



5880 Oak Street, Anderson, CA 96007
Phone: (530) 357-2121 Fax: (530) 357-3723

Board of Directors

Directors - Beverly Fickes, Scott McVay

General Manager: Paul Kelley

FINANCE COMMITTEE

February 8th 2023 at 4:00 PM : District Office Board Room

MEETING MINUTES

- 1. CALL TO ORDER – Director Scott McVay**
- 2. PLEDGE OF ALLEGIANCE- Director Scott McVay lead in the pledge of allegiance.**
- 3. ROLL CALL- Director McVay announces those in attendance. Director McVay, Director Fickes, General Manager Paul Kelley, Administrative Assistant Kayla, Bookkeeper Accountant Melissa.**

Director McVay mentions that at the first committee meeting there should be a chair assignment for the standing committee. Director Fickes and Director McVay both acknowledges that Director McVay is to remain Chair of the Finance Committee.

- 4. OPEN TIME/PUBLIC COMMENT:** No Public Members commented.

General Manager, Paul Kelley, mentioned that we have another board member in attendance as a member of the public. And that this is not a decision-making meeting.

5. OLD BUSINESS/NEW BUSINESS (Discussion/Action)

- a. Activity Reports – July – December 2022 – Discussion
 - i. GM Paul Kelley mentions preliminary information on account balances. Future broken out accounts rather than one GL code that have been used in the past.
 - ii. Melissa notes that the previous contracted bookkeeper was using billing journal numbers with the bank account. And she tried to mesh it out as best she could.
 - iii. Director Fickes wants to address the total income is 82% rather than the 85% that was expected. Is it because the water sales are down this year? Paul Kelley

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acknowledges that yes, that could be part of it, but also could be some reconciliation that could be tidied up. Most of these items have not been fully reconciled to the appropriate accounts.

- iv. Director Fickes asks for clarification on the expense account named “suspense”. Melissa mentions that previous bookkeeper found checks that were showing up on the bank statements that were showing in the bank statements that were not in quickbooks that she didn’t know where to put them so she put them in this suspense account to find where they go.
 - v. Director McVay asked about the expense for the backflow contractor. And would like to see that an employee has the certification to do the backflow maintenance, so we do not incur these expenses in the future. Paul mentions that as a reminder there is a 2% pay bump for our employee to do this.
 - vi. Fickes questioned if utility bills were missed. GM Paul Kelley noted that yes, there may have been a missed PG&E bill in December.
 - vii. Paul Kelley mentions that there is no current budgeted item for Vehicle Insurance. Melissa notes that it is lumped in under the “JPIA” Insurance account.
 - viii. Director Fickes asks if sometime in the near future we can get a list of all annual dues so everyone has an idea of what dues are required each year.
 - ix. Professional services fees would be for auditing and legal fees. Paul mentions that the board approved a multi-year audit. Director Fickes disagreed, that it was just one year contract and she would research that.
 - x. It was noted that regulatory fees are currently elsewhere but will be reconciled.
 - xi. Director Fickes questioned “staff amenities” expense. Melissa notes that it was for drinks and things that was bought for the guys when they were working in the field through their lunch breaks when there were leaks and repairs that were urgently needed to be fixed.
 - xii. Director Fickes asked what the payroll expense account consists of. Melissa mentioned that its for payroll taxes and liabilities.
 - xiii. Director McVay asks what the DWR expense item is. Melissa mentioned she was not sure and its something she plans to research.
 - xiv. Director McVay wants to confirm if we are holding off on the WIIN Act payment and when is that due. GM Paul Kelley mentions it is due soon. He also mentions that the Q4 payment was missed and that the outstanding balance the bureau has is not correlating with the balance we have in our records. GM Kelley also mentions that the Bureau is saying all is due this year. But our records say it is all due in full by September 2024.
 - xv. Emily Rankin wanted to mention that she is very excited about the breakdown. Thanks for efforts to being transparent.
- b. Mid-Year Budget Review – Discussion
- i. This item was addressed in the above section with the Activity Reports.

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- c. Budgeted Expenses projection for 2023-24 Expenses – Discussion
 - i. Paul mentions upcoming expenses.
 - ii. Proposed MOU- provides more tangible expenses. Insurance, health benefits, CalPERS. Paul notes that annually the current budget identifies \$1.162M annually for the current budget. He wants to note that we are currently under that budgeted amount due to some positions not being filled at this time. Paul mentions that the budget analysis is based on if all positions are full, at the highest step of rate of pay, and if they were to all have their family on their health benefits.
 - iii. IT upgrades- GM Paul Kelley mentions that a lot of our IT systems are deficient. Some still using Windows 7. Spotty back ups, putting our server and data at risk. Security requirements by JPIA may currently not be met with our current operations. GM Kelley mentions the quotes from 3 IT companies. And address that Computer Logistics would be a best fit for the Districts budget. Replacing 4 workstations, move our email services to a subscription with Microsoft 365 rather than Shasta mail and get rid of the mishmash of subscriptions for Microsoft accounts etc., and a new firewall as well as on-going monitoring services.
- d. Drought Rates and Penalties (2023-24 water year) – Discussion
 - i. Preliminary review. Director McVay wants to address the possibility of increase in rates due to the drought.
 - ii. Director McVay notes that we will need the following details before they can create a blended rate. Feb 20th response from bureau on the allocation. And if we will be purchasing McConnell water or not.
 - iii. GM Paul Kelley suggests another finance committee meeting before the March regular meeting.

6. ADJOURN THE MEETING- @ 5:26pm

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