

# VALLEY COUNTY WATER DISTRICT

## FINANCE STANDING COMMITTEE Regular Meeting

June 24, 2011

### MINUTES

Committee Members: Director Mariana Lake, Chairperson  
President Jonathan Contreras, Co-Chair  
Staff Present: Lynda Noriega, Interim General Manager  
Colleen Malaiba, Executive Assistant/ Board Liaison  
Public Present: Vice President Margarita Vargas, Alternate  
Director Lenet Pacheco

Meeting called to order at 3:33 PM

#### 1. Presentation regarding the Rate Setting Process

- Interim General Manager reviewed the District's revenue sources and operational expenses
- Director Lake inquired about how much Watermaster has increased their fee in the past few years
  - Interim General Manager stated that three years ago the assessment was about \$251 per acre-foot and the current assessment is \$512- so it has increased about 200% in the past 3 years
- President Contreras inquired about the difference between the Board's annual stipend amount and the staff's annual salary amount
  - Interim General Manager stated that the Board's stipend total is less than \$100,000 annually and staff's salary total is about \$1.3 million annually
- Interim General Manager reviewed the steps involved in financial planning: Determining the Cost of Operations, Scheduling Major System Maintenance, and Planning for Capital Improvements
- Interim General Manager reviewed the policy, as set by Resolution 08-07-647, regarding the District's reserve fund
- Interim General Manager stated that the Rate Setting Process involves the following steps: analyzing all financial information available, designing a rate to cover all costs of operations, and reviewing the rate structure on a regular basis
- President Contreras asked how much did the last rate increase help the District
- Interim General Manager estimated the revenue increase to be around \$1.5 million
- Interim General Manager explained an increasing tiered rate structure
- Interim General Manager reviewed the fixed and variable charges of the District's rate structure and explained its deficiencies compared to their appropriate budgeted expense
- Interim General Manager compared water rates of local agencies
- Interim General Manager recommended that the Finance Committee meet a few times in July to finalize the District budget for Board approval and then discuss a recommended rate structure
- The committee agreed with the Interim General Manager's recommendations
- The committee recommended that the Board review a policy to review the District's rate on a regular basis



Secretary  
(SEAL)



President