



**Memo To:** Board of Directors  
**From:** Janette Stuart, Admin. Services Supervisor  
**Subject:** Report of Budget & Long Range Planning Committee meeting of February 11, 2011  
**Date:** February 14, 2011

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On February 11, 2011 at 2:00 p.m. CVSan Directors Timothy McGowan and Harry Francis met as the Budget & Long Range Planning Committee. General Manager, Roland Williams and Administrative Services Supervisor, Janette Stuart were also in attendance.

**1. Call to Order.**

Chair McGowan called the meeting to order at 2:05 p.m.

**2. Items from the Public.**

Ernie Castiaux was in attendance as a CAC representative.

**3. Budget for Fiscal Years 2011/12 & 2012/13.**

Manager Williams began the discussion with the Committee with the thought that staff can satisfy the Board's desire for no sewer service charge increase with this draft budget. The Committee reviewed the most recent CIP & R & R document from OLSD and staff will need to update the draft budget with these amounts. The Committee discussed the upcoming Treatment Plant Digester #6 upgrade (\$7 million) and various upgrades which total \$12 million (CVSan's share would be \$3 million) which are planned to take place in 2014/15. Member Francis asked where would CVSan get the funds to pay the \$3 million in 2014/15. Manager Williams stated it is a long range matter and CVSan should be planning for \$1 million to reserves accordingly each year. Chair McGowan expressed concern with the capital budget. He doesn't want to sacrifice the Capital Improvement Projects for the sake of no sewer service charge rate increase. A long discussion ensued regarding edits and philosophy of the draft budget. Staff will present the legal services detail during 2009/10 at the next meeting. Staff will reduce the Administrative Utilities amounts due to the upcoming solar project expected savings. Chair McGowan had a question about the Fall Festival funding. The Committee favors the entire event funded by Solid Waste grants since numerous interactions with the community center around solid waste matters. Chair McGowan asked staff for an updated cash flow projection for the SRF loan projects including a 25% contingency and how such affects the wastewater reserves. Mr. Castiaux asked a question about the Streetscape project and Manager Williams answered it to his satisfaction. Manager Williams stated the draft budget will go to the full Board on March 1 and if a rate increase

is necessary this will allow ample time for the Prop. 218 notification and public hearing requirements.

**4. *District Investments***

Manager Williams reported that CVSan's pilot CD project is going well and earning more than LAIF. Chair McGowan recommended another laddered CD purchase. The Committee discussed amounts and it was decided to invest another \$1 million in CD's with staggered maturity dates. Staff was given direction to implement this recommendation.

**5. *Miscellaneous Comments from Committee Members and Staff.***

Member Francis reported that the Employee Appreciation event was a great event.

Manager Williams reported that the owner of Willow Park Golf Course had passed away.

Manager Williams also reported that the homeowners for the Brickell Way and Pepper Street project will not be requiring a financing plan from CVSan.

Mrs. Stuart provided the Committee with an update on the Cost Accounting project. Temporary part-time assistance has been brought in to work with the Department Heads and staff on this project.

Member Francis thanked Chair McGowan for his exceptional skills while serving as Chair of the Budget & Long Range Planning Committee.

The next meeting was set for Wednesday, Feb. 23 at 4 p.m.

**6. *Adjournment of Meeting.***

Chair McGowan adjourned the meeting at 3:40 p.m.