

FINANCE COMMITTEE MEETING
APPROVED MINUTES

August 14, 2009

DIRECTORS PRESENT: Judy Friedman, Ron Treabess (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 8:35 a.m. Due to time constraints, agenda items were prioritized and reviewed in the order indicated below.

7. July Single Family Residence Water Usage

Mr. Dykstra reported that overall there was less use and more conservation in July than had been anticipated by HDR. Ms. Gustafson added that it is typical the first year of meters for people to be more aware of their usage and take extreme measures to conserve. A lot of significant leaks have been repaired also and staff is optimistic that we could begin to see recovery in our major sources in the future.

8. 2009 Water & Sewer Revenue Projections Update

Mr. Dykstra reviewed the projections and pointed out that sewer is very close to the budget. Water is down due to conservation, leak repairs, lots of rain this summer, and the economic downturn. He said that he is adjusting the figures for the rest of the year based on what is being billed each month. He then went over the water production chart and noted that every month has been down this year. Ms. Gustafson pointed out that the July water production was 19% below the past 9 year average. Mr. Dykstra pointed out on the chart that reviewed the monthly potential customer leaks detected, July has come down significantly.

11. 2010 Budget Development Schedule

Ms. Gustafson explained that when the budget assumptions were done, she asked staff to be realistic but conservative. She said that a 0% CPI is a good, conservative projection. Mr. Dykstra pointed out that the PERS medical rates will decrease 5% in 2009 for benefits and explained that PERS changed the way they group areas so we aren't being grouped with the Bay Area which has higher rates. Regarding the revenue rates, Ms. Gustafson explained that the District had a 2% reduction in sewer and a 3% reduction in water this year so the Board could go to 27% for sewer and 21% for water this year or continue with the customer savings. Mr. Dykstra reviewed the remainder of the assumptions and answered questions of the Committee.

Mr. Dykstra reviewed the 2010 Budget Development Schedule with the Committee. There was a problem with the November 6th Board Workshop date so Mr. Dykstra will discuss it with the full Board on the 25th to select a new date.

9. Review of June 30, 2009 Unaudited Financial Statements

Mr. Dykstra went over the statements and answered questions of the Committee.

10. Review of \$300,000 June 30, 2009 Transfer to Enterprise Fund

Mr. Dykstra explained that historically the District has been making transfers from the General Fund to the Water and Sewer Enterprise Fund and what is being transferred is essentially property tax. He said the auditors told him to do the transfers throughout the year as needed so this one will come to the next Board meeting. Director Friedman asked if Mr. Dykstra expected any other transfers during 2009. He responded that he would ask for approval of this transfer and would probably request another one at the end of the year.

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

Mr. Dykstra said that he hasn't seen a big deterioration in our customers' payments but he wanted the Committee to see what is currently being offered. The Committee discussed the options and felt that there wasn't a reason to accept credit cards.

1. Finance Department Activity Report

The Committee had no questions. Mr. Dykstra pointed out the three-page question and answer report on Prop. 1-A and urged the Committee to review it.

2. Bills Paid and Payable Approval

Director Friedman questioned how the movies on the beach were paid for and Mr. Bolton answered her questions.

3. Expense Report Approvals

Mr. Dykstra reported that the only expense report was for lunch with a potential federal lobbyist.

4. Investment Schedule

There were no questions about the schedule.

5. Grant Status Report and Potential Grant Activity

Mr. Dykstra pointed out the report that Mr. Harry put together on TCPUD grant applications and urged the Committee members to take the time to review it.

6. 2009 Cash Flow Projection

There were no questions from the Committee.

13. Public Forum

There was no input.

14. Meeting Review and Staff Direction

There was no formal direction.

15. Adjournment

The meeting adjourned at 10:15 a.m.

Ginger Charlton, District Clerk

Prepared by Ginger Charlton