

**FINANCE AND PERSONNEL COMMITTEE
MINUTES**

DATE: Wednesday, February 20, 2019

1. CALL MEETING TO ORDER AND ROLL CALL

The meeting was called to order at 4:00 p.m. Present were Chair Preciado, Director Jerry Cano, and Director Jose Cerda. Staff members present: General Manager Tish Berge, Assistant General Manager Jennifer Sabine, Director of Engineering Ron Mosher, Director of Finance Rich Stevenson, and Director of Administrative Services Dina Yorba.

2. ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA
(Government Code Section 54956.5)

There were none.

3. OPPORTUNITY FOR PUBLIC COMMENT
(Government Code Section 54954.3)

There were no members from the public present.

4. ACTION AGENDA

A. FY 2019-20 Budget Calendar (Information Item)

Director of Finance Stevenson provided an overview of the budget calendar and stated that an overview of the FY 2019-20 Financial Plan will be provided at the April 24, 2019 Board meeting, and a full draft FY 2019-20 Budget presented at a workshop in May 2019. The final budget will be presented at the June 12, 2019 Board meeting for approval.

Chair Preciado asked Mr. Stevenson for elaboration on the parameters used in developing the financial plan. Mr. Stevenson stated that the financial plan would incorporate an estimated increase based on the Bureau of Labor Statistic's Consumer Price Index for San Diego released in July 2019, as allowed for in the five-year rate plan adopted by the Board in August 2018. Chair Preciado added that the adopted five-year rate plan also allows the Authority to build a rate stabilization fund based on certain wholesale water purchase costs and the water rates associated with those costs.

No action is required by the Governing Board

B. Consideration to Award a Contract for Desktop Computer (PC) Purchase

Director of Finance Stevenson provided an overview of this agenda item.

Director Cerda asked if a better price could be achieved through direct negotiations with the computer manufacturer. Mr. Stevenson replied that the third party distributor of the computers contracts for much larger volumes with the manufacturer than the Authority would on its own; thus, the distributor would receive a much lower price and pass that price on to the final customer. In addition, the computer manufacturers rely on the distributors to provide a layer of customer service that the manufacturers prefer.

Chair Preciado asked why the Red River Technology LLC bid was rejected. Mr. Stevenson replied that they submitted the proposal incorrectly; in addition, their bid was only the second lowest, and therefore, Red River Technology LLC would not have been awarded the contract.

The Finance and Personnel Committee recommends that the Governing Board declare the bid from Red River Technology LLC as nonresponsive; and award a contract in an amount not-to-exceed \$125,434, to CDW Government LLC, Vernon Hills, IL, for the purchase of 150 desktop computers.

C. One-time Adjustment to Customer Water Bill

Director of Administrative Service Yorba provided an overview of this agenda item.

Chair Preciado asked if Authority staff takes steps to notify the customer of a leak. Ms. Yorba replied that staff evaluates customer's water use as the meters are read; and when larger than normal volumes are recorded, then staff will contact the customer.

Director Cano asked for a description of the one-time adjustment approval process. Ms. Yorba provided an explanation of the process.

Director Cerda and Director Cano both stated that they felt the customer should pay the water bill in full.

The Finance and Personnel Committee recommends that the Governing Board deny an adjustment to Soapy Joe's Bonita Inc., and grant an extended payment plan to pay the balance of \$37,583.48 over a twelve month period.

D. Consideration to Approve Contract Amendment No. 5 to GEI Consultants, Inc., for Condition Assessment of North and South Spillways of Sweetwater Dam

Director of Engineering Mosher provided an overview of this agenda item and stated that the contract amendment will result in the final stages of the planning and design process for the reserve funded project.

The Finance and Personnel Committee recommends that the Governing Board approve Contract Amendment No. 5 with GEI Consultants, Inc., Carlsbad, CA, for the scope of work relating to a condition assessment of the North and South Spillways of Sweetwater Dam, in an amount not-to-exceed \$169,244.

E. Consideration of Changes to Director's Fees

General Manager Berge provided an overview of this agenda item.

Chair Preciado opined that no changes in fees are needed at this time.

The Finance and Personnel Committee recommends no action at this time.

F. Review of Board Policies and Procedures (501 through 511)

General Manger Berge presented this agenda item and discussed the proposed changes with the Committee.

The Finance and Personnel Committee recommends that the Governing Board approve the recommended changes to Policies 501 through 511 as presented.

5. **CLOSED SESSION**

There was none.

6. **NEXT MEETING**

The next regularly scheduled meeting of the Finance and Personnel Committee will be held on Wednesday, March 20, 2019 at 4:00 p.m.

7. **ADJOURNMENT**

The meeting adjourned at 4:45 p.m.