

CONCERNS ABOUT FY20/21 WATER BUDGET

1. MISLEADING STATEMENT (from tonight's CVWD Board packet - Staff Report for Action Item 1 by Finance and Administration's Arturo Montes/James Lee): "At that [June 9, 2020 CVWD Board] meeting, the Board approved the \$2.5M CIP budget."

CORRECT STATEMENT (from last Friday 10/9/2020 Engineering Committee agenda packet – Staff Report for Information Item 5 by Director of Engineering David Gould) : "The Board approved the FY 20/21 Water Budget at the June 9, 2020 meeting with \$2.3M available for CIP projects."

PROOF: see CVWD Board packet for June 9, 2020.

WHY THIS MATTERS: Action Item 1 on tonight's agenda is inadequate because it is not a budget.

REQUEST: The original FY20/21 Water Budget approved by the Board on June 9, 2020 should be modified by the addition of the line item: "Bond-funded CIP \$2.7M" and presented to the Board for approval. (Bond-funded CIP \$2.7M + previously approved \$2.3M for CIP projects = \$5M for CIP projects)

2. The AMI project cost for FY2020-21 is increasing at a troubling rate:

CVWD Board Packet for June 9, 2020 - \$200K budgeted for AMI project

CVWD Board Packet for August 11, 2020 - \$200K budgeted + \$169,700 additional needed for AMI project

CVWD Board Packet for October 13, 2020 - \$200K budgeted + \$202,000 additional needed for AMI project

CONCERN: In just the space of 4 months, the AMI project cost has gone from \$200K to \$370K to \$402K. And this is for one fiscal year. The total cost for the AMI project was projected to be \$4.8M in the CVWD Board Packet for June 9, 2020. But at this rate, who knows what the final cost will be?

SUGGESTION: The AMI network is nice to have but it is not necessary. CVWD does not have deep pockets to weather unpredictable, escalating costs for something which is not necessary. Use the \$200K just to install Smart-meters and forego the AMI network (Action Item 3 on tonight's agenda).