

- EVMWD BOARD ACTION
 APPROVED
 APPROVED AS AMENDED
 DENIED
 CONTINUED
-

MINUTES
FINANCE & ADMINISTRATION COMMITTEE
Regular Meeting of
April 16, 2019
3:30 P.M.

The Regular Finance and Administration Committee (FAC) Meeting was held at EVMWD's principal offices at 31315 Chaney Street, Lake Elsinore, California.

Director Present

Phil Williams (Chair)

Staff Present

Robert Hartwig, Assistant General Manager – Business Services

Terese Quintanar, District Secretary

Margie Armstrong, Director of Strategic Programs

Scott Thompson, Accounting Manager

Jennifer Dancho, Human Resources and Safety Manager

Tim Collie, Water Production Manager

Christina Henry, Customer Service Manager

Jason Dafforn, Director of Engineering

Art Landeros, Accountant

AJ Rivera, Purchasing Manager

CALL TO ORDER

The meeting was called to order at 3:30 p.m.

PUBLIC COMMENTS

The meeting was opened to public comments and there were none.

1. **Claims Update** – Ms. Dancho reported there are no new small claims. The Mission Trail Sewer Spill claim is awaiting receipt of the outcome of mediation. JPIA is handling two other claims at this time.
2. **Safety Update** – One pair of prescription safety glasses was distributed, one amendment was made to the Safety Manual, and two ergonomics inspections took place. We are now at 126 days without injury. We are at 90 days of modified duty and zero lost days for this year. We've had 16 training sessions this year and total, there have been 83 hours of training completed this year. The Target Solutions assignment for April is Distracted Driving. There have been no minor injuries reported this year.

3. **Recruitment & Personnel Update** – We've had five separations this year. We have processed 980 applications, year to date. Four pre-employment tests were conducted in March. We have 12 open positions and 12 temporary staff members. We currently have 169 budgeted positions, and 155 are filled. New hire/intern orientations are being completed within two weeks of hire. Two employee wellness events were held, with 40% employee participation. The most recent Lunch and Learn was successful and received great feedback. One training for managers was Unconscious Bias and April training will be Infor and GHR software systems.

We have two new open positions being recruited for: Water Quality Technician and Principal Engineering- Capital Projects, for 10 total which are in some stage of the process. 50% of vacancies are a result of internal promotions and it takes an average of 22 weeks to fill an open position. This number was largely affected by the difficulties hiring Engineering's Civil Engineer. Three positions will be joining us this month: two Field Maintenance Workers and the Safety Officer.

4. **Appropriation Limit for Fiscal Year 2019**

On an annual basis, the District adopts a resolution to establish the Appropriation Limit for the current fiscal year.

Article XIII B of the California Constitution was added by the November 1979 passage of the GANN Initiative. For State and Local governments, this legislation mandated that the total annual appropriations subject to the limitation shall not exceed the prior year Appropriation Limit, adjusted for the change in cost of living and population, except as otherwise provided in that article. The GANN Initiative is implemented by Section 7900 of the California Government Code. Section 7910 provides that the governing body of each jurisdiction shall annually establish its Appropriations Limit by resolution.

The Appropriations Limit is calculated by determining the property taxes received in the 1978/79 base year and adjusting the limit each subsequent year for changes in the cost of living and population. The Appropriation Limit is the maximum limit of property tax proceeds the District may collect each year. The Appropriations Limit may be amended at any time during the fiscal year to reflect new data.

The cost of living adjustment is based upon the changes in California per capita personal income. The population adjustment is based on the changes in the population in the County of Riverside.

Based on the calculation, the FY 2019 appropriation limit is \$14,068,770. Property Tax proceeds budget for FY 2019 is \$7,419,000, or 53% of the limit.

The documentation used in determining the appropriation limit calculation will be made available for review by the public fifteen days prior to adoption of the resolution, as required.

The staff will be presenting the Appropriation Limit for Fiscal Year 2018-2019 on May 2, 2019 for Board approval.

5. **Updates to Purchasing Section 1500 of the Admin Code** – AJ Rivera explained that the Board approved a change to purchasing contracts procedures last year. A lot of the changes proposed relate to contracts and/or grants and the auditors suggested some language as well. The redline version was provided, as well as a summary of those changes. Section 1501, a statement was added about conflict and definitions. Section 1502 proposed changes refer to authorized limits of staff. Several (18) agencies were surveyed to see what general practice is for funding authority. Director Williams asked what the annual budgets are of the agencies polled. He suggested funding limits should consider the size of the budget. Mr. Rivera added that we may be able to process payments faster with higher funding limits. About five percent, or \$3M, of our contractual obligations for payment would be affected. Mr. Rivera explained that we are looking into condensing processing time. Director Williams explained that is the job of the Board to manage funds and that if we are in conformity with like agencies, he agrees, but also have the duty to the public for oversight. Mr. Rivera added that we are asking to increase the General Manager's funding authority, but also that of staff's. Of the other agencies surveyed, nine answered they have a \$5,000 staff limit; EVMWD's is \$3,000 for staff. He will bring additional information to the Study Session meeting. Director Williams also suggested report of how well the Purchasing Card program has worked for the District, when staff presents to a study session.

Mr. Rivera also described additional steps added regarding grants and bonding requirements and also insurance wording for protection of the District, and general reporting and cross-checking wording was added. Director Williams asked about public notification of Planet Bids, Standby Notices and other notices and if we need to provide paper in addition to digital noticing. In the grant section, there is also wording to the effect that we will provide all other public bidding notification as needed. Director Williams expressed concern for small business owners who do not have access to computers all of the time. Mr. Rivera answered that there are over 20,000 registered users of Planet Bids, but that additional information can be added to the policy regarding local vendors, outside of Planet Bids. Social media and other advertising methods point potential bidders to Planet Bids. Quotes can be taken for smaller projects, outside of Planet Bids. Staff asks solicitors to join Planet Bids or takes information to add to outreach lists.

Section 1509 addresses emergency repairs. Wording was added to make sure that when there is a substantial cost to the District, the emergency is defined, and funding authorized by the General Manager can be done. Sole Source purchasing wording was also added so Sole Source items can utilize that justification for future purchases for 24 months. Section 1511 better defines what is surplus property

(not real property). Section 1512 incorporates electronic signatures through DocuSign or another similar software. Section 1513 discusses “piggyback” agreements. Director Williams requested additional information be added to this presentation for the discussion in a future Study Session meeting.

- 6. March 2019 Customer Service Department Performance Measures** – Ms. Henry explained website payments increased by 3%. Monday and Friday are busiest payment dates. Calls waiting and handle times reduced, and average wait time is down to 30 seconds. Phone calls regarding variable rate have decreased. Longest hold time went from 15 to 9 minutes. Staff handled a higher percentage but call volume decreased. Late fees increased but turn offs decreased. Customers are paying the same day as turned off. Phone calls are at 4,900, at 95%. Calls abandoned decreased and calls per day per employee is 39. Ms. Henry opined that February-April are usually slower for customer service staff. The rain also factors into lower bills; however, calls will increase as weather warms and bills increase. We use a ten year average for summer budgets. Majority of calls are for payment arrangements. Service levels were at 99% and there is a shift for call reason, the majority are for start and stop service. 196 Customers registered for electronic bills and AquaHawk registrations totaled 299. If customers are not signed up for AquaHawk alerts, we call or send staff to the address. Director Williams suggested sharing this information at a Study Session. Most customers prefer email notification. RARE eligible accounts increased. 1,600 accounts were issued a credit in March, or 99% (\$39,000). Fifteen percent of the customers turned off were outside of budget. There are 45,987 accounts currently; 526 accounts closed last year, 12% with a balance, and the average balance due was \$225. Tenant Bad Debt totals 77%, owners are 23%.
- 7. Other** – None.
- 8. Consider Items for Board Review** – Purchasing Policy Revision and Customer Service Performance Measures.
- 9. Adjournment at 4:45 p.m.**