

**VALLEY COUNTY WATER DISTRICT  
MINUTES FOR THE MEETING OF THE FINANCE & CAPITAL IMPROVEMENTS COMMITTEE HELD  
THURSDAY, JANUARY 21, 2021**

**Committee Members Present:** Director Lenet Pacheco, Chairperson  
President David Muse, Co-Chair

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

**Others Present:** Director Ralph Galvan  
Director Jazmin Lopez  
Director Javier Vargas

**A. CALL TO ORDER**

The meeting of the Finance & Capital Improvement Committee held on Thursday, January 21, 2021, was called to order at 10:34am by Director Pacheco.

**B. PUBLIC COMMENT**

- No Comment

**C. DISCUSSION/INFORMATION ITEMS**

**1. *Discuss the Potential Revision of the Approved 2020/2021 and 2021/2022 Rate Adjustment Schedule***

- General Manager reviewed the Prop 218 process, the District's 5-year rate adjustment plan, and the Board approved changes to the rate adjustment schedule; stated that the District was in a sound financial place to complete scheduled capital improvement projects with the current rate revenue; reported that there are financial impacts to the District's ability to meet the Bond/ Debt Service Conveyance, but that those could be resolved with the District's reserves;
- General Manager expressed his concern for District customers who are facing financial instability; proposed further delaying the Board approved rate adjustment implementation to July 2021 and forgoing the rate adjustment originally scheduled for July 2021; announced that the proposed rate adjustment delay's estimated impact to the District's budget was \$800,000
- Director Pacheco asked if Upper District RDA increase would further negatively impact the District's budget
- General Manager stated that Upper District's RDA increase was scheduled in advance and that those adjustments were taken into consideration in the District's rate study and budget

**2. *Discuss the District's 2020/2021 Accounts and Reserves***

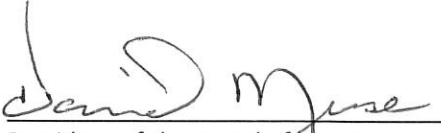
- General Manager announced that the District has about \$12.8-million in reserves; announced that the District communicated with Raftelis, who completed the water rate study, to calculate the estimated impact of the delayed rate adjustment implementation; reported that the District intends to offset the anticipated budget deficiency with the Rate Stabilization Reserve Fund; reported that Raftelis strongly recommended that the Board of Directors consider implementing the Year4 adjustment to cover the bond/debt service conveyance

**D. ADJOURNMENT**

The meeting of the Finance & Capital Improvements Committee held Thursday, January 21, 2021, was adjourned 11:41pm by Vice President Pacheco.

SIGNED:

ATTEST:

  
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President of the Board of Directors  
(OFFICIAL VCWD SEAL)

  
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Secretary of the Board of Directors