

**MINUTES OF A REGULAR MEETING
OF THE FINANCE COMMITTEE
OF OLIVENHAIN MUNICIPAL WATER DISTRICT**

January 8, 2018

A regular meeting of the Finance Committee of Olivenhain Municipal Water District was held on Tuesday, January 8, 2018, at the District office, 1966 Olivenhain Road, Encinitas, California.

The meeting was called to order at 3:03 p.m. In attendance were Gerald E. Varty, Board Secretary and Division 4 Director; Kimberly Thorner, General Manager; Rainy Selamat, Finance Manager; and Felipe Monasi, Financial Analyst.

3. ADOPTION OF THE AGENDA

General Manager Thorner moved to adopt the agenda, seconded by Director Varty and carried unanimously.

4. PUBLIC COMMENTS

There were no public comments.

5. CONSIDER APPROVAL OF THE MINUTES OF THE NOVEMBER 15, 2017 REGULAR FINANCE COMMITTEE MEETING

General Manager Thorner moved to approve the November 15, 2017, meeting minutes, seconded by Finance Manager Selamat and carried unanimously.

6. REVIEW AND DISCUSS STAFF PROPOSED 2018 POTABLE AND RECYCLED WATER RATE INCREASES

Finance Manager Selamat presented staff recommended potable and recycled rate increases for 2018 power point slides to the Committee. A 3.7% county-wide increase in purchased water wholesale cost effective January 1, 2018 and a 2% increase in San Diego Consumer Price Index based on 2016 SDCPI-U were described as the primary reason for staff's 4.5% recommended water rate increase for 2018.

Finance Manager Selamat also mentioned to the Committee the 4.5% staff recommended increase is lower than the planned 5% increase included in the long range financial plan due to actual water sales were higher than staff projected water sales during the first half of fiscal year 2017/18.

General Manager Thorner added during Staff presentation that System Reliability

Charge from San Diego County Water Authority (SDCWA) keeps increasing each year. The District does not collect adequate fixed revenues to pay for its fixed costs, including SDCWA's monthly fixed charges.

Director Varty inquired about other rate increase options. Staff addressed and answered Director Varty's questions.

Director Varty approved staff-recommended 4.5% increase for 2018 as presented.

7. CONSIDER FUTURE AGENDA ITEMS

There were no future agenda items requested.

8. ADJOURNMENT

The meeting was adjourned at 3:56 p.m.