

# VALLEY COUNTY WATER DISTRICT

## FINANCE STANDING COMMITTEE Regular Meeting

July 22, 2011

### MINUTES

Committee Members:	Director Mariana Lake, Chairperson President Jonathan Contreras, Co-Chair
Staff Present:	Lynda Noriega, Interim General Manager
Public Present:	Vice President Margarita Vargas Director Lenet Pacheco

Meeting called to order at 2:31 PM

#### 1. 2011-2016 Capital Improvement Budget

- Interim General Manager reviewed the District's Capital Improvement Budget for the next fiscal year. She stated that this budget, if approved by the Board, was not set in stone and explained that projects would have to be individually approved by the Board or postponed to a future fiscal year
- President Contreras stated that the District's Master Plan was currently being worked on
- Interim General Manager confirmed that Civiltec was working on it and would get an update on their progress
- President Contreras inquired about the Water Main Replacements listed for this fiscal year
- Interim General Manager stated that the listed areas need to be upgraded from a 4-inch to a 6-inch mainline
- President Contreras stated that he appreciated the additional detail
- The committee recommended the proposed 2011-2016 Capital Improvement Budget for Board approval


#### 2. 2011-2012 General Operating Budget

- Interim General Manager reviewed the Budget Summary for the 2011-2012 General Operating Budget and attributed the District's forecasted increase in funds Available for Capital Improvement to the Watermaster safe yield increase and water replacement assessment decrease
- President Contreras inquired if the revenue listed on the budget summary included the additional revenue incurred from the recent rate increase
- Interim General Manager confirmed that it did
- Interim General Manager reviewed the District's revenue, based on water sales and service and non-operating revenue
- President Contreras inquired how the District receives funds from county property taxes
- Interim General Manager explained that assessments that are built into the property taxes for public utilities- which would have typically gone to the city- are issued to the District for providing service
- Interim General Manager explained that the wages for the General Manager position were incorporated into the salary portion of the expense budget and added that a more accurate calculation could be adjusted at the anticipated 6-month review
- Interim General Manager stated that insurance rates are anticipated to increase 12-13%, which dramatically affect the District's group insurance expense
- Director Lake expressed some concern regarding the procedures related to the District's Delta Dental plan
- President Contreras recommended that she bring that concern to the Board or the Administrative Committee for review or Administrative Code amendment

- Director Lake expressed concern regarding General Benefit Fund and recalled that the Board previously approved flowers to be sent to District Board members and employees in congratulatory or sympathy situations
  - President Contreras recommended that the Board receive notification when flowers are sent
  - Interim General Manager reported that there was a decrease in 2010 Southern California Edison (SCE) rates but explained that the rates are anticipated to increase dramatically in the next year
  - President Contreras asked if the District's Leased Water Rights were lost if not used during the year
  - Interim General Manager explained that the rights carried over to the next year
  - Interim General Manager explained that costs for professional federal advocacy services are not included in this budget but may be added in at the anticipated 6-month budget review
  - President Contreras stated that the Board had not made a decision to proceed with those services
  - Interim General Manager notified the committee that the phone system has recently been failing and that she will be bringing a purchase request for a replacement to the Board in the near future
  - President Contreras inquired about the cost increase related to the Administrative Office Maintenance
  - Interim General Manager explained that the property owner has recently changed and that they have increased their monthly maintenance costs
  - President Contreras inquired about the Election Expense
  - Interim General Manager explained that the District pays the county for counting the ballots and preparing election postings
  - President Contreras recommended to present the budget to the Board for approval at the next meeting
  - Director Lake recommended a study session before the meeting
  - The committee agreed to recommend the proposed budget for Board approval and recommended a study session for the meeting
3. Annual Cost of Living Adjustment Review- Employees
- Interim General Manager explained that she reviewed the Consumer Price Index changes for the past year and conducted a survey of the local water agencies to determine a recommended Cost of Living Adjustment (COLA) increase of 1.70%
  - Director Lake inquired what the COLA increase was for the past two years
  - Interim General Manager recalled that there was a 1.0% COLA increase last year and that there was no COLA increase issued in 2009
  - Director Lake stated that she was fine with the recommended COLA
  - President Contreras asked if the COLA affects more than just the employee salaries
  - Interim General Manager confirmed that the COLA will affect those benefits which are based on salary, such as disability insurance, CalPERS, Social Security, etc.
  - The committee elected to send the item to the Board for review and decision on a COLA increase
4. Changes to the 2011-2012 General Operating Budget based on the Cost of Living Adjustment recommendation
- Interim General Manager explained that a revised budget was drafted to demonstrate the affect of the COLA on the District's budget

Meeting adjourned at 3:39 pm.

  
Secretary  
(SEAL)

  
President