

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT
MINUTES OF THE MEETING OF THE
TECHNICAL ADVISORY COMMITTEE**

April 10, 2008

The meeting of the Selma-Kingsburg-Fowler County Sanitation District Technical Advisory Committee was called to order at 10:02 a.m. by Chairman Alan Weaver.

MEMBERS ROLL CALL

Darren Hays, Kingsburg (absent)
Alan Weaver, County of Fresno (present)
Bruce Webber, City of Selma (present)
David Weisser, City of Fowler (present)

STAFF AND CONSULTANTS PRESENT

David Michel, General Manager
Ben Muñoz, Assistant General Manager
Robert Whitley, Consulting District Engineer
Veronica Cazares, Supervising Engineer
Gabriel Jimenez, Asst. Plant Operations Supervisor

OTHERS PRESENT

Michael Gaston, City of Selma
Norman Krebbs, Kingsburg Resident

APPROVAL OF MINUTES

The minutes of the meeting of March 19, 2008, were approved, with the addition of a sentence describing Mr. Gaffney's suggestion to send multiple-year Proposition 218 Notices, on a motion duly made, seconded and approved by unanimous vote of all members present.

PUBLIC COMMENTS

None.

UNFINISHED BUSINESS

Refurbishment & Replacement CIP Update

In a written memo, General Manager Michel reported that DTAC had recommended a District R&R funding level and Cities' collection system R&R rates which were plugged in to the draft budget. DTAC had wanted to continue to review the CIP list, scheduling and financing before making any

other recommendations. The 3-31-08 draft budget reflects only those capital items necessary for current operations and 6.3 MGD Improvement Plan items to be accomplished in FY 2008-09. He referred the Committee Members to the previously distributed report from Bartle Wells Associates dated March 5, 2008 and the supplemental report dated March 13, 2008.

Staff recommended that the Committee advise staff as to what, if any, capital projects and what financing to place into the budget. This could be done by May 21st prior to passage of the budget anticipated for June 12th, or it could be done afterwards as amendments to the budget.

Consultant District Engineer Whitley reported that the 6.3 MGD Plan, which depends on the completion of DP-6 as the critical sequencing factor, likely will be delayed more than the anticipated few months due to permitting issues. This will allow the District to push back the scheduling and financing of some projects.

There was discussion among Committee Members, staff, Consultant District Engineer Whitley, and Kingsburg resident Norman Krebbs, regarding public works borrowing philosophies, public works planning philosophies in anticipation of growth and the possibility of separately funding vehicle replacement in future years. Mr. Krebbs distributed a table and calculations regarding ESFR's dated 12-11-06 with some handwritten updated information.

Chairman Weaver offered assistance to staff in linking the CIP list and Bartle Wells Cash Flow table so that real time changes and decisions can be made at the meeting of May 21st. It was the consensus of the Committee that the following changes be made in the draft CIP and that the draft be brought back to the Committee May 21st.

FY 2008-09

Project No. 4, split this in half, to be done ½ in FY 08-09 and ½ in FY 09-10.

Project No. 18, make this \$1M in FY 08-09 and \$3.4M in 09-10.

FY 2009-10

Project No. 8, show \$200,000 in FY 09-10 and \$1.0M in FY 10-11.

Projects Nos. 10 and 11. Delay until FY 10-11.

FY 2010-11

Project No. 9. Supervising Engineer Cazares said that there are approximately 8,100 ESFR's left in the interceptor at that point, which serves Selma and Fowler. Will serve letters indicate as much as 6,300 ESFR's in three years. The consensus was to move this to FY 12-13 and reevaluate each year.

NEW BUSINESS

Fiscal Year 2008-09 Draft Budget Presentation (Version 3-31-08)

The budget indicates an 11.8% rate increase. Notices to property owners must be mailed within days for the Board to increase rates at the June Board Meeting.

Previously distributed was the draft budget for the fiscal year (FY) 2008-09, version 3-31-08. As recommended by the District Technical Advisory Committee (DTAC), the budget increases the funding level to \$800,000 for refurbishment & replacement (R&R) of District facilities.

The budget indicates a rate increase from \$21.82 to \$24.39 per month for each equivalent single family residence (ESFR). This is an increase of \$2.57 per month per household. The 11.8%% sewer rate increase is due to increased costs in the following areas: refurbishment & replacement of facilities & equipment; services & supplies; sludge removal; labor costs; and worker benefits. On an annual basis, this is an increase from \$261.82 per year to \$292.59 per year, which is an annual increase of \$30.77.

DTAC has been reviewing the Capital Improvement Program (CIP) for the sewer system and the treatment plant for the last seven months. The CIP is still under review by DTAC. After the review is completed, DTAC recommendations could affect the FY 2008-09 budget by adding projects to the capital pages 5-7 or by calling for borrowing to perform projects other than those stated in the draft budget. No matter what is the eventual outcome of their CIP review, DTAC recommended at this time that staff budget \$800,000 for DR&R and budget a Cities' Collection System R&R fee of \$22/ESFR. The draft budget follows DTAC's recommendations.

General Manager Michel reviewed every page of the draft budget and answered questions. Kingsburg resident Norman Krebbs distributed a table dated 3-25-08 regarding a ten year history of O&M fund profit and loss.

There was discussion among Committee Members, staff, and Kingsburg resident Norman Krebbs, regarding prudent public works budgeting practices. Chairman Weaver emphasized the importance of not underfunding an essential service such as wastewater.

There being no further comments from the public, the following motion was made by Alan Weaver, seconded by Bruce Webber and approved by unanimous vote of all members present: to recommend that the Board direct staff to mail the Proposition 218 letters notifying property owners of a potential rate increase by an amount not to exceed \$2.57 per month per equivalent single family residence, from \$21.82 per month to a maximum of \$24.39 per month, effective July 1, 2008. For an equivalent single family residence, the potential increase is from \$261.82 per year to \$292.59 per year. This potential increase of up to approximately 11.8% is necessary due to increased costs in the following areas: refurbishment & replacement of facilities & equipment; services & supplies; sludge removal; labor costs; and worker benefits.

COMMUNICATIONS

General Manager Michel informed the Committee that he intends to bring a draft ordinance to the Committee regarding increasing the Capacity Charge (Connection Fee) by an amount equal to the Engineering News Record change in Construction Cost Index. Also in the Ordinance will be the establishment of a plan check & inspection fee.

ADJOURNMENT

There being no further business to come before the Committee, Chairman Weaver declared the meeting adjourned on a motion duly made, seconded and approved by unanimous voice vote at 12:01 p.m.

Respectfully submitted,

David Michel, General Manager/
Secretary of the Committee

Approved,

Alan Weaver, Chairman
SKF Technical Advisory Committee