

**WEST KERN WATER DISTRICT
BOARD OF DIRECTORS
SPECIAL BOARD MEETING**

**Minutes - Board of Directors
Friday June 14, 2024**

**800 Kern Street
Taft, California**

*Directors Present: Barry M. Jameson
Scott Niblett
David A. Wells
Gary J. Morris
Bo Bravo*

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

District Counsel: Alex Dominguez - Absent

Recording Secretary: Deann Crabtree

*Staff in Attendance: Tami Sivils, Adeana McDaniel-Furman,
Taylor Miller, Wendy Adams -Rosenberger, Mike
Law, Zak Crabb, John Stuntebeck, Wayne White,
Tina Leikam, Chris Havens, Rosa Rodriguez,
Troy Turley*

I. FLAG SALUTE

II. ROLL CALL/DETERMINATION OF A QUORUM

President Barry M. Jameson called the meeting to order at 9:00 a.m. Administrative Assistant, Deann Crabtree called roll and noted President Jameson, Vice President Scott Niblett, Director Wells, Director Morris and Director Bravo were 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 Niblett, Seconded
By Director Bravo Carried Unanimously
With 5 Ayes, 0 Noes
To Approve the Agenda of the
June 14, 2024 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. DISCUSSION & APPROPRIATE ACTION REGARDING: 2024/2025 BUDGET

A. Revenue

The Director of Finance, Sunny Kapoor, presented the Preliminary 2024-2025 Budget, which included the attached power point presentation. Mr. Kapoor stated the District anticipates revenue to increase by 8.31%. and operating expenses to increase by .52% as compared to the 2023-2024 Budget.

Mr. Kapoor explained the District's operating revenues less operating expenses will be \$3,178,093.00 prior to any of the District's Capital Expenditures.

He further explained revenue for Residential water sales could possibly decrease with additional water conservation. Industrial water sales revenue is expected to increase due to the recent water rate increase. 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 has used reserves in the past few years to fund the Districts Capital Expenditures and that leaves the District in a historical low in reserves of 16,819,580.00.

C. Labor

Sunny Kapoor stated the District currently has 42 employees. He noted salaries and benefits as a percentage of the total operating budget decreased by 1% from last year. The total salaries and benefits for this 2024-2025 budget is \$6,180,324.00.

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

D. Expenses

Mr. Kapoor explained total District operating expenses will increase from \$21,494,114.00 for 2023-2024 to \$21,604,907.00 for the 2024-2025 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 \$1,487,859.00.

F. Equipment Procurement

The Board reviewed the proposed Equipment Procurement Costs and chose option 2 at an estimated total of \$974,470.00.

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, Insurance, P&L, WC, and Health Benefits 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. ADJOURNMENT

The meeting adjourned at 10:53 a.m.

July 23, 2024

Date Approved



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

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