

FINANCE COMMITTEE MEETING
APPROVED MINUTES

January 16, 2009

DIRECTORS PRESENT: Lou Reinkens and Ron Treabess

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

The meeting was called to order at 8:00 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 researched historical reserve levels.
- Staff assisted in completion of the Proposition 218 protest hearing mailing information.
- Staff provided HDR Engineering additional information for connection fee calculations and the finalized report on rates.
- Staff started committee work to update the billing statement format.
- Staff began the year-end closing process.
- Staff processed a significant portion of January water and sewer payments.

For Human Resources, staff began updating the training requirements for Board members.

2. Bills Paid and Payable Approval

Director Reinkens questioned why the names of employees are blacked out on the vendor list. Mr. Dykstra responded that our legal counsel said that this is a public document and peoples' medical needs are private. Director Reinkens asked Mr. Dykstra to get another opinion. He suggested staff contact Nancy Stangel at ACWA/JPIA.

Director Reinkens questioned why our Sierra Pacific Power bills are so high. Mr. Laliotis said that they are lower now than they have been in a long time.

Director Treabess reported that he sold **The Store** at the end of last year so the District can now set up an account there for supplies.

3. Expense Report Approvals

Director Reinkens said that all expense reports should list the purpose of the meeting and questioned the one included in the packet. Mr. Harry said that the meeting was about Lake Forest and the possibility of utilizing Placer County Redevelopment Agency funds for the water main.

4. Investment Schedule and LAIF Information Update

Mr. Dykstra reported that we have \$2.7 million with LAIF and he wanted to update everyone on what is happening. He reviewed an advisory memo from our legal counsel and said that he will keep an eye on our investments due to the precarious condition of the State's finances. He reviewed what has been happening with the Pooled Money Investment Account over the past six months and answered questions of the Committee.

Mr. Dykstra said that he researched renewing our line of credit at Plumas Bank but decided that we could get along without it this year. He will begin the process of renewing it for next year in case something comes up and we need it.

5. Grant Status Report

Mr. Dykstra reviewed the open grants and answered questions. Director Reinkens said that he would like some type of table of federal government grants that we are working included in the packet.

6. 2009 Cash Flow Projection

Mr. Dykstra reviewed the projection and answered questions. Director Reinkens asked him to show the receivables that the State took as a tax grab since they have to pay it back. Mr. Dykstra explained that the State is not going to repay that money. From now on when they take money, they will have to pay it back. Ms. Gustafson said that since we show up not as an Enterprise District in the State, we preserve quite a bit more property tax than other districts similar to us. The funds that we use for Parks and Recreation protect all of our assets more.

8. Review of Historical Reserve Levels

Mr. Dykstra put this reserve history together because of the inaccurate information that community members are passing out about the District. He reviewed the history and explained what happened over the years. Ms. Gustafson said that the soccer/softball field at the high school is the only thing that staff can elude to regarding money that some community members say the District spent down the reserves on for which they weren't intended. She added that our property tax has always been used for water, sewer, and parks and recreation. For many years the District wasn't even covering the growth in operating costs with the rate increases which bled down the reserves over time.

7. 2009 Budget Update/Expense Reductions

Ms. Gustafson said that Director Reinkens requested an item be added to board agendas on budget reductions and she added revenue enhancements. She passed out a list of the cuts that were made in 2008 and added that we were the only local District that took action on the State's possible need to take property taxes away from Districts. She reviewed the 2008-2009 budget reductions and revenue enhancements and answered questions. She said that she will meet with Congressman McClintock later this afternoon to pursue federal funding packages for shovel-ready projects. She will also lobby for federal funding for the water systems around the lake with STPUD lobbyists in Washington next month. She added that if the District is successful and significant funds come to the District for capital infrastructure, the Board can reduce rates.

9. Public Forum

Virginia Graham asked if the 2009 budget cuts listed were made since the last budget approval. Ms. Gustafson said no, they were made earlier and she was just summarizing the information.

10. Meeting Review and Staff Direction

The committee members were concerned with the misinformation that is going out to the public and discussed what the District could do to challenge it legally. The Board will discuss the issue at the Board meeting.

11. Adjournment

The meeting adjourned at 9:30 a.m.

Prepared by Ginger Charlton

Ginger Charlton, District Clerk