AGENDA FOR A WORKSHOP MEETING OF THE BOARD OF DIRECTORS
OF THE VALLECITOS WATER DISTRICT
WEDNESDAY, APRIL 29, 2015 AT 4:00 P.M.
at the district office
201 VALLECITOS DE ORO, SAN MARCOS, CALIFORNIA

CALL TO ORDER – PRESIDENT EVANS

ORAL COMMUNICATIONS

Persons wishing to address a matter not on the Agenda may be heard at this time; however, no action will be taken until the matter is placed on a future agenda in accordance with Board policy.

ITEMS FOR DISCUSSION

1. DRAFT PRELIMINARY FISCAL YEAR 2015/2016 BUDGET

*****END OF DISCUSSION ITEMS*****

OTHER BUSINESS

*****END OF OTHER BUSINESS*****

*****END OF AGENDA*****

If you have any disability which would require accommodation in order to enable you to participate in this meeting, please call the Executive Secretary at 760.744.0460 ext. 264 at least 48 hours prior to the meeting.

AFFIDAVIT OF POSTING

I, Diane Posvar, Executive Secretary of the Vallecitos Water District, hereby certify that I caused the posting of this Agenda in the outside display case at the District office, 201 Vallecitos de Oro, San Marcos, California by 3:00 p.m., Friday, April 24, 2015.

Diane Posvar
President Evans called the Board Workshop to order at the hour of 4:00 p.m.

Present:  Director Elitharp  
Director Evans  
Director Hernandez  
Director Martin  
Director Sannella

Staff Present:  General Manager Lamb  
Assistant General Manager Scaglione  
Legal Counsel Scott  
Director of Engineering and Operations Gerdes  
District Engineer Gumpel  
Finance Manager Fusco  
Operations & Maintenance Manager Pedrazzi  
Capital Facilities Senior Engineer Hubbard  
Executive Secretary Posvar  
Administrative Secretary Johnson

ORAL COMMUNICATIONS

None.

DISCUSSION ITEM

DRAFT PRELIMINARY FISCAL YEAR 2015/2016 BUDGET

General Manager Lamb provided opening comments and Finance Manager Fusco presented and discussed the draft FY 2015/2016 budget as follows:

- Budget Process and Timeline
- Rate Objectives
- Budget Objectives
- Maintain Rates Below County Average
- Debt Service Coverage
- Outstanding Principal Debt Balance
- Overall Process
- Reserve Policy
- Cost of One Acre Foot of Water
Retail Rate Analysis
Budget-to-Budget Comparison
Operating Budget – By Division
2015/2016 Water Operating Budget
Water Operating Budget-to-Budget Comparison
2015/2016 Wastewater Operating Budget
Sewer Operating Budget-to-Budget Comparison
Operating Budget – Distribution of Expenses
Salaries and Benefits Budget-to-Budget Comparison
Capital Budget-to-Budget Comparison
Five Year Capital Budget – Growth vs. Replacement
Reserve Budget and Projection Operating Transfers

General discussion took place.

Finance Manager Fusco stated that changes discussed today will be incorporated into the proposed budget, which will be provided to the Board on May 22. The revised proposed budget will be discussed at the Board workshop scheduled on May 27 at 4:00 p.m. A recommended budget will be presented to the Board for adoption in June.

General discussion took place. During general discussion, the Board requested additional information on the following:

- Impact on rates for every million dollars of revenue
- Detailed breakdown of increased labor costs (hours, PERS)
- Costs associated with desalinated water
- Detailed breakdown of increased IT costs
- Floor and Ceiling Ranges of Reserves
- Effects of not increasing rates 3% or 4% per year as projected for five years
- Sensitivity Analysis
- Year-by-year data on all new Capital Improvement Project requests for the last ten years

**OTHER BUSINESS**

None.
ADJOURNMENT

There being no further business to discuss, President Evans adjourned the Workshop of the Board of Directors at the hour of 5:28 p.m.

Betty D. Evans, President
Board of Directors
Vallecitos Water District

ATTEST:

Dennis O. Lamb, Secretary
Board of Directors
Vallecitos Water District