



Marina Coast Water District

Draft Minutes Budget and Personnel Committee Meeting

August 3, 2021

1. Call to Order:

The August 3, 2021 Budget and Personnel Committee meeting was called to order at 6:33 p.m. by President Shriner. In attendance via Zoom teleconference were:

- Committee members: President Shriner and Director Cortez
- Staff: Remleh Scherzinger, Kelly Cadiente, and Paula Riso
- Public members: None

2. Public Comments on Any Item Not on the Agenda:

There was no public comment.

3. Approve the Draft Minutes of the July 13, 2021 Meeting:

President Shriner asked staff to review Item 7 of the minutes to see if she really made the request. Ms. Riso said she probably forgot to delete the sentence. Mr. Scherzinger stated the correction would be made. Director Cortez made a motion to approve the minutes of July 13, 2021 with the correction to Item 7. President Shriner seconded the motion. The minutes were approved by a vote of 2-Ayes (Cortez, Shriner), 0-Noes, and 0-Absent.

4. Receive a Covid Update:

Mr. Scherzinger noted that the District is still closed to the public and since staff is isolated, the protocol is that if you are not vaccinated you need to wear a mask, but if you have been vaccinated you only need to wash hands and no mask is needed. He added that he asked Human Resources to reach out to those who are not vaccinated and offer to help with whatever they need, e.g. time off for the shot, appointments, etc. Director Cortez asked about getting an air filter for the upcoming special Board legal refresher meeting. Mr. Scherzinger said he would look into providing one for the meeting.

5. Receive Information regarding the District's Budget and Reserves:

Ms. Cadiente reviewed the reserve funds and also designated reserve funds. She explained that bond reserve funds are restricted for use on capital improvement projects only. Ms. Cadiente stated that the designated reserve funds are from a Board policy that requires 40% of the previous year's depreciation value to be put into reserve for Marina and 20% for Ord. She said that unfortunately, this is not being met due to the age of the system, but a rate study would help look at meeting that goal. Ms. Cadiente also commented that the amount of legal fees was not anticipated when the policy was made which also made it difficult to achieve the reserve goal. She then reviewed the administrative, emergency, and operating reserve funds. Discussion followed.

6. Discuss Direct Deposit for Director Compensation:

Ms. Cadiente noted that there was a request to receive the Board compensation checks via direct deposit. She stated the best way to do that would be to add the Directors to the payroll system.

Agenda Item 6 (continued):

She mentioned that per the auditor, the IRS deems paid Board Directors to be employees of District (for tax purposes only) which requires taxes to be taken from the check for things such as FICA and Medicare. She noted that it is anticipated that the IRS will be passing this law soon and the auditor suggested starting it this fiscal year. Director Cortez asked if the tax withholding would take place whether or not they had direct deposit. Ms. Cadiente answered affirmatively.

7. Identify Agenda Items for the Next Committee Meeting:

Director Cortez asked for an update on the District Engineer process. President Shriner asked to look at legal expenses, the rate study and a drought rate, and policy building/investment strategy.

8. Committee Member Comments:

The Committee thanked staff.

9. Adjournment:

Meeting adjourned at 7:25 p.m.