



## BEAR VALLEY WATER DISTRICT

BOARD MEETING

October 23, 2017 - 9 A.M.

Conference Room

441 Creekside Drive, Bear Valley, CA 95223

Call- In Info: 605-475-5920 Access Code: 475-0045

### MINUTES

### REGULAR BOARD MEETING

#### DECLARATION OF A QUORUM

President James Bissell called the meeting to order at A.M. Directors present were Vice President Stefaniya Becking, Secretary Ken Brown, Treasurer John Boyle, and Director Gunnar Thordarson. Staff present were General Manager Jeff Gouveia and Office Manager Judi Silber. Public present was Mr. John Dralla.

#### PUBLIC FORUM

Any member of the public may address and ask questions of the Board relating to any matter within the Board's jurisdiction provided the matter is not on the agenda or pending before the Board.

The Minutes are presented as they appeared on the agenda. The actual meeting began with item 2. Reserve Funds in order to accommodate Mr. Robert W. Johnson, Certified Public Accountant. Mr. Johnson is the District's auditor.

#### BOARD BUSINESS

##### **1. The Board will consider adoption of the July 24, 2017 Board Meeting minutes**

Motion Boyle Second Thordarson to approve the July 24<sup>th</sup>, 2017 Minutes as presented.  
ALL AYES; MOTION CARRIED

##### **2. Reserve Funds - Discussion and Possible Action Item**

Mr. Johnson gave the General Manager a C+ to a B on managing of the District's funds. President Bissell thought that the rate payers would think that was a good score. The Board of Directors had many questions for Mr. Johnson. Treasurer Boyle asked if it was reasonable to hold cash verses paying off debt. Mr. Johnson recommended having a minimum of 3-6 months operating expenses on hand in cash. GM stated that the District is close to the operating expenses amount and should start reserving for future asset repair and replacement. He recommended that the District start drilling down on immediate needs for capital funds. Mr. Johnson stated that there are three types of funds: Reserve (Contingency Reserves), Emergency Fund, and Capital Fund. Many districts set aside reserves at the same time that they setup the fiscal budget. Mr. Johnson suggested setting up a separate bank account for each reserve and a savings account for future infrastructure. He recommended that the board establish their priorities and the amount of money to be setup for each fund. GM recommended that the District should set aside \$100K in reserves for the next five years. Mr. Johnson stated that the District can setup funds without funding them.

Motion Boyle Second Becking to accept the Reserve Fund Policy as presented.  
ALL AYES; MOTION CARRIED

##### **3. FY 17 – 18 Budget - Employee Benefits - Discussion and Possible Action Item**

GM stated that the District hasn't received full eligibility / approval from CalPERS. The District has previously entered into a voluntary agreement for coverage of state and local employees for Social Security benefits. To California State Social Security Agreement, Appendix A, Modification No. 1294, effective date of July 1, 1988 with the Federal approval date of September 18, 1989, under section 218 of the Social Security Act, as amended. This allows District employees to receive their Social Security benefits and well as CalPERS benefits. Director Boyle and Brown wanted to reverse the Boards decision to spend the \$900 fee for a complete evaluation as to the exact cost for the District to proceed with CalPERS benefits for the District's employees. Director Boyle felt that it was legitimate for the Board to discard the CalPERS option based on the information that the Board has. Director Thordarson was concerned that once the District commits to a contract with CalPERS there is no going back. GM Gouveia recommended a 3% grant plus a 3% match as an incentive to the employees to contribute towards their retirement account. GM also presented several scenarios of cash out options in lieu of benefits. Mr. Johnson suggested that Plan B, instead of CalPERS, might be a defined contribution plan. Most District's standard contribution is 6 - 8% employee. He stated that employees should receive benefits and recognition. After discussion, it was decided that the GM would bring retirement options back to the next meeting. That the District would not contribute to the current retirement plan effective December 31, 2017.

Motion Boyle Second Thordarson to add a 3% grant effective January 1<sup>st</sup>, 2018 to employees' retirement benefits. To adopt the scenario presented by GM for 50% opt out in lieu of benefits with the effective date of November 1<sup>st</sup>, 2017.

ALL AYES; MOTION CARRIED

#### **Operations Report – General Manager**

See attachment

#### **4. Financial Report – General Manager**

##### 4.1 P&L and Balance Sheet Reports - Discussion and Possible Action Item

Motion Bissell Second Brown to accept the P&L and Balance Sheet Reports as presented.  
ALL AYES; MOTION CARRIED

##### 4.2 Accounts Payable Report - Discussion and Possible Action Item

Motion Thordarson Second Brown to accept the Accounts Payable Reports as presented.  
ALL AYES; MOTION CARRIED

##### 4.3 A/R & Aging Reports – Discussion

The Accounts Receivable balance as of October 20<sup>th</sup>, 2017 was \$117,340.53. The balance on October 20<sup>th</sup>, 2016 was \$78,888.97.

##### 4.4 FY 2016-17 Audit - Discussion and Possible Action Item

Discussion and possible action postponed until January meeting.

#### **5. Board Member Reports**

The next board meeting was set for Monday, January 22<sup>nd</sup>, 2018 at 9:00 a.m.



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Ken Brown, Secretary BVWD Board of Directors  
Alpine County, California

**ATTEST:**

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Judieth L. Silber  
Office Manager  
Bear Valley Water District