

FINANCE COMMITTEE MEETING
APPROVED MINUTES

July 21, 2009

DIRECTORS PRESENT: Judy Friedman, Lou Reinkens (Committee members)

STAFF PRESENT: Jim Dykstra, Treasurer/Director of Accounting & Employee Services
Cindy Gustafson, General Manager
Bob Bolton, Director of Parks & Recreation
Tony Laliotis, Director of Utilities
Ginger Charlton, District Clerk

The meeting was called to order at 8:30 a.m.

1. Finance Department Activity Report

Mr. Dykstra reported the following:

- Staff updated the bi-weekly cash flow presentation for 2009 and it looks good.
- Staff developed a Draft Identity Theft Prevention Policy and will take it to the Board for approval.
- Staff analyzed the June single family residential water usage and updated the chart for monthly reporting to the Board.
- Staff updated revenue projections for new water and sewer rates.
- Staff responded to many customer inquiries regarding the new statement format being billed monthly and rate changes. Some customers thought that the included sample bill with explanations that was sent out was another bill in the envelope.
- Staff prepared an overview of the District Financial Control Process for this meeting.
- Staff completed work on the new water and sewer bill format and used it for the July billing.
- Staff prepared information regarding the acceptance of credit cards for the payment of water and sewer bills. He noted that there have been significant changes in the industry that makes this more reasonable for us to do than in the past.
- Staff reviewed security at the boat ramp due to the East Shore thefts of \$10,000. Mr. Dykstra noted that boaters generally pay with cash and he is hopeful that when they see credit cards are accepted, they will switch to credit card transactions.
- Staff is always looking for new opportunities to reduce costs and that is getting lost in the community. The following cost savings were put in place this month:
 - New document destruction vendor will save \$420/year.
 - New credit card processor will save \$250/year.
 - New ATT contract generated refund checks of \$250/year.

For Human Resources:

- Staff met with the Personnel Committee to discuss items for labor negotiations.
- Staff has identified and processed all seasonal employees.
- Staff has been working on gathering comparative information for the Special Board Meeting.

Mr. Dykstra went over the tasks scheduled for the next 30 days and answered questions.

- Staff will work on the annual debt service rate calculation.

- Staff will send the Post-Retirement medical reserve funds to CalPERS.
- Staff will complete the salary and benefit survey information needed for labor negotiations. Originally a consultant was going to be used but to save costs it is being done in-house.
- Staff will meet with the Personnel Committee and Board to present survey information.

2. Bills Paid and Payable Approval

Mr. Dykstra answered questions of the Committee. Director Friedman asked about the sponsorship of the McAvoy Layne show for the Westshore Association and asked if we could put a small banner out on August 13th.

3. Expense Report Approvals

Director Reinkens asked why Director Treabess attended the ACWA conference. Ms. Gustafson said that she encourages Board members to go to the ACWA conferences to network. Director Reinkens was concerned about having conferences preauthorized by the Board. Ms. Gustafson said that the Board could discuss a rotation if it's wanted. Director Reinkens said that he was concerned that staff be able to go. Ms. Gustafson wanted to explain her charge for valet parking. She said that she left a District function in the evening and arrived in Sacramento at 11:30 pm. She didn't feel comfortable walking through the overnight parking that late at night and the charge was only a couple more dollars than the regular lot.

4. Investment Schedule

Mr. Dykstra reviewed the schedule and said that LAIF rates have gone down significantly and are now at 1.07%. He said that there has been a concern at ACWA that maybe the State was dipping into LAIF money from the Districts. He said they are borrowing from their own funds but he will stay on top of the issue.

5. Grant Status Report

Mr. Dykstra reported that we have low grant activity right now. We did receive the last \$800 - \$900 from the Conservancy on Heritage Plaza and we are all cleaned up on that project. Director Reinkens asked that our grant prospecting activity be a part of the Finance Committee reports.

Ms. Gustafson said that staff will probably come back with a proposal on whether to move forward on Homewood or stop all work now since there is nothing we can do there short of a new environmental document. Director Reinkens said that we need to go ahead with the project. Ms. Gustafson said there is a challenge with the project because people on both sides of the bike trail issue have said they will sue the District if the trail is put on their property. The Board will discuss the issue in August and she has asked the Westshore Association for input.

Mr. Dykstra reported that the Lakeside Trail 4-7 will not go into construction this year. Our goal is to wrap it up, have a design, get all the easements in place, and be ready to go when there is money.

6. 2009 Cash Flow Projection

Mr. Dykstra said this is the best year we have had since he got here since there have been no dips due to large grant capital project reimbursements lagging the related payments. We usually have large swings but the timing of the projects has allowed us to have a consistent cash flow. He said that he isn't planning to do the Plumas Bank line of credit because we don't have anything that would be qualified to be borrowed under it and we won't need it this year. He said that we still have a very good relationship with them.

7. June Single Family Residence Water Usage

Mr. Dykstra explained the higher usage due to vacationers, Memorial Day, and irrigation coming on. 61% of the customers use less than 8,000 gallons.

8. 2009 Water & Sewer Revenue Projections Update

Mr. Dykstra reviewed the projections and said that he will build the monthly HDR projection into the chart, also. Ms. Gustafson said that we're not making a ton of money off of consumption and pointed out what a direct impact a cell tower or leasing a community center can have on rates.

9. Overview of District Financial Control Process

Ms. Gustafson explained that Director Reinkens asked for this special report for the education of the public to show that we have very good financial controls. Mr. Dykstra reviewed the annual financial control process and answered questions of the Committee. There was a discussion on how staff trends their budgets and makes adjustments to it during the year as situations arise. It was pointed out that there is no slush fund sitting around for added costs but staff has to move things from the current budget to the next year's budget when emergencies arise. Ms. Gustafson said that staff's job is to live up to their budget and it's the most important thing they do.

Mr. Dykstra said that right now we have been reporting capital project spending versus budget as needed but next year it will be done more frequently if not monthly.

Director Friedman thanked staff for doing this report and had to leave the meeting.

10. Annual Debt Service Property Tax Rate

Due to the information not being available from El Dorado County, this item was skipped.

11. New Billing Format Samples

Due to time constraints, this item was skipped.

12. Discussion of Future Acceptance of Credit Cards for Utility Bill Payments

Due to time constraints, this item was skipped.

13. Public Forum

There was no input.

14. Meeting Review and Staff Direction

Ms. Gustafson reported that we have a variance coming to the Board with a change order that is needed for the water meter project. It was our choice to replace the service laterals on the project in Dollar Hill II. It will be about \$65,000 maximum. Ms. Gustafson reviewed the change order with President Henrikson and he didn't feel a special meeting was necessary.

15. Adjournment

The meeting adjourned at 10:00 a.m.

Ginger Charlton, District Clerk

Prepared by Ginger Charlton