

# VALLEY COUNTY WATER DISTRICT

## FINANCE STANDING COMMITTEE Special Meeting

August 20, 2012

### MINUTES

Committee Members Present: Director Jonathan Contreras, Chairperson  
Vice President Pacheco, Co-Chair

Staff Present: Lynda Noriega, General Manager  
Colleen Malaiba, Executive Assistant/Board Liaison

Public Present: Director Armando Macias

Meeting called to order at 3:00 pm.

#### **1. 2012-2013 Capital Improvement Budget**

- General Manager stated that there has been no change to the Capital Improvement Budget since the preliminary review by the Committee on August 2, 2012
- Vice President Pacheco inquired about back-up material relating to the costs for the projects outlined within the Capital Improvement Budget
- General Manager stated that all of the line items are rough estimates based on previous purchases and/or the work already previously completed
- Vice President Pacheco inquired about the \$500,000 budgeted for 2015-2016 relating to the Automated Meter Reading program
- General Manager stated that this was a rough estimate of the costs for the initial year; explained that the total cost to replace all of the meters within the system would be substantially more; anticipated that the transition would be spread across several years
- Director Contreras inquired if the General Manager was considering the reactivation of the Big Dalton Well
- General Manager explained that she and the Operations & Maintenance Manager would like to consider this option in the near future; Commented that during the period when the well and the granular activated carbon (GAC) treatment was active, sample results indicated that perchlorate was present in the raw water, putting the GAC treatment system out of service; commented that if the water quality has changed, it would be beneficial to have an additional source to serve the lower portion of the District's system
- Director Contreras stated he had been wanting to review the reactivation of the District's inactive wells

#### **2. 2012-2013 General Operating Budget-including Approved Rate Adjustment**

- General Manager explained that the calculated effect of the Tier 2 rate adjustment was calculated incorrectly and has since been changed to reflect the change in the appropriate units available for each tier; stated that the effect of this adjustment is estimated to be a little more than \$500,000

### **3. Adjustments to 2012-2013 Proposed General Operating Budget**

- **Proposed Cost of Living Adjustment and Effect on Expenses**

- General Manager reported that she has added the Approved Cost of Living Adjustment (COLA) History to the provided analysis per the request of the Committee at the previous meeting
- Director Contreras announced that although he wanted to keep the Committee's recommendation of a 1% COLA increase, he was still deciding how to vote during the Board of Directors consideration due to the current approval of the rate and fee adjustment
- Vice President Pacheco stated that she has reviewed the Long Range Financial Plan and has noticed that some of the numbers do not match
- General Manager briefly reviewed the Capital Improvement Budget amounts to which Vice President Pacheco was referring and stated that some of the old projects listed had been carried over into a subsequent year as they had not been completed in the current year; stated that new projects have also been added
- Vice President Pacheco inquired about what two projects would be started in the upcoming fiscal year now that the rate and fee adjustment was been approved by the Board of Directors
- General Manager stated that the reservoir construction and the pipeline replacements would be the primary and most significant projects for the upcoming fiscal year
- Vice President Pacheco inquired about what projects could be started to show the public how the District is making use of the additional revenue
- General Manager stated that projects such as repainting the Clinton O. Nixon Facility and the proposed pipeline replacements would be the most obvious to the community
- Director Contreras brought up Director Macias' suggestion to make a tracking sheet of the projects that the District completes throughout the year
- General Manager stated that she has been inspired to do something similar to this suggestion and have it printed in the next newsletter and Consumer Confidence Report

Meeting adjourned at 4:22 pm.



Secretary  
(SEAL)



President