

Bolinas Community Public Utility District
A Meeting Of The Finance Committee of the Board Of Directors
April 9, 2019 270 Elm Road, Bolinas

1. Call to Order.

11:12 a.m.

2. Roll.

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

3. Draft Update of the District's Five-Year Capital Improvement Plan.

The Committee briefly reviewed the changes to be made to the Five-Year Capital Improvement Plan following the most recent committee and Board meetings, specifically: (1) re-directing funds collected to-date for the steel water main replacement projects on specific blocks of the Mesa to the engineering needed for a comprehensive set of plans and specifications to replace all of the steel pipeline in the district's distribution system and (2) adding the Woodrat 1 Reservoir Rehabilitation project. Staff has included the reservoir project but still needs to revise the Plan to move the water main engineering project to a "Tier 1" project and keep the specific blocks of steel pipeline as a separate schedule to the Plan.

4. Draft Fiscal Year 2019-20 Budget and related spreadsheets re: status of debt and status of reserves.

Staff reported that with regard to employee services costs, consistent with the negotiations between staff and the Personnel Committee to date, staff has included in the draft budget a 3.5% wage increase (which is less than the 4.5% CPI increase for the San Francisco Bay Area in 2018); an increase in stand-by pay from \$53 to \$55 per shift; an increase in monthly cell phone reimbursement from \$35/mo to \$43/mo (the General Manager's reimbursement will decline from \$50/mo to \$43/mo) and one day of paid jury duty leave if staff are required to respond to a jury summons.

5. Draft Proposition 218 Notice to Customers re: Proposed Increases to Annual Charges for Water and Sewer Services.

The Committee reviewed the draft notice, which follows the district's standard format and explains in detail the reasons for the proposed 5% increase to both the water and the sewer service charge. Director Comstock said he does not really have a comment about the format of the notice, but he may want to revisit the amount of the service charge increase. Director Comstock said he recently learned that one of the district's four shift operators has been notified that he will need to move because the landlord is selling the house. This employee is quite concerned about whether he will be able to obtain a comparable rental home in Bolinas at a monthly rate that he can afford. Director Comstock said the typical rent in Bolinas for a one-bedroom structure is \$2,500/month (or \$30,000/year) – this begs the question, are the district's wages competitive? Can the district's employees afford to live in Bolinas?

Staff noted that the starting hourly wage was increased by about 25% a few years ago (from \$17.50/hour to \$22.15/hour, so the district has responded in the past when it needed to in order to attract and retain entry-level employees. Also, employees are eligible immediately for wage increases upon the attainment of specific water and wastewater certifications. After further discussion, staff offered to conduct a "wage survey" among comparable districts over the next year to determine if structural changes are needed to the district's compensation for employees. Staff also suggested the district consider rehabilitating the lab building at the sewer pond property as a possible "overnight" accommodation for on-call employees who are not able to live in town. Also, staff said the district may want to consider allowing employees to live further away than Bolinas and/or Stinson Beach – Point Reyes Station, Olema and/or Inverness, for example. Director Amoroso suggested that a housing allowance might be another possibility.

An extended discussion ensued. Director Comstock said his focus as a Board member of the Finance Committee to this point has been: is the district making sufficient headway on improving its capital infrastructure? He thinks the district *is* making sufficient progress there; however, the recent implications for a shift operator who is losing his housing caused him to realize that the district should be taking steps to ensure it is sufficiently compensating its employees so that they can afford to live in the community. Discussion turned to the underlying problem, which is the hyper-inflated housing market; also, there are homes available and sitting vacant, but for whatever reason the owners are not renting them out. Thus far, the Bolinas Community Land Trust is attempting to provide some affordable housing, but those efforts are not necessarily fully supported in the community. The Bolinas-Stinson Union School District is exploring the possibility of providing housing for teachers on the Bolinas campus; staff does not think this is an option for the BCPUD, but offered to research this point.

After further discussion, director Comstock suggested including an item on the BCPUD Board meeting agenda to discuss the topic of the implications for the BCPUD posed by the lack of available rental housing and associated rising cost of living for BCPUD employees. He noted that affordable housing has been deemed to be

a state priority and all of the counties in the state are supposed to be prioritizing the creation of affordable housing; to date, this has been ineffective. Director Comstock wondered whether the BCPUD has an obligation under state law to prioritize affordable housing projects with regard to water use and/or whether it is legally permissible to do so absent an express obligation? That is a larger and more complicated question that may be addressed elsewhere. For now, the Finance Committee agreed that its focus should remain on what the district's options are to assist employees facing a loss of rental housing and/or to enhance compensation to enable employees to cope with the escalating cost of living in Bolinas. Finally, director Comstock said the full Board should understand that the draft FY2019-20 budget grants a cost-of-living increase to employee wages only; it does not include any proposed expenses to help employees deal with the housing crisis.

6. Community Expression

None.

7. Adjournment

1:00 p.m.