

**VALLEY COUNTY WATER DISTRICT
MINUTES FOR THE MEETING OF THE FINANCE COMMITTEE HELD
MONDAY, SEPTEMBER 19, 2016**

Committee Members Present: Director Margarita Vargas, Chairperson
Director Lenet Pacheco, Co-Chairperson

Staff Present: General Manager, Jose Martinez
Finance & Customer Service Manager, Jandy Macias
Water Quality Specialist, Tara Robinson
Operations Assistant, Vicki Pulido

Others Present: President Alfonso Contreras
Vice President Mariana Lake

A. CALL TO ORDER

The meeting of the Finance Committee held on Monday, September 19, 2016, was called to order 3:30 pm by Director Vargas.

B. PUBLIC COMMENT

- No public comment

C. DISCUSSION/INFORMATION ITEMS

1. Discuss FY 2016/2017 Cost of Living Adjustment (COLA)

- General Manager reported that the District conducted a cost of living survey amongst local retail water districts and local wholesale water agencies and compared their averages with the Consumer Price Index (CPI) for Los Angeles County; stated that based on the analysis of the information provided, he has recommended a 1.5% COLA to the committee
- The committee agreed to present the recommendation of a 1.5% COLA to the Board of Directors for approval

2. Discuss FY 2016/2017 General Operating Budget

- General Manager initially reviewed the Budget Summary; reported that the proposed budget reflects a 6% increase to Total Revenue due to the increase in water sales anticipated with the District's reduced water conservation standard and reduced water use restrictions; reported that the overall total Available for Capital Improvements is \$1,323,356
- Director Vargas asked if the local housing developments had been accounted for in the budget
- Finance & Customer Service Manager responded that they had not because their completion date is unknown however water use at their completion would add to the District's revenue from water sales
- General Manager summarized the Total Revenue and reported that the proposed 1.5% COLA resulted in a 4% overall increase in Salary expense; summarized the proposed budget for the District's Benefits and Energy expenses; reported that the 15% increase in budget for the System Maintenance included the pre-purchase of 2,000 acre-feet of cyclic storage that was approved at the September 13, 2106 Board of Directors meeting; announced that the District's Administrative and General Expense budget was impacted by the anticipated engineering, customer notification and computer equipment purchase cost; reported that his goal is to have the District become more proactive rather than reactive to operation needs

- Director Vargas stated that the committee has previously requested the purchase of a generator for the Administrative office so that in the event of an emergency the office could maintain its ability to address customer concerns
- General Manager reported that the Customer Notification line item included a direct mail postcard that would notify customers of the current rate increase and the declaration of the Stage 1 Water Supply Emergency; reported that the Computer Equipment Purchase line item included server support for the District's software system; explained that the reduction in litigation expenses is attributed to the near completion of the BPOU Project negotiations; reported that the Consulting Contacts line item was included for a potential rate study, organizational assessment and geographical information system (GIS) implementation
- Finance & Customer Service Manager explained that the 68% increase in Operation Communications includes a T1 line for the SCADA system
- General Manager stated that the District's capital improvement plan will be discussed at the Capital Improvements & Rates Committee meeting scheduled for Wednesday, September 21, 2016; reported that the District is anticipated to operate with a surplus of revenue for the upcoming fiscal year; announced that the 2016/2017 fiscal year began on September 1, 2016
- The committee agree to present the FY2016/2017 General Operating Budget to the Board of Directors for approval

D. ADJOURNMENT

The meeting of the Finance Committee held Monday, September 19, 2016 was adjourned at 4:01 am by Director Vargas.

SIGNED:



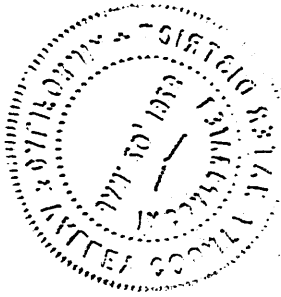
 President of the Board of Directors

ATTEST:


 Secretary of the Board of Directors

(OFFICIAL VCWD SEAL)





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