A special meeting of the Templeton Community Services District was held on Tuesday, June 2, 2020 at 3:00 p.m.

Note: In accordance with the Governor's Executive Order No. N-29-20, dated March 17, 2020, the meeting was conducted by teleconference, only. The District Boardroom was closed to the public. The public was provided a Zoom phone number (1-669-900-6833/Meeting ID# 894 5367 4091 and Password #572319) that allowed them to participate in the meeting via Zoom to enable them to be heard on all matters on the agenda.

Call to Order: 3:01 p.m.

Roll Call:
Present: Directors Petersen, Logan, Fardanesh, Jardini and English.

Staff: General Manager Jeff Briltz, District Engineer Tina Mayer, Finance Officer Natalie Klock, Utilities Manager Frank Sprague, Recreation Supervisor Melissa Johnson, Fire Chief Bill White and Board Secretary Laurie Ion participated via Zoom.

Audience: Two Templeton Chamber of Commerce Representatives called in (Donelle and Kathy).

Public Comment:
None.

Business

Budget Workshop:
General Manager Briltz reviewed the draft proposed 2020/21 fiscal year budget. He advised the Board that they were reviewing an incomplete draft as staff needed to prepare the Budget Transmittal Letter, GANN Limit Calculation, and Departmental Summaries. He noted that the draft did include the line item detail for each fund. He referred the Board to the Proposed Draft Budget Highlights.
GM Briltz reviewed the Summary of Fund Balances for Fiscal Years 2019/2020 and 2020/2021. He also reviewed Other Post-Employment Benefits (OPEB), Asset Replacement and Cash Reserves.

President English asked for public comment:

Public Comment: None.

Director Logan asked how the OPEB determinations were being made. GM Briltz advised that there was typically a two-year lag time with regards to actuarial studies. Staff utilized the most current study. GM Briltz further advised that staff recommended a 5% buffer to allow the Board of Directors to consider recommendations based on the outcome of the Total Compensation Study and/or a Cost of Living Adjustment COLA, but there were no proposed increases to the wage schedule. He indicated that the situation of a COLA had remained fluid. However, in February the forecast was 4% and as of April, it was down to 0.7%.

With regards to the property tax forecast the numbers have not been modified due to COVID impacts. GM Briltz noted that the impacts of COVID-19 would be seen at the earliest in 2021/22. GM Briltz reviewed the Historical Data by fiscal year.

GM Briltz advised the Board that the Parks and Recreation Fund was the most challenging due to the impacts of the COVID-19 pandemic. He advised that all Parks and Recreation programs were on hold. Staff was uncertain as to when programs would be held. He advised that the Finance Committee had recommended that the Solid Waste Fund not be merged with the Parks and Recreation Fund at this time.

The Committee reviewed three budget options that staff had prepared for the Parks and Recreation Fund (Optimistic, Pessimistic and Middle). They recommended the Middle Option wherein it was anticipated a 25% reduction in program participants and expenses for each program. GM Briltz emphasized that staff was dealing with the unknown when it came to preparing a budget for this Fund.

Vice-President Fardanesh asked about the 25% reduction in expenses and noted it did not address salaries. GM Briltz advised that they kept all fulltime employees in the Department under the Middle Option. President English asked if staff knew when Schools would be getting information/direction from the State. GM Briltz advised that the County had anticipated some information by week end but he did not know how helpful it would be with respect to the Parks and Recreation Department. Recreation Supervisor Johnson advised the Board that the Recreation Department’s sports programs would have more
flexibility than the school's programs as the programs were not governed by
the State CIF Rules. Recreation Departments can host programs that are best
for the community versus the School being required to follow CIF rules. She
noted that the Recreation Department could play sports with fewer participants
per team and determine the size of playing pools. Director Jardini asked if the
Parks and Recreation would have to pay a portion of the Administration
Allocation of Costs for the proposed $70,000 technology package. GM Briltz
advised that it was budgeted to pay a portion of the package. It was noted that
all departments pay a portion of Administration's allocation of costs.

GM Briltz emphasized that the budget is very fluid due to COVID-19. He advised
that the Recreation Department was hopefully only a few weeks away from
Summer Concerts and Soccer registration. If the State allows the County to
open up further (Stage II now) then Recreation could open soccer registration.
At this time, he anticipated a deficit of approximately $178,000 in the
Recreation Fund.

President English asked for public comment.

Public Comment: None.

President English suggested that the Board review the Recreation Fund again in
July. GM Briltz reminded the Board that if they were to merge the Solid Waste
Fund with Parks and Recreation that the deficit would have been reduced by
$46,000. He noted that the Board of Directors could transfer the excess
proceeds from the Solid Waste Fund to Parks and Recreation (approximately
$46,000). Director Logan said she believed that the merge should occur now.
Director Jardini advised that the Finance Committee had held off merging
additional monies from the Solid Waste Fund to fully fund Administration's
OPEB account because they wanted to be able to move money in the Recreation
Fund. Director Petersen said he was in favor of leaving it alone until more
information is known. Vice-President Fardanesh said he recognized the
importance of Parks and Recreation but he was concerned with uncontrolled
expenses.

President English asked for Board consensus on this issue. He said he believed
staff could be very creative and help with ideas to improve the fund balance.
He suggested waiting until July. Director Jardini concurred. Vice-President
Fardanesh was in favor of tackling the issue. GM Briltz reminded the Board that
the furlough program went through July. Director Logan agreed with Vice-
President Fardanesh that the Solid Waste Fund could not fix the entire
Recreation deficit. She was in favor of reviewing the information in the future.
Staff was asked to bring the item back in July for further discussion.
**Water/Wastewater Funds:** GM Briltz advised that revenue for service charges and fees was down. He noted that this was due to a suspension of late fees due to the COVID-19 pandemic. He further advised that the suspension was due to sunset the end of June. The Finance Committee was recommending not collecting late fees for an additional period of time.

Director Jardini asked if the 3rd Rate increase, due to go into effect in October, could be delayed until next Spring. GM Briltz advised the Board could consider delaying the rate increase but he would have to determine the process as to how to address it. President English expressed a concern in not proceeding with the rate increases.

GM Briltz continued his review of expenses for both the Water and Wastewater Funds. He noted that legal fees were being increased due to existing litigation. He also noted that monies had been set aside for cleaning/inspecting the water tanks, and chip sealing the road going out to the Wastewater Plant.

President English asked for public comment.

**Public Comment:** Donelle, representative with the Templeton Chamber of Commerce asked the Board to continue the waiver of the late fees. Kathy, representative with the Templeton Chamber of Commerce said she was interested in more information regarding the proposed rate increase.

GM Briltz reviewed the rate increase schedule and study. He advised the Board and public that the rate adjustments had been approved in September 2018. He advised that unless the Board took action the next increase would go into effect in October 2020, and that two additional increases would take place in 2022 and 2023.

Director Jardini asked that the rate increase be delayed by five to six months. Director Logan noted that for the purpose of the budget they should not delay the rate increase. However, she was in favor of the Board looking at the financial model. She said she was also in favor of leaving the late fees as they were reflected in the budget.

President English asked for the Board’s consensus with regard to waiving the rate increase. There was no consensus to proceed with the waiver of the rate increase. He asked if there was Board consensus to review the waiver of late fees. There was Board consensus to place this item on the Board’s June 16th agenda. Director Logan asked staff to provide the Board with a breakdown of late fees so they could see if there was a repeating pattern, as well as a breakdown of residential vs. commercial.
GM Briltz continued his review of the Wastewater Fund. He advised that the grant monies from the Upper Salinas Conjunctive Use Project had been received. He further advised that there would be higher costs associated with gas and chemicals, and higher electricity costs. He also reported that monies had been set aside for a single audit as required by the SRF loan forgiveness program.

President English asked for public comment.

**Public Comment:** None.

**Drainage Fund:** GM Briltz advised that funded replacement exceeds user fees. He advised that there would be a very small deficit. He also noted that staff is monitoring Proposition 218 guidelines to determine if the Board could move forward with a further rate adjustment.

**Fire Fund:** GM Briltz advised that the budget draft assumed the implementation of the Measure A parcel tax. Director Logan asked about the expenditures of monies related to grants. Chief White and Finance Officer Klock advised that the Department does not expend monies (matching) until receiving confirmation that the Department had been selected to receive grant monies. President English asked if enough money had been set aside for the Fire and Emergency Services Master Plan. GM Briltz advised him that staff was not certain as a Request for Proposal (RFP) had not yet been released.

**Administrative Fund:** GM Briltz told the Board that $15,000 had been budgeted for a Cost Allocation Plan. He noted that one had been prepared approximately ten years ago. They wanted to ensure that monies from each department were allocated appropriately. He also advised that $70,000 had been budgeted for a Board Room Technology update. He further noted that the Finance Committee had been split on whether or not to recommend the approval of this item. President English noted that he believed the update was needed to keep up with how the District moved forward with its operations. Director Logan said she was in favor of keeping it in the budget. Director Jardini was not a proponent of the update. She noted that Parks and Recreation would be impacted by paying ten percent of the update ($7,000). She believed the District should wait one year. Director Petersen said it should be left in the budget. Vice-President Fardinanesh asked what would occur if the Board kept the item in the budget. GM Briltz advised him that he would bring a future contract back to the Board for their review and approval. He noted that if social distancing requirements are still in place it might be challenging to use the Board Room. It was the Board’s consensus to leave the item in the budget. GM Briltz reminded the Board that in March the Governor’s Executive Order had revised the Brown Act wherein directors could participate from home without noticing their addresses on the agenda. When the order ends any director teleconferencing from home or
another location would have to post their address and the public could attend at said location.

GM Briltz advised the Board that if there was a Board Election in November that the fee would be $10,100. He noted that they had just received the Election Cost from the County. He further noted that there would only be an election if there were four or more candidates running for office. Lastly, he advised the Board that the budget assumed OPEB at 5%.

Street Light Fund: GM Briltz advised that there were two categories in the fund. One was paid through property taxes and the other was for four neighborhood street light areas that were also placed on the tax roll by the District. The fund is negative by $3. It was the Board’s consensus to leave it as proposed.

Adjournment: The Board meeting adjourned at 5:56 p.m.

Respectfully submitted,

[Signature]

Laurie Ion, Board Secretary