

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Finance Standing Committee or staff will participate in this meeting via a teleconference. Members of the public can submit written comments to the Board Secretary at boardcomment@camabriacsd.org.



FINANCE COMMITTEE

REGULAR MEETING
Tuesday, August 24, 2021 - 10:00 AM

AGENDA

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/92048638691?pwd=WE1lRkhnaFZlMlWQrcjliMWRNTHMrdz09>

Passcode: 827462

Or One tap mobile:

US: +16699006833,,92048638691# or +13462487799,,92048638691#

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Webinar ID: 920 4863 8691

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Copies of the staff reports or other documentation relating to each item of business referred to on the agenda are on file in the Office of the Board Secretary, available for public inspection during District business hours. The agenda and agenda packets are also available on the CCSD website at www.camabriacsd.org. Please call 805-927-6223 if you need any assistance. If requested, the agenda and supporting documents shall be made available in alternative formats to persons with a disability. The Committee Chairperson will answer any questions regarding the agenda.

- A. CALL TO ORDER
- B. ESTABLISH QUORUM
- C. ELECTION OF ALTERNATE SECRETARY
- D. CHAIRMAN'S REPORT
- E. AD HOC SUBCOMMITTEE REPORTS

1. COMMITTEE MEMBER COMMUNICATIONS

Any member may make an announcement, report briefly on his or her activities, or ask a question for clarification.

2. PUBLIC COMMENT

Members of the public may now address the Committee on any item of interest within the jurisdiction of the Committee but not on its agenda today. Future agenda items can be suggested at this time. In compliance with the Brown Act, the Committee cannot discuss or act on items not on the agenda. Each speaker has up to three minutes.

3. CONSENT AGENDA

- A. Consideration to Approve the July 27, 2021 Regular Meeting Minutes and the August 10, 2021 Special Meeting Minutes

4. REGULAR BUSINESS

- A. Receive Update on Tyler Incode
- B. Review and Discuss Strategic Plan Ad-Hoc Assignment to Identify Potential Structural Changes to Address Under-Funded/Under-Resourced and Under-Staffed Services
- C. Review CCSD Reserve Policy #2150

5. FUTURE AGENDA ITEMS**6. ADJOURN**

FINANCE COMMITTEE
REGULAR MEETING
Tuesday, July 27, 2021 - 10:00 AM
MINUTES

A. CALL TO ORDER

Chairman Gray called the meeting to order at 10:01 a.m.

B. ESTABLISH QUORUM

A quorum was established.

Committee members present via Zoom: Tom Gray, Ted Siegler, Dewayne Lee, Mary Maher, Marvin Corne, and Cheryl McDowell.

Staff present via Zoom: John Weigold, General Manager, Pamela Duffield, Finance Manager, Ossana Terterian, Board Secretary, Ray Dienzo, Utilities Department Manager/District Engineer.

C. CHAIRMAN'S REPORT

None

D. AD HOC SUBCOMMITTEE REPORTS

Committee member Corne reviewed the status of the strategic plan underfunded-staffed-resourced subcommittee. The subcommittee is working on several potential items that may be recommended to the board after further subcommittee discussion.

1. COMMITTEE MEMBER COMMUNICATIONS

None

2. PUBLIC COMMENT

None

3. CONSENT AGENDA

A. Consideration to Approve the May 25, 2021 Regular Meeting Minutes

Committee member Siegler moved to approve the meeting minutes with noted changes.

Committee member Corne seconded the motion.

The motion was approved 5-Ayes (Lee, Maher, McDowell, Siegler, Corne), 0-Nays, 0-Abstain

4. REGULAR BUSINESS

A. Review and Discuss the Fiscal Year 2021/2022 Final Budget and Provide Recommendation(s) to the Board

Ms. Duffield reviewed the 2021/2022 final budget with the committee. The discussion included surplus or deficit for each department ending in FY 2020/2021 and capital projects and encumbrance reserve designations requested to be carried forward to FY 2021/2022.

Public comment: Elizabeth Bettenhausen

Committee member Siegler moved to recommend approval of the FY 2021/2022 final budget and reserve designations to the Board of Directors.

Committee member Corne seconded the motion.

The motion was approved 4-Ayes (Lee, McDowell, Siegler, Corne), 0-Nays, 1-Absent

B. Discussion and Review of Budget Adjustment and Approval of Staff Recommendation

Ms. Duffield reviewed the budget adjustment request with the committee. Mr. Dienzo, Utilities Department Manager/District Engineer joined the discussion to provide further detail and answer questions.

Public comment: Elizabeth Bettenhausen

Committee member McDowell moved to recommend approval of the budget adjustment to the Board of Directors.

Committee member Lee seconded the motion.

The motion was approved 5-Ayes (Lee, Maher, McDowell, Siegler, Corne), 0-Nays, 0-Abstain

C. Receive Update on Tyler Incode

Ms. Duffield reviewed staff activities associated with the remaining modules implementation. There was also discussion about the initial billings sent out to customers. Ms. Duffield noted that the next budget report will come from new system reports replacing the current excel reports.

Public comment: Elizabeth Bettenhausen

D. Receive Update on Fiscal Year 2019/2020 Audit

Ms. Duffield reported that she has received the final FY 2019/2020 audit report. There are no findings. The committee will receive a presentation on the audit at the August 10th special meeting.

5. FUTURE AGENDA ITEMS

Committee Member Corne proposed a review of reserve policy

6. ADJOURN

Chairman Gray adjourned the meeting at 11:21 a.m.

CAMBRIA COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE SPECIAL MEETING MINUTES
Tuesday, August 10, 2021 10:00 AM

1. OPENING

A. CALL TO ORDER

Chairman Gray called the meeting to order at 10:00 a.m.

B. ESTABLISH A QUORUM

A quorum was established.

Committee members present via Zoom: Tom Gray, Ted Siegler, Dewayne Lee, Mary Maher, Marvin Corne, and Cheryl McDowell.

Staff present via Zoom: Pamela Duffield, Finance Manager; Ossana Terterian, Board Secretary.

Presenter: Mr. Alex Hom, Moss, Levy & Hartzheim

C. CHAIRMAN'S REPORT - None

D. COMMITTEE MEMBER COMMUNICATIONS - None

E. PUBLIC COMMENT ON AGENDA ITEMS - None

2. REGULAR BUSINESS

A. Discuss and Review Fiscal Year 2019/2020 Audit and Financial Statements

Mr. Alex Hom, from Moss, Levy & Hartzheim reviewed the Fiscal Year 2019/2020 Audit & Financial Statements. The auditor issued an unqualified opinion, which states that as of June 30, 2020, the financial statements present fairly, in all material respects, the financial position of the governmental and business-type activities of the CCSD.

There were 2 minor findings. One finding associated with timely checking account reconciliations and the other finding identified 2 credit card receipts that were not itemized.

The committee asked questions associated with benefit liability. The committee also acknowledged the hard work associated with Pam's efforts over the past several years to get the CCSD financial records in good order.

The CCSD Board of Directors will review the audit at its next meeting on August 12, 2021.

3. FUTURE AGENDA ITEMS – Chairman Gray reported that the CCSD strategic plan objectives and associated finance committee actions will be reviewed at the regularly scheduled August meeting.

4. ADJOURN

Chairman Gray adjourned the meeting at 10:25 a.m.



Board Approved on
05/13/2021 SR 4 C

POLICY TITLE: Reserve Policy
POLICY NUMBER: 2150

Purpose: The Cambria Community Services District shall maintain reserve funds from existing unrestricted funds as designated by the District's Reserve Policy. Funds established under this policy shall function as both Capital Outlay and Contingency Reserves. This policy establishes the procedure and level of reserve funding to achieve goals, including the following:

- a. Maintain operational sustainability in periods of economic uncertainty.
- b. Contingencies (i.e. unplanned but necessary expenditures, emergencies, disasters, etc.)
- c. Fund replacement and major repairs for the district's major assets and infrastructure.
- d. Fund multi-year capital improvements.
- e. Fund designated projects/programs or other special uses not otherwise funded by current operational income, grants or other available sources.

The District will account for reserves as required by Governmental Accounting Standards Board Statement No. 54 which distinguishes reserves as among these classes: non-spendable, restricted, committed, assigned and unassigned. The reserves stated by this policy, unless otherwise required by law, contract, or district policy shall be deemed "unassigned" and "assigned" reserves. Reserves set aside pursuant to this Policy will be matched by cash investments.

Policy: Use of District funds is limited to available "Unrestricted" Funds, including donations, interest earned, fees for service, tax revenues or other non-grant earnings. All special use funds will be designated by formal action of the Board of Directors.

- a. Reserve Funds will be set aside in each of the District's three Funds (General, Water and Wastewater). The Board of Directors will determine the amount to be set aside as Reserves as line-items in the Annual Budget. At a minimum, the lesser of \$1,000 and 0.1% of revenue will be set aside. In the event that any of the District's Funds receives material, unanticipated eligible revenue (e.g. a windfall) or budget surplus, the Board will consider setting aside some or all of such unanticipated revenue or surplus for reserves before committing expenditure for other purposes. The accumulated balance of unassigned Reserve Funds will not exceed 50% of the respective Fund's prior year Unrestricted Income. Assigned Reserve Funds shall not exceed the specific purpose for which they are accumulated.
- b. Reserves will be set aside for the following purposes:
 - a. General Fund unassigned Reserves:
 - i. Operating Reserve: Funds to be used to provide for operations in anticipation of Property Tax receipts. Any reserves used for this purpose will be replaced when the Property Taxes are received.
 - ii. Contingencies
 - b. General Fund assigned Reserves:
 - i. Vehicle Fleet purchases to support District operations.



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- ii. Technology Reserve to purchase hardware and software to support District operations.
- iii. Capital Improvement expenditures to purchase necessary capital assets or repair, replace, or extend the life of existing assets.
- iv. Special Projects identified by District Staff or the Board of Directors including responses to regulatory requirements.
- c. Water Fund unassigned Reserves:
 - i. Income buffer to be used when income is reduced as a result of unanticipated drops in demand due to conservation during dry years
 - ii. Contingencies.
- d. Water Fund assigned Reserves:
 - i. WRF Operations set aside during years of non-operation to anticipate expenses incurred when the plant is operated.
 - ii. Vehicle Fleet purchases to support District operations.
 - iii. Technology Reserve to purchase hardware and software to support District operations.
 - iv. Capital Improvement expenditures to purchase necessary capital assets or repair, replace, or extend the life of existing assets.
 - v. Special Projects identified by District Staff or the Board of Directors including responses to regulatory requirements.
- e. Wastewater Fund unassigned Reserves:
 - i. Income buffer to be used when income is reduced as a result of unanticipated drops in demand due to conservation during dry years.
 - ii. Contingencies
- f. Wastewater Fund assigned Reserves:
 - i. Vehicle Fleet purchases to support District operations.
 - ii. Technology Reserve to purchase hardware and software to support District operations.
 - iii. Capital Improvement expenditures to purchase necessary capital assets or repair, replace, or extend the life of existing assets.
 - iv. Special Projects identified by District Staff or the Board of Directors including responses to regulatory requirements.

Monitoring Reserve Levels: The General Manager, in collaboration with the Financial Manager, will report to the Board of Directors, on a semi-annual basis, Reserve Balances and Activity. Additional information will be provided:

- a. When a major change in conditions threatens the reserve levels established by this policy,
- b. When a major change in conditions calls the effectiveness of this policy into question, or
- c. Upon Board of Directors request.