

FINANCE COMMITTEE MEETING OF THE BOARD OF DIRECTORS ROSAMOND COMMUNITY SERVICES DISTRICT

6:00PM Finance Committee Meeting
Wednesday April 5, 2023
District Conference Room
3179 35th Street West
Rosamond, CA 93560

Teleconference #
1-877-411-9748
Access Code: 5150560

Agenda

CALL TO ORDER Time: _____

ROLL CALL

President Byron Glennan
Director Rick Webb

General Manager (GM) Kim Domingo
Board Secretary/Director of Administration Sherri Timm

PUBLIC COMMENTS

(At this time, any person may address the Committee on any subject within the District's jurisdiction which is not on the agenda. However, any non-agenda matter will be referred to staff for a report and/or action at a subsequent Board or Committee meeting and no action can be taken on any such item discussed unless the action has been authorized under §54954.2(b) of the Government Code. Any person may also address the Committee on any agenda matter at the time that matter is discussed, prior to Committee consideration and action. Speakers are requested to limit comments to five (5) minutes.)

DISCUSSION

- D 1. FY 2023-2024 Budget – First Workshop (Presenter Finance Director Brad Rockabrand)**
- D 2. Discontinuation of Water Service - Policy Amendments (Presenter Sherri Timm)**

ADJOURNMENT Time: _____

Requirements Regarding Disabled Access: In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the RCSD Board Secretary at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Please contact the Board Secretary by telephone at (661) 256-5808, Email: stimm@rosamondcsd.com or in writing at the Rosamond Community Services District, Attn: Board Secretary 3179 35th Street West, Rosamond, CA 93560. Pursuant to Government Code Section 54957.5, any writing that: (1) is a public record; (2) relates to an agenda item for an open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District offices located at [3179 35th Street West, Rosamond, CA 93560](#). In addition, any such writing may also be posted on the District's web site.

STAFF REPORT

Rosamond Community Services District

DATE: April 5, 2023
TO: Finance Committee
FROM: Kim Domingo, General Manager, for Brad Rockabrand, Finance Director
Subject: First Budget Workshop

RECOMMENDATION:

Review and comment on proposed upcoming FY 23-24 Budget.

BACKGROUND:

This is the first budget workshop for the upcoming FY 23-24 budget, scheduled to be adopted in the May 10 regular board meeting. Staff is collecting anticipated costs for inclusion in the final recommendation.

ANALYSIS:

The attached draft budget was developed using trending data from the previous 6 years and is in a form that will be used for the final budget. The line item costs are preliminary and have not yet been adjusted to reflect staff input. The salary costs include the MOU increase but do not yet include anticipated step, merit or promotion increases.

FISCAL REVIEW:

The preliminary budget is balanced and based upon the current rates.

LEGAL REVIEW:

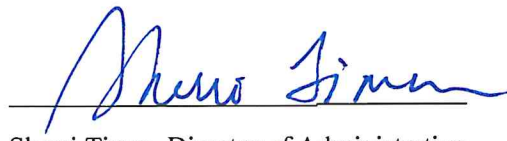
None

CONCLUSION:

The form of the budget will not be modified but the cost distribution among line items will be adjusted based upon staff and board member input.



Kim Domingo, General Manager



Sherri Timm, Director of Administration

ATTACHMENTS:

Preliminary Budget

	General Fund	Water	Sewer	Street Lighting	LAAD #2	Park	Graffiti Abatement	Park Maintenance	Sum of Adjusted 23-24 Budget
Total Revenue	462,133	7,700,496	5,376,247	3,821	203,705	3,228	3,228	1,138	13,750,768
Operating Revenue	20,673	7,068,273	4,938,930	3,821	203,705	3,228	3,228	603	12,239,233
Customer Service Charges		2,851,522	4,329,149						7,180,671
Customer Usage Charges		3,722,959	296,898						4,019,857
Internal Service Charges									-
Internal Usage Charges									-
User Fees									-
County Service Area									-
Bulk Water Sales/Construction Water		37,000							37,000
Late Charges/Bank Charges		55,000							90,000
New Service Installation			35,000						35,000
Plan Check/Will Serve/Inspection Fees		11,000	9,000						20,000
Administration/Reconnection		82,600	15,400						98,000
Interest Income		308,192	253,483	3,821	5,379	3,228			595,379
Miscellaneous Income	20,673								20,673
Property Tax/Assessments					198,326				198,326
Designated Revenue									-
Discretionary Revenue	441,460	62,850	350						504,660
Rent	3,600	50,000							53,600
Miscellaneous Income	6,300	12,850	350						19,500
Property Tax/Assessments	431,560								431,560
Restricted Revenue		569,373	436,967					535	1,006,975
User Fees		43,000							43,000
System Connection Fees		526,373	370,967						897,340
Conservation Fees			66,000						66,000
Quilmy Fees									-
Grants									-
LAIF Interest									-
Total Expenses	(82,520)	(6,087,427)	(4,769,772)	(22,000)	(77,500)	(85,284)	(1,000)	(28,023)	(11,123,526)
Personnel Expenses	(62,400)	1,714,193	1,626,650						(3,403,243)
Salaries	(62,400)	(1,096,369)	(954,013)						(2,112,782)
Overtime Pay	-	(25,646)	(17,098)						(42,744)
On-call/Pager Pay	-	(37,667)	(3,554)						(41,221)
Degree/Certification Pay	-	(56,785)	(48,695)						(105,480)
Holiday Pay	-	(34,432)	(30,048)						(64,480)
Vacation Pay	-	(29,657)	(25,879)						(55,536)
Sick Pay	-	(27,519)	(27,518)						(55,037)
Directors Pay	-	(96,154)	(83,628)						(179,782)
Payroll Tax Expense	-	(276,009)	(271,689)						(547,692)
Health Insurance	-	(32,041)	(28,600)						(60,641)
Workers Compensation	-	-	-						-
Other Benefits (Education Reimburse	-	(172,033)	(147,528)						(319,561)
PERS Contribution	-	195,489	24,159						219,648
Less Capitalized Labor/Benefits	-	-	-						-
Direct Operating Expenses	(2,990)	(662,115)	(423,628)	(22,000)	(77,500)		(1,000)	(28,023)	(1,189,143)
Meters									-
Engineering		(5,812)	(5,541)						(11,353)
Electricity Expense	(1,500)	(276,369)	(78,660)	(22,000)	(77,500)				(456,029)
Utilities - Water	(1,300)	(5,260)	(5,361)						(11,921)
Utilities - Other Than Water	(100)	(8,634)	(13,906)						(22,640)
Equipment Leases		(7,692)	(8,109)						(15,795)
Operating Expenses		(13,718)	(13,719)						(27,437)
Purchased Water									-
Billing Expense	(1,614)	(1,614)	(1,614)						(3,228)
Operating Supplies	(1,937)	(1,937)	(1,937)						(3,874)
Park Supplies & Maintenance							(1,000)		(1,000)
Pool Supplies & Maintenance									-
Security Services									-
Safety Supplies & Training	(2,286)	(2,286)	(2,286)						(4,572)
System Repair & Maintenance	(296,841)	(296,841)	(226,234)						(523,075)
System Tests	(12,589)	(12,589)	(38,581)						(51,170)
Uniforms	(4,842)	(4,842)	(4,842)						(9,684)
Auto & Truck Expense	(24,521)	(24,521)	(22,844)						(47,365)
Banked Water Expense									-
General and administrative	(7,600)	(2,112,959)	(2,069,684)			(85,284)		(28,023)	(4,303,550)
Accounting Consultants		(139,391)	(125,563)						(264,954)

	General Fund	Water	Sewer	Street Lighting	LAAD # 2	Park	Graffiti Abatement	Park Maintenance	Sum of Adjusted 23-24 Budget
Public Affairs	(3,600)	(6,117)	(6,117)						(12,234)
Legal Fees		(71,497)	(59,738)						(134,835)
Adjudication	(33,355)	(33,355)	-						(33,355)
Outside Services	(3,900)	(238,779)	(158,041)						(400,720)
Conservation Program		(13,665)							(13,665)
Advertising/Promotion		(538)	(538)						(1,076)
Bad Debt Expense		(807)	(807)						(1,614)
Building & Grounds Maintenance	(100)	(44,295)	(42,467)						(86,862)
Security Services		(3,766)	(3,766)						(7,532)
Computer Hardware		(6,886)	(6,886)						(13,772)
Computer Software		(7,263)	(3,551)						(10,814)
Computer Services/Consulting		(31,956)	(31,956)						(63,912)
Computer Licenses & Software		(8,930)	(7,478)						(16,408)
Election Expense		(12,912)	(12,912)						(25,824)
Dues & Subscriptions		(62,637)	(26,948)						(89,585)
Recruitment		(161)	(161)						(322)
Employment Costs		(2,072)	(2,510)						(4,582)
Employee Recreation		(646)	(592)						(1,238)
Education - Conferences & Seminars		(10,840)	(10,840)						(21,680)
Training/Certification		(29,591)	(23,190)						(52,781)
Resource Material		-	-						-
Director Training/Seminars		(19,986)	(15,543)						(36,529)
Insurance - Liability		(97,912)	(62,944)						(160,856)
Office Expense		(16,227)	(36,099)						(52,326)
Office Supplies		(3,734)	(3,518)						(7,252)
Business Expense		(17,888)	(11,217)						(29,105)
Office Furniture & Equipment		(2,179)	(2,286)						(4,465)
Emergency Preparedness		(8,070)	(8,070)						(16,140)
Utilities		(9,033)	(9,161)						(18,194)
Principal Expense		(774,874)	(1,014,176)						(1,889,050)
Interest Expense		(436,952)	(381,509)						(818,461)
Discounts									
Depreciation Expense - Noncash	(9,620)	(1,568,160)	(649,810)						(2,227,590)
Depreciation Expense - Noncash	(9,620)	(1,568,160)	(649,810)						(2,227,590)
CIP Write-Off									
CIP Write-Off									
Total Transfers	(155,027)			41,519		84,694	1,000	27,814	-
Operating Transfers	(155,027)			41,519		84,694	1,000	27,814	-
Transfers In									
Transfers Out	(155,027)			41,519		84,694	1,000	27,814	-
Net Operating Surplus (Deficit)	224,586	1,643,059	606,675	23,340	126,705	2,638	-	929	155,027
LESS: Capital Projects		(1,000,000)	(1,500,000)						(2,500,000)
Adjustments:									
100% Depreciation Add Back	9,620	1,568,160	649,810	-	-	-	-	-	2,227,590
Non-Operating Transfers:									
Park Depreciation Set Aside Balance									
Park Other Unrestricted Cash									
Park Maintenance Restricted Cash									
Transfer(s) / from Reserves:									
General Fund Reserve	(231,801)	(17,598)	(19,236)						(231,801)
Operations and Maintenance Fund									
Debt Service Fund									
Repair and Replacement Fund	(2,405)	(1,548,973)	(212,591)						(1,763,969)
Rare Stabilization Fund		(5,817)	(3,094)						(8,911)
Facilities Capacity Fee/Connection Fee		(526,573)	(370,967)						(897,540)
Catastrophe/Emergency Fund									
Water Acquisition/Emergency Fund		(43,000)	-						(43,000)
Other Unrestricted Cash		(69,468)	849,603		(72,001)				708,134
Other Restricted Cash									
Other Financing Sources									
Increase (Decrease) in Net Position	-	-	-	23,340	54,204	2,638	-	929	81,111

STAFF REPORT

Rosamond Community Services District

DATE: April 5, 2023

TO: Finance Committee

FROM: Sherri Timm, Director of Administration

Subject: Discontinuation of Water Service – Policy Amendments

RECOMMENDATION:

Present Finance Committee recommendations of amendments to The Discontinuation of Water Service policy as a Resolution to the Board of Directors at the next Regular Board meeting on April 12, 2023.

BACKGROUND:

The existing Discontinuation of Water Service (DWS) Policy was authorized by Resolution 2020-3 as a temporary measure to comply with SB998. The existing DWS policy Section 1.1 needs to be clarified if the 10% penalty applies to the unpaid current bill or the unpaid outstanding balance. Section 1.1 A. needs to be amended to allow the District to notify our delinquent shutoff customers by mailed notice, since it has been determined that our Robo Call system is not compliant with SB998. The staff positions identified in Section 1.3 need to be aligned with current staff positions.

ANALYSIS:

The above amendments are necessary for the District to move forward with the reimplementation of Service Discontinuations until an Ordinance can be submitted

and approved to authorize all fees associated with the Discontinuation of Water Service.

FISCAL REVIEW:

N/A

LEGAL REVIEW:

N/A

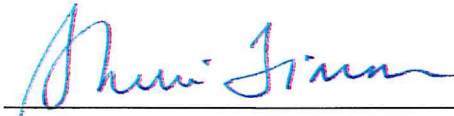
CONCLUSION:

Clarify DWS policy section 1.1. Amend DWS policy section 1.1 A to allow the District to notify our delinquent shutoff customers by mailed notice. Amend Section 1.3 to align with current staff positions. Submit amendments by Resolution at the April 12, 2023 Regular Board Meeting.



Kim Domingo, GM

Rosamond CSD



Sherri Timm, Director of Administration

ATTACHMENTS: Discontinuation of Water Service Policy dated 01/27/2020

DISCONTINUATION OF WATER SERVICE

Section 1.1 **Discontinuance of Service for Residential Locations.** Bills for Water Service are due upon presentation. Bills become delinquent on the tenth (10th) day of the month, and remain delinquent until paid in full. A ten (10%) percent penalty will be assessed on the unpaid balance on the twentieth (20th) day of the month. A partial payment of a delinquent account will be accepted and credited to a customer's account, but such partial payment shall not be cause for removing the account from a delinquent status.

- A. The District will not discontinue water service for non-payment until payment by the customer has been delinquent for at least sixty (60) days. No less than seven (7) business days before discontinuation of residential service for nonpayment, the District will contact the customer named on the account by telephone and will offer to provide in writing to the customer the District's policy on the discontinuation of residential service for nonpayment; and
- B. will offer to discuss options to avert discontinuation of residential service for nonpayment, including, but not limited to, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

If District is unable to make contact with the customer or an adult occupying the residence by telephone, the District will make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the District's policy for discontinuation of residential service for nonpayment.

A customer whose bill is delinquent may contact the District at 661-256-3411 to discuss options for averting discontinuation of water service.

Section 1.2 **Circumstances Where RCSD Will Not Discontinue Service.** The District will not discontinue residential service for non-payment if all of the following conditions are met:

- (1) The customer, or a tenant of the customer, submits to the District the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided; and
- (2) The customer demonstrates that he or she is financially unable to pay for residential service within the District's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the Districts normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general

assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level; and

(3) The customer is willing to enter into an amortization agreement or alternative payment schedule.

The District will offer a customer that meets these three conditions the following options for repayment of the delinquent bill: 1. Amortization of the unpaid balance. 2. An alternative payment schedule. The time period for the repayment under either option is subject to management approval but will generally not exceed 12 months. If the customer (1) fails to comply with the payment plan for 60 days or more, or (2) does not pay his current charges for 60 days or more while undertaking a payment plan, residential service may be discontinued no sooner than five (5) business days after the District posts a final notice of intent to disconnect service in a prominent and conspicuous location.

Section 1.2.2 **Waiver of late fees for Low-Income Customers.** For a customer who demonstrates a household income below 200 percent of the federal poverty line, the District will waive late fees on delinquent bills once every 12 months. A residential customer shall be deemed to have a household income below 2—percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares in a statement under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level.

Section 1.3 **Disputed bills and appeal.** If a customer disputes their bill and exercises their right to appeal to the District's Manager, the District will not disconnect water service for non-payment while the appeal is pending, however, additional fees provided for herein will continue to apply.

A customer in receipt of a notice of impending service discontinuation may appeal the delinquent bill, unless an appeal of the same rate, charge, or fee has previously been received and resolved. The customer must file the appeal within ten (10) calendar days of the disputed bill presentation date. The customer must deliver a written notice of appeal on a form provided by the District that explains the basis for the appeal, including, where applicable, an explanation of any alleged errors in the District's billing practices. The form will be made available on the District's website or at the District office. The appeal will be reviewed, heard, and resolved according with the following procedures:

- A. The billing division supervisor will review the appeal form and all materials submitted in support of the appeal and will issue a tentative decision regarding the appeal within ten (10) calendar days from the date of receipt of the appeal.
- B. The billing division supervisor will mail the tentative decision to the appellant.
- C. The customer has seven (7) calendar days from the date of the tentative decision letter to accept the tentative decision or request a meeting with the Assistant General Manager.
- D. If a meeting is requested, the Assistant General Manager will schedule a meeting within fifteen (15) calendar days.
- E. At least ten (10) calendar days prior to the meeting, the written notice of the date and time of the meeting will be mailed to the customer.
- F. At the conclusion of the meeting, the Assistant General Manager will issue a final, written decision within seven (7) calendar days by mail to the appellant.
- G. The customer may appeal an adverse determination by the Assistant General Manager to the General Manager within ten (10) calendar days from the date of the letter. The General Manager has ten (10) calendar days to respond to the customer of the finding. The General Manager's finding is final.

Section 1.4 **Landlord-Tenant Situations.** This provision applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

1. If the District furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobile home park, or permanent residential structure in a labor camp, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the District will make a good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least ten (10) days prior to the termination. The written notice will further inform the residential occupants that they have the right to become customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

2. The District is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the District's rules and tariffs. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the District, or if there is a physical means legally available to the District of selectively terminating service to those residential occupants who have not met the requirements

of District's rules and tariffs, the District will make service available to those residential occupants who have met those requirements.

3. The lease or rental agreement must cover the time period of which the account is delinquent.

4. In the case of a detached single-family dwelling, the District may do any of the following:

a. Give notice of termination at least seven days prior to the proposed termination.

b. In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

Resolution and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof be held invalid.

- 4.0. Effective Date. While this Resolution shall become effective immediately upon its adoption, the charges provided for shall not become effective until February 1, 2020. Prior to that date, the provisions of Ordinance 92-6 relating to the discontinuation of residential water service for non-payment shall remain operative.
- 5.0. Incorporation of Recitals. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.
- 6.0. Force and Effect. This Resolution supersedes any previous resolutions which are in direct conflict.

PASSED AND ADOPTED at a special meeting of the Board of Directors of the Rosamond Community Services District held this 27th day of January, 2020.

By: _____
Greg Wood, Board of Directors
Rosamond Community Services District

ATTEST:

By: _____
Secretary, Board of Directors
Rosamond Community Services District

CERTIFICATE

I, Lizette Guerrero, Secretary of the Board of Directors of Rosamond Community Services District, do hereby certify that the foregoing Resolution was regularly adopted by the Board of Directors of said District at a regular meeting of said Board duly held on the 27th day of January 2020, by the following vote:


AYES: Director(s) Washington, Glennan, Stewart, Wood

NOES: Director(s)

ABSENT: Director(s) Webb

ABSTAIN: Director(s)

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of Rosamond Community Services District, this 28th day of January 2020.



Lizette Guerrero
Secretary of the Board of Directors