

**Bolinas Community Public Utility District**  
**A Meeting Of The Finance Committee of the Board Of Directors**  
**February 14, 2017 270 Elm Road, Bolinas**

**1. Call to Order.**

10:15 a.m.

**2. Roll.**

Directors Amoroso and Comstock; General Manager Jennifer Blackman also present.

**3. Draft Fiscal Year 2017-18 Budget.**

Staff presented an overview of the first draft of an operating budget for the 2017-18 fiscal year. Key factors underlying the draft budget are: (1) including the new shift operators and their hourly wages and benefits; (2) an assumed wage increase of 3% for all staff; (3) a 7.2% employer contribution to CalPERS, per the latest CalPERS notification on expected payroll percentage contribution requirements; (4) an unfunded liability CalPERS monthly payment of \$2,961.76 (up nearly \$500 per month from the prior fiscal year); (5) an assumed inflation rate of 3.5% based on CPI increase during 2016 for the SF Bay Area; (6) a temporary, part-time position of 8 hours per week on the water system and 16 hours per week on the septic/drainage system, with the septic/drainage hours to be paid from the accumulated net income currently on deposit in the district's designated fund (no increase in the annual service charge is proposed or needed at this time); (7) inclusion of the Tier 1 capital improvement projects from the district's 5-Year Capital Improvement Plan. Staff is working on updating the district's "status of debt" and "status of reserves" spreadsheets

The Committee reviewed the draft budget on a line-by-line basis to examine proposed expenditures for employee services and maintenance/operations for each of the four district enterprises (water, sewer, septic/drainage and Resource Recovery Project). Turning to the debt section of the budget, staff noted that the main ongoing payments at this time are the biannual Terrace Avenue Water Main Relocation Project loan payments (\$30,200 annually) and the Clean Renewable Energy Bond repayments (\$51,937 annually). As for capital projects, staff has included \$25,000 for the Chlorine Disinfection Byproject project, \$75,000 to slipline the Woodrat 1 reservoir overflow pipe, and \$33,000 to rehabilitate the Woodrat 1 intake piping – all as set out in the capital improvement plan for water projects, and \$50,000 for the engineering and design of the Irrigation Pump Station Improvement Project. Discussion ensued about various capital improvement projects that have been scheduled and that may be needed in upcoming years. In response to questions from the committee, staff confirmed that the East Tank Water Storage Tank Rehabilitation Project is planned for this fiscal year, and the West Tank Water Storage Tank Rehabilitation Project is planned for the 2018-19 fiscal year; staff further confirmed that a recommendation has not yet been made as to whether the district should install grinders in the Lift Station wetwell when that facility is rehabilitated.

With regard to the district's reserves, the draft budget proposes to continue to robustly contribute to reserves: \$114,000 for water reserves, \$8,000 for hazardous tree removal, \$53,542 for sewer reserves (which includes \$35,542 to further pay back the money borrowed from the Capital Improvement Fund to pay for the Lift Station project), \$41,185 for the solar reserves

On the revenue side of the draft budget, staff is not yet ready to make any recommendations with regard to service fee increases; instead, staff would like the committee to have further discussions about the expense/capital spending side of the budget. Staff presented a draft "status of debt" spreadsheet, which shows the paydown of the district's overall debt, which at this point is relatively low as a percentage of the district's overall expenses. Director Comstock said that it is an important part of the Committee's analysis will be to review an updated spreadsheet about the status of reserves, reconciled as of the end of the 2015-16 fiscal year.

After further discussion, the Committee resolved to meet in two weeks (on February 28, 2017) rather than wait a full month until the next Committee meeting given the amount of work for staff to do to revise the budget and associated spreadsheets.

**4. Community Expression**

None.

**5. Adjournment**

11:35 a.m.