

Claire McAuliffe, President
Corinne W. Wiley, Vice President
V. William Brady, Secretary

Catharine Benediktsson, Director
Roy Fedotoff, Director

**Sanitary District No. 5 of Marin County
Finance & Fiscal Oversight Committee Meeting
at Sanitary District No. 5 of Marin County Meeting Room
2001 Paradise Drive, Tiburon, California
Tuesday, March 30, 2010 9:30 a.m.**

CALL TO ORDER at 9:40 a.m.

- I. ROLL CALL:** Directors present: Corinne W. Wiley, Chair
Claire McAuliffe
- Staff present: Robert L. Lynch, District Manager
Samantha Miller, Office/Finance Manager

II. PUBLIC COMMENTS: None

III. NEW BUSINESS:

a. Discussion of Purchasing Rodder Truck (attached)

The Committee discussed purchasing a rodder truck for the District. They discussed the costs per zone, along with the expected cost savings per zone for the cleaning program if the District has its own rodder truck. Mgr. Lynch would like to purchase the rodder truck in FY 2010-2011, and this item will be discussed again as the FY 2010-2011 budget is developed.

b. Discussion of Reserve Policies (attached)

The District plans to adopt a new reserve policy at the end of this fiscal year; the Committee discussed the District's current reserve policy and the changes that need to be made. Mgr. Miller explained that she discussed this matter in great detail with the District's auditor, Mr. Terry Krieg, and she relayed their recommendations to the Committee. The District's current reserve policy states dollar amounts that should be in each reserve account. Since these reserve levels are unrealistic and the District never has these specific balances in each reserve account, this means the District is never actually following its own reserve policy. Furthermore, some of the reserve accounts listed in the current reserve policy are not necessary, and the District has not even implemented them, thereby not following its current reserve policy. A revised reserve policy will identify an updated, shorter list of reserve accounts needed, state specifically

how they will be funded, and define the purpose of each reserve. Instead of stating specific dollar amounts for each reserve, the reserve policy could state, for example, that the operating reserve needs to have enough money to cover a certain number of months of the current fiscal year's operating budget (to cover the dry period), and any amount exceeding that will be transferred to the capital reserve. The Finance Committee agreed with these recommendations, and they would like to include Mr. Bob McCaskill and Mr. Paul Garbarini in their next discussion of the reserve policies. The Finance Committee recommends that Mr. McCaskill be appointed to join Mr. Garbarini on the Finance Committee's Advisory Group.

c. Review of FY 2008-2009 Draft Audit Report (attached)

The Committee reviewed and approved the FY 2008-2009 Draft Audit Report by Mr. Terry Krieg, CPA. The Committee discussed in detail Mr. Krieg's findings in the Management's Discussion and Analysis section, as well as the Communication with Those Charged with Governance letter from Mr. Krieg. Mr. Krieg will present the FY 2008-2009 Final Audit Report to the Board at the April 13, 2010 Regular Board Meeting.

d. Discussion of Commercial Sewer Service Charges (attached)

The Committee discussed the District's current ordinances outlining the method for calculating commercial sewer service charges. They would like to re-examine how other sanitary districts calculate their commercial sewer service charges for comparison purposes. The Committee recommends that the District's commercial sewer service charges be reviewed and examined again with the Advisory Group in the beginning of the next fiscal year. There is not sufficient time to make any changes to the FY 2010-2011 commercial sewer service charge calculations; if any changes are to be made, they would go into effect for FY 2011-2012 charges.

e. Warrants for March 2010 (attached)

The Committee reviewed and approved warrants for March 1 – 29, 2010, #3670 through 3736, in the amount of \$213,987.64.

f. Financial Reports for March 2010 (attached)

The Committee reviewed and approved the Financial Reports for March 1 - 29, 2010.