

BOLINAS COMMUNITY PUBLIC UTILITY DISTRICT



BCPUD BOX 390 270 ELM ROAD BOLINAS CALIFORNIA 415 868 1224
94924

DRAFT - BCPUD Finance Committee Meeting
Monday February 3, 2025
270 Elm Rd, Bolinas CA 94924
2:00PM

Call meeting to order

Roll (present: G. Woods, B. Wood, K. Walker, A. Alexander Green, A. Laufman)

Community Expression - None

Draft Fiscal Year 2025-2026 District Budget (0:48)

The intent of this meeting is to provide a general overview of the budget process. Discussion of budget meeting schedule and possibility of attending meetings remotely.

- 2/14, 1 pm
- 2/24, 2 pm
- 3/17, 2 pm
- 3/31, 2 pm
- 4/14, 2 pm

Discussion of finance meeting approach (20:03)

Higher-level, big picture rather than detailed examination. Finance Committee members will need to use BCPUD email in order to access relevant files. Manager Woods will prep and share budget-related files with committee members for their review. She has been finessing the budget spreadsheet to make it easier to manipulate salaries, wages, benefits. This investment in the front-end is time-consuming but will ultimately produce a more useful document. Discussion of the need to set up the operational side of the budget based on actual expenditures from the previous year rather than comparing to the previous year's budget. Manager Woods wants to create a formulaic approach, relying more on Quickbooks to create a reliable, realistic budget that is math-based rather than narrative-based.

Budgeting and financial reserves (36:14)

Plan for future finance committee meetings to discuss five/ten-year capital improvement plan. How to come up with funds and how CIP impacts status of reserves. Importance of sticking to financial reserve policy more vigilantly, which means less money to put toward CIP projects. Desire to shift towards a more prudent reserve policy in case of emergencies, using whatever money is leftover for CIP projects (rather than vice-versa). Slow reimbursement for grant-funded projects (for example, the Wells project) makes it difficult to stay aligned with reserve policy, as the project is on a timeline and progress cannot be delayed to wait for reimbursement. Manager Woods proposed a new approach to ensure that revenue goes to the financial reserve as the first priority, and that any project that is happening currently is fully funded for the coming year. Anything leftover can then be designated for other expenses, five-year plan, etc. This approach will require removing funding from some projects that currently have money allocated to them.

A. Alexander Green disagrees with this approach; his concern is that if BCPUD does not dedicate money to capital improvement projects, they will never be done. Money will be spent to fund repairs and emergencies; there will not be money left over for other critical projects – for example, infrastructure repairs that need to be addressed proactively. Suggestion of taking out bonds to dedicate funds to CIP exclusively.

Manager Woods concurs; bonds are one way to fund these projects. She suggests a transitional period that incorporates rate increases to fund CIPs, in conjunction with bonds, rather than dipping into reserve to fund CIPs. Need to earmark funds for upcoming CIPs, keeping in mind both the priority level and the project timing, so that projects happening within the next year have funds readily available. Establishing more accurate allocation of funds to appropriate projects so there's no confusion about what is actually available in the reserve.

K. Walker agrees; BCPUD should have funds in the events that a grant falls through – viewing the grant as a reimbursement to BCPUD. She also suggests the need to consider inflation and contingency escalation – 3 to 5% each year that a project is pushed down the road.

Manager Woods reiterates the need to identify the committee's role in steering the long-term vision of the District and bringing transparency to the financial process. Needs to meet with the bookkeepers and determine what is possible/allowable, what are best practices in terms of closing accounts, changing priority levels of expenses, etc.

Identification of different spending categories (55:40)

Emergency and other contracted services – so far roughly \$10,000/month this year = \$125,000 annual costs (vs \$40,000 budgeted in this category)

Replacement of pipes on gridded Mesa – where does this fall in the priority list, considering the repair costs that accumulate until this project is addressed?

Exploring cost-saving measures for paving (1:03:21)

Is there an option other than Piazza that would be less expensive? K. Walker suggests talking to Piazza about possibility of a discounted rate, considering the total amount expected to spend on paving emergency repairs; Piazza may bring costs down if BCPUD is looking for more competitive offers. B. Wood points out the importance of maintaining the relationship between BCPUD and Piazza so that they remain willing to help when needed (at all hours). Discussion of the difficulty in budgeting/contracting paving work as it is often due to emergency repair. Discussion of closer look at Piazza bills to determine where costs are coming from – labor, materials, equipment rental, etc.

Capital Improvement Projects (1:20:23)

Ahead of future meetings - G. Woods will send committee members last year's CIP documents, S. Oakander should be included in CIP conversation to inform project prioritization. Kent Nelson from Stinson has an objective formula for determining project priority – G. Woods will ask him to share.

Discussion of sub-committees and MOU approval process (1:24:20)

Interconnectedness of Finance Committee and other sub-committees. Who is responsible for MOU determinations – Personnel Committee? A. Alexander Green suggests special Board meeting to discuss as a group rather than in sub-committees. B. Wood points out that it depends on what staff is asking for in MOU, if it's doable without budget rearrangement, then a Special Board meeting would be appropriate; if not, it's more of a Finance Committee responsibility. K. Walker suggests the Personnel Committee comes up with the total amount needed for MOU and presents it to the Finance Committee, who can accept or reject the amount. She thinks the Personnel Committee should hold responsibility for determining wage increases, etc. Proposal to hold a closed Finance Committee meeting prior to the regular public meeting for discussion of MOU negotiations; the results of the closed session are shared in an open session. When the MOU comes to the board, both the Personnel and Finance committees have reviewed and approved.

Tank Site Replacement Project (1:47:09)

Manager Woods is going to talk to Alan from Stetson about project costs, already \$60,000 over budget. What is the best practice for borrowing this money? Many change orders involved in this project. Were these costs unavoidable? Any lessons to be learned from this project?

Resource Recovery rate increase (1:51:37)

Resource Recovery operating at a deficit of approximately \$10,000 annually. Need to raise the rates to remove this cost off of water customers, but without pushing costs so high that people are no longer using the service/dumping waste illegally. Rates will increase rates in March, with a shift operator dedicating some regular hours to working at Resource Recovery as well. Discussion of a tiered rate, lower costs for higher-use customers.

Adjournment – 4:05PM