



**VALLEY COUNTY WATER DISTRICT
MINUTES FOR THE MEETING OF THE FINANCE & CAPITAL IMPROVEMENTS COMMITTEE HELD
WEDNESDAY, JULY 26, 2017**

Committee Members Present: President Paul Hernandez, Chairperson
Director David Muse, Alternate

Staff Present: General Manager, Jose Martinez
Finance & Customer Service Manager, Jandy Macias
Executive Assistant/Board Liaison, Colleen Malaiba

A. CALL TO ORDER

The meeting of the Finance & Capital Improvements Committee held on Wednesday, July 26, 2017, was called to order at 8:04 am by President Hernandez.

B. PUBLIC COMMENT

- No comment

C. DISCUSSION/INFORMATION ITEMS

1. *Review Water Cost of Service Study DRAFT REPORT presented by Raftelis Financial Consultant, Inc*
 - General Manager stated that Raftelis Financial Consultants, Inc (RFC) prepared a Water Cost of Service Study Draft Report for the committee to review prior to presentation to the full Board of Directors as the next meeting; stated that the report details that development of a comprehensive finance plan and proposed rates derived from the study input; reviewed the District's background, system, and water supply sources; reviewed the District's water allocation, leased water rights, and replenishment water purchased; explained that the water production assessment increase would significantly affect the District's budget over the next five years; reviewed the proposed rates and fee structure; explained that the tiers were adjust to accommodate the water usage of an average household within the first tier and excess water over the District anticipated production is classified as the third tier ; explained that the Multi-Family Customer Class was created based on that water usage of this specific group of customers; explained that because Fire Protection meter typical have no water use, so any water usage is considered excess water production
2. *Discuss the 2017/2018 DRAFT General Operating Budget*
 - General Manager stated that the provided budget was calculated based on the assumption that the proposed rates would be approved; stated he would provide a version of the budget with the current rate structure; explained that this alternate version would show a financial shortfall for the District; reviewed the areas of the budget that presented a significant changes from the previous year's budget
3. *Discuss the Proposed 2017/2018 Cost of Living Adjustment*
 - General Manager stated that he was recommending a COLA of 1.75% based on the Consumer Price Index annual average of 2.06%
 - President Hernandez requested to provide the current COLA information for local water districts and other water agencies
4. *New and Old Business*
 - President Hernandez proposed discussing the potential Low Income Affordable Rate Program; requested that pertinent information regarding cell phone tower income

- General Manager stated that he has considered some options for a pilot program, such as participation in the C.A.R.E program; stated that the project would be offer on a first come first serve basis

D. ADJOURNMENT

- The meeting of the Finance & Capital Improvements Committee held Wednesday, July 26, 2017 was adjourned at 10:22 am by President Hernandez.

SIGNED:



President of the Board of Directors
(OFFICIAL VCWD SEAL)

ATTEST:



Secretary of the Board of Directors