues which represents a \$1.7 million dollar increase over last year. Sewer fee is scheduled at \$7.3 million which represent a \$195,000 increase from last year. Operating expenses are budgeted at \$18.8 million, representing a \$1.6 million dollar increase from last year. Of that salaries and benefits represent \$8.4 million. \$10.4 million represents a \$775,000 increase with a majority of that being electric utility. Non-operating revenue is scheduled at \$28 million dollars with an \$18 million dollar increase over last year.

GENERAL MANAGER'S COMMENTS

General Manager Wallum thanked the staff for all their work during this budget process.

DIRECTORS' COMMENTS

Director Duncan complimented the presentation and documents relating to today's workshop. He also noted the lobby is not yet open to the public and is wondering when this will happen.

President Martin commented he is happy to see the District in such a healthy position financially.

ADJOURN

With no further business, President Martin adjourned the meeting at 2:03 PM

Respectfully,



Arden Wallum
Secretary of the Board of Directors