

WEST KERN WATER DISTRICT  
BOARD OF DIRECTORS  
SPECIAL BOARD MEETING

Minutes – Board of Directors  
Monday, June 15, 2022

800 Kern Street  
Taft, California

*Directors Present: David A. Wells  
Barry M. Jameson  
Gary J. Morris  
Scott Niblett – Via Zoom  
Roger Miller*

*Ex-Officio Officer: Greg A. Hammett, General Manager/Secretary*

*District Counsel: Joseph D. Hughes - Absent*

*Recording Secretary: Tami Sivils*

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I. FLAG SALUTE

II. ROLL CALL/DETERMINATION OF A QUORUM

President David A. Wells called the meeting to order at 9:01a.m. HR Administrator, Tami Sivils called the roll and noted all Directors present.

III. CONFLICT OF INTEREST STATEMENTS

No conflicts were reported.

IV. PUBLIC COMMENT

No comments were received.

V. APPROVAL OF AGENDA

*Upon Motion by Director Jameson, Seconded  
By Director Morris Carried Unanimously  
With 5 Ayes, 0 Noes  
To Approve the Agenda of the  
June 15, 2022 Special Board Meeting.*

VI. ITEMS OF DISCUSSION

Sunny Kapoor started the Special Board meeting thanking various District staff for the hard work and effort it takes to put together the District's Annual Budget.

1. 2022/2023 Budget

## **A. Revenue**

The Director of Finance, Sunny Kapoor, presented the Preliminary 2022-2023 Budget, which included the attached power point presentation. Mr. Kapoor stated the District anticipates a decrease in revenue by 3.05%. With operating expenses to increase by 8.13% as compared to the 2021-2022 Budget.

Mr. Kapoor explained the District's revenues less operating expenses will be a negative \$1,400,299.00 prior to any of the District's Capital Expenditures.

He further explained revenue for Residential water sales could possibly decrease with water restrictions. Industrial water sales are expected to decrease by 10%. Water demands of the Cogeneration Plants could also affect revenues into the coming fiscal year.

## **B. Cash Flow**

Sunny Kapoor reported the District has historically used a balanced budget approach in preparing the budget. However, the District utilized reserves in the 2021-2022 Budget to fund the Districts Capital Expenditures

## **C. Labor**

Sunny Kapoor stated the District's currently has 42 employees. He noted salaries and benefits decreased by 1% from last year. The total salaries and benefits for this 2022-2023 budget is \$5,582,413.00.

The Board and staff than reviewed the Engineering, T&D, Field Services, Accounting and Administration Departments' budget numbers.

## **D. Expenses**

Mr. Kapoor explained total District expenses will increase from \$17,258,321.00 for 2021-2022 fiscal year to \$18,660,799.00 for the 2022-2023 fiscal year.

## **E. Capital Improvements**

After discussion and review of the various Capital Expenditure options, the Board directed Staff to fund a combination of requested Capital Expense projects in the amount of \$2,350,369.00.

## **F. Equipment Procurement**

The Board reviewed the proposed Equipment Procurement Costs at an estimated total of \$924,190.00.

Mr. Kapoor noted staff's goal was to propose a balanced budget. However, declining revenues and increased expenses required infusion of cash from reserves. Cost for Capital Improvement projects and equipment procurement will also be funded by the Districts cash reserves. The Board approved the use of the District's cash reserves to fund the Capital Expenditures that were approved.

Mr. Kapoor noted future headwinds could potentially affect the budgetary numbers during the next fiscal year. Increasing prices in water purchases, gasoline, commodities and natural gas and electricity could substantially affect the proposed expenses. Also, Urban Water Management Plan, the State Water Project, water sales, water marketing, substantial cost of the Delta Conveyance Facility and future groundwater regulations could be variable factors that could also influence the proposed budget as we go forward.

## **VI. CLOSED SESSION**

1. Discussion and Appropriate Action Regarding:  
Government Code, § 54956.8  
Conference with Real Property Negotiator  
Description of Property: Water  
Agency Negotiator: Greg Hammett, General Manager  
Negotiation Parties: West Kern Water District &  
Parties To Be Determined  
Under Negotiation: Price and Terms

Directors moved into Closed Session at 10:55a.m. The meeting reconvened at 11:05a.m. Direction was given to Staff relative to Closed Session item #1.

## **VII. ADJOURNMENT**

The meeting adjourned at 11:05a.m.

June 28, 2022

**Date Approved**



**Greg A. Hammett,  
Secretary of the Board of Directors of  
WEST KERN WATER DISTRICT**

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