



## **BOARD MEETING AGENDA SUBMITTAL**

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**MEETING DATE:** 5/30/19

**ITEM SUBMITTED BY:** Peter J. Kampa, General Manager

**SUBMITTAL PREPARED BY:** Peter J. Kampa, General Manager

**AGENDA ITEM:** **A. Conduct a Board Workshop and Receive Preliminary Public Input in Review of the Proposed District Budget for the 2019/20 Fiscal Year Beginning July 1, 2019**

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### **BACKGROUND**

The purpose of this budget workshop is for staff to introduce draft budget assumptions, criteria, goals and objectives to the Board and public, to answer questions and receive Board direction for the preparation of a Final Draft Budget. The draft budget will be reviewed again at the Regular Meeting of June 11, 2019, and a Public Hearing to receive formal public testimony regarding its adoption is scheduled on June 19, 2019 at 10:00AM.

With the fiscal year budget becoming effective July 1 each year, the law requires that either a preliminary or final budget be adopted by that date. During the Board's May 15, 2019 regular meeting, staff was directed to plan for a final budget to be adopted in June, to be effective July 1, 2019. The direction received from the Board at this meeting will help guide staff in the development of draft preliminary and final budgets, and to ensure that the proposals submitted are consistent with Board goals and objectives.

### **DISCUSSION**

The budget under development proposes to support and advance the Board approved goals and management objectives by investing in staffing, operating expenses, purchases and improvements, professional engineering, legal, outreach and financial consulting services, as further discussed below. The General Manager and staff will present and discuss each below to seek initial Board support or rejection, identify alternatives, and discuss the relationship of the management plans to the level of services we are able to provide.

Management suggests that the Board allow staff to present each Board goal and responsive management actions below, seeking Board input throughout, and public comment at the end of board input/comments on each section.

1. **Support Staff** by providing a work environment that values, supports and improves employee recruitment, development, retention and cross-training of excellent employees

- a. Include the revised salary structure and scale approved in the Compensation Report for immediate implementation
  - b. Maintain employee benefits at current levels
  - c. Identify additional no, and low cost benefits to continue improving efficiency and the work environment
  - d. Complete the (consultant developed) revised classification descriptions to improve efficiency, and clarify employee advancement opportunities
  - e. Implement the Operations Supervisor position to increase operations employee productivity, efficiency, safety, leadership development, training potential and accountability
  - f. Increase training for leadership, management, supervision and technical skills
  - g. Utilize professional consulting services to ensure appropriate and supportive human resources and associated legal principles are consistently followed
2. Board Goal Related to Policies – Propose new and amended policies and updated Ordinances that support accomplishment of management objectives and provide the framework for efficient operations
- a. Engage the engineering, financial and legal professional services necessary to develop comprehensive and legally compliant ordinance updates, that are grounded in solid engineering and financial principles
  - b. Engage engineering consulting services to develop Capital Improvement Plans (CIP)
3. Board Goal to Support Facilities and Operations - Plan, fund and implement improvements to the treatment plants and systems that integrate technology and provide for industry standard, efficient maintenance and operations
- a. Fund operations at a level to ensure:
    - i. Regulatory compliance
    - ii. Employee and public safety
    - iii. Improved efficiency, productivity and accountability
    - iv. Identification and addressing potential impacts of the PG&E Public Safety Power Shutdowns (PSPS)
  - b. Complete integrated water and sewer master plans completed by professional consultants
    - i. Complete water and sewer impact/connection/capacity fee study
    - ii. Complete an evaluation of more efficient sludge handling practices

- c. Complete Fire Master Plan update and Development Impact Study with Citygate Associates
  - i. Engage consultant to complete a fire services impact fee study
- d. Continue the engineering (and management) effort to secure state grant/loan funding agreements
- e. Improve and maintain information technology and SCADA systems to maximize data and system safety, productivity and efficiency
- f. Invest in engineering, consulting and data services to continue the digitization and update of district maps
- g. Engage the engineering services to complete and service a USDA grant/loan application for projects approved in May 2019
- h. Replace a faulty district service vehicle with an appropriately designed service truck, outfitted with appropriate tools
- i. Continue completion of necessary repairs and upgrades to preserve the life of existing buildings and reduce long term costs
  - i. Operations building(s) roof, windows, siding and paint
  - ii. Maintenance building windows and rain gutter
  - iii. Admin building roof repairs, paint and rear railing replacement
- j. Wastewater plant road restoration and drainage improvements
- k. Administrative office parking lot restoration (Phase 1 of 3-year, \$400,000 project)
- l. Fire Department bay lighting replacement for efficiency, rain gutter replacement and paint
- m. Commercial laundry equipment or uniform service to provide clean uniforms for those soiled by oil, grease, wastewater and during construction
- n. Pump, valve and other equipment replacements
- o. Plan, design and construct priority capital improvement projects in water and sewer
- p. Plan, design and potentially begin construction on (80%) grant funded park rehabilitations/improvements including (Per Capita Grant of \$200,000):
  - i. Irrigation System replacement to water saving and using smart controls
  - ii. Turf replacement
  - iii. Parking lot restoration

- iv. Lower park security and safety lighting (potentially funded with county lighting district funds)
  - v. Replacement of destroyed and missing BBQ pits and picnic table
  - vi. Replacement of plumbing and fixtures in upper bathroom
  - vii. Skate park improvements including:
    - 1. Concrete overlay – needs 4-inch concrete overlay over entire surface area
    - 2. Recoating of ramp equipment
  - q. Support for GRACE park project planning, outreach, meetings and grant applications
4. Board Goal: Support Customer Relations and Outreach – Improve the image of the District and treatment of employees through a variety of actions that raise public awareness of the good work of the District
- a. Invest in consulting services to continue to implement the adopted communications plan, and improve/increase the District’s information output, community input, engagement and education, continue and improve social media presence and effectiveness in improving customer service and relations
  - b. Invest in customer service and outreach training
5. Board Goals Related to District Finances – Ensure that the District has adequate financial plans to invest in long term infrastructure improvements, achieve regulatory compliance, protect public and employee health and safety, and maintain service cost equity among the generations of our customers.
- a. Engage a consultant to complete a new water rate study
  - b. Engage a consultant to identify the appropriate fire service funding mechanism, and to establish the revenue measure application methodology in the event funding from a countywide fire tax measure is inadequate to support fire services long term
  - c. Engage consulting services if needed to develop CIP funding and financing plans and strategies, and to establish designated reserve plans and policies for all services
6. Board Goal Related to District Administration – Provide the structure, process and staffing for competent, transparent and accountable governance and administration of all District services.
- a. Invest in employee training in records management, board secretarial functions and other related programs, such as CSDA annual conference
  - b. Invest in Board training in leadership, governance and industry conference attendance

Please also note that following Board input at this workshop, staff will develop a comprehensive Budget Preparation Memorandum, which will contain budget highlights, budget definitions, budget development assumptions and criteria, capital projects identification and a budget implications sections. The first full draft budget with financial data will be presented to the Board on June 11, 2019.

**RECOMMENDED ACTION**

*I move to direct staff to prepare for initial consideration during the June 11, 2019 regular Board meeting, the draft 2019/20 Fiscal Year Budget to include the direction given by this Board in today's Budget Workshop, and schedule the Budget Public Hearing to be held on June 19, 2019.*

**ATTACHMENTS**

None

**FINANCIAL IMPACTS**

There are no financial impacts to this preliminary budget workshop, and all budget costs and impacts will be detailed in the draft and final budgets, prior to adoption.