The minutes presented herewith are not a verbatim transcription of the Budget Workshop held electronically on May 11, 2021. The intent is to provide a synopsis of key points of discussion and to chronicle decisions and actions taken by a quorum of the Board of Directors (ref: Roberts Rules of Order, Section 48). For more information or background, please refer to the applicable board packet.

MINUTES OF THE BUDGET WORKSHOP OF THE BOARD OF DIRECTORS
OF THE RINCON DEL DIABLO MUNICIPAL WATER DISTRICT
May 11, 2021

A Budget Workshop of the Board of Directors of the Rincon Del Diablo Municipal Water District was held electronically on Tuesday, May 11, 2021 at 5:00 p.m.

Directors Present: Drake, Murtland, Naves, Quist, Welch.

Directors Absent: None.

District Staff Present: Clint Baze, General Manager; Julia Escamilla, Public Information Officer; Jeffrey Umbrasas, Director of Administration and Finance; Karen Falk, Engineering Manager; Steve Plyler, Operations Manager; and Wanda Cassidy, Clerk of the Board.

Legal Counsel: None.

Guests: None.

President Drake called the meeting to order at 5:13 p.m. Director Quist then led the Board of Directors and attendees in the Pledge of Allegiance to the Flag of the United States of America.

I. ADDITIONS/CHANGES TO AGENDA

There were no additions or changes to the agenda.

II. ORAL COMMUNICATIONS TO THE BOARD

There were no communications to the Board.

III. AGENDA ITEMS

A. Fiscal Years (FYS) 2021-22 and 2022-23 Budget Development.
Director of Administration and Finance Jeff Umbrasas presented an overview of a draft of the proposed FYs 2021-22 and 2022-23 budgets. The proposed budget is a two-year, zero-based budget and is based on historical actuals, current knowns, and future estimates and assumptions.

Mr. Umbrasas reviewed both revenues and expenses for the Potable Water Fund, the Recycled Water Fund, the Sewer Fund, the Fire Fund, and Debt Service. Updates on the 2-year short-term and the 7-year long-term CIP plan were also included in the budget process.

The formal Budget will be introduced at the May 25, 2021 Regular Board of Directors’ Meeting followed by a request for approval of the formal Budget at the June 22, 2021 Regular Board of Directors’ Meeting.

B. Loan Spending Update/CIP Budget Adjustments.

Mr. Umbrasas presented Loan Spending Budget Adjustments. The report included an update on the spending of the Installment Purchase Agreement.

Mr. Umbrasas then reported that the District has several projects planned to spend the remaining loan proceeds. The Advance Meter Infrastructure project requires lead time to purchase a high volume of meters from the manufacturer and requires funding immediately to ensure the transaction is completed. Staff requested a budget adjustment for additional appropriations for this project of $500,000.

The R-1 Drain Line project will facilitate the relining of an existing drain line attached to the R-1A and R-1B reservoirs. This project is currently not on the District’s CIP plan and funding is required immediately to ensure the project is completed prior to the deadline for spending debt proceeds. Management requested $100,000 from 05-5200-52130-0000 (Pipeline Replacement Program) to new “R-1 Drain Line – Potable” project. (Project # TBD) and $300,000 from 07-5200-52125-0000 (Misc. RW Extensions/Retrofits) to new “R-1 Drain Line – Recycled” project. (Project # TBD).

After a motion by Director Quist and a second by Director Drake, the Board of Directors unanimously approved:

1. A budget adjustment for an additional appropriation of $500,000 to project 05-5200-52103-0000 (Advanced Meter Infrastructure),
2. A budget transfer of $100,000 from 05-5200-52130-0000 (Pipeline Replacement Program) to new "R-1 Drain Line – Potable" project. (Project # TBD), and
3. A budget transfer of $300,000 from 07-5200-52125-0000 (Misc. RW Extensions/Retrofits) to new "R-1 Drain Line – Recycled" project. (Project # TBD)

by the following roll call vote:

Drake  Aye
Murtland  Aye
Naves  Aye
Quist  Aye
Welch  Aye

ADJOURNMENT

There being no further business before the Board of Directors, the meeting was adjourned by President Drake at 7:13 p.m.

APPROVED:  __________________________________________
            David A. Drake, President

ATTEST:    __________________________________________
            Wanda Cassidy, Clerk of the Board