

FINANCE COMMITTEE MEETING
APPROVED MINUTES

November 9, 2012

DIRECTORS PRESENT: Lou Reinkens, Judy Friedman
Ron Treabess (observer)

COMMITTEE/STAFF PRESENT: Cindy Gustafson, General Manager
Steve Gross, Legal Counsel
Ramona Cruz, Director of Accounting & Employee Services
Kelli Twomey, Dir. of Resource Development & Community Relations
Tony Laliotis, Director of Utilities
Bob Bolton, Director of Parks and Recreation
Matt Homolka, District Engineer
Terri Viehmann, District Clerk

OTHERS PRESENT: Chris McConnell and Jimmy Smith of the Tahoe Nordic Search and Rescue Team, Inc.

The meeting was called to order at 8:34 a.m.

1. Department Activity Report

Ms. Cruz noted that the 2013 Draft Operating and Capital Budgets have been revised based on feedback from the Board. Staff had anticipated presenting the rate information at a Special Board meeting that would have allowed Director Henrikson to vote on the 2013 Budget. Director Henrikson will not be able to attend a special meeting, so this item has been moved back to the November 16th Board.

Ms. Gustafson reported that staff has heard Director Reinkens concerns regarding potential electrical issues within the District. Mr. Laliotis outlined the current testing and safety inspections conducted on a regular basis by the District's Lead Electrician. The Utilities staff will coordinate with Parks staff to ensure that the same systems are in place for all District facilities. It was noted that staff is continually working to mitigate any potential risk. All facilities were up to code at the time of their construction. Mr. Laliotis said that purchasing a thermal imaging camera will allow staff to improve their efficiency in monitoring the safety of all facilities. It was also noted that staff works closely with ACWA/JPIA and Pam Murcell to continually mitigate any potential hazards. Staff will provide more regular communication demonstrating the level of safety measures implemented regularly.

The Accounting Clerk II has been hired. Cirra Cantisano has been promoted to Accountant I and will begin cross-training immediately.

2. Investment Schedule

Ms. Cruz reported that investments dropped by \$500,000 due to capital project payments. The majority of our investments are now held with Placer County at the higher rate than our LAIF investments.

3. 2012 Cash Flow Projection

Ms. Cruz pointed out that the year end cash flow is improved by \$7.5 million for the end of the year.

4. Grant Status Report

Ms. Cruz noted that the District will bill out another \$400,000 by the end of the year. Grant billing is current. The net change is noted at the bottom of the report. Currently there is \$1.3 million outstanding.

It was noted that the purchase of Lake Forest Water Company was complete with the settlement. Staff still needs to bill for connection fees.

5. Memo – Follow up on ACWA – JPIA Letter

Ms. Cruz reviewed the letters from Chuck Wagonseller and John Haaf. Both letters have been responded to by District staff.

Mr. Laliotis highlighted the measures taken to mitigate the risk involved in managing the pneumatic tank at the Tahoma Meadows Mutual Water Company. The tank will be removed from the system once the interconnection is complete next summer.

6. Memo – Audit Process and Timing

a. Engagement Letter

Ms. Cruz reviewed the timing of the 2012 Audit Process.

7. Financial Statements for the Quarter Ending September 30, 2012

Ms. Cruz noted that total assets increased by \$1.6 million.

8. Review Changes and Recommendations to Agreements Regarding Lease, Use and Possession of Equipment with Tahoe Nordic Search and Rescue Team, Inc. (TNSAR)

Ms. Gustafson detailed why this issue is being brought back to the Board. During the review of the Agreement it was discovered that there was a deficit in one category of insurance coverage as outlined in the contract. This gap has existed since the first contract in 2003, but was discovered when Ms. Cruz requested insurance coverage for the current contract. TNSAR also identified the same gap in coverage. Staff, Legal Counsel, ACWA/JPIA and TNSAR have worked together to create a solution that will mitigate risk for the District and allow TNSAR to operate the .

Jimmy Smith of TNSAR highlighted the insurance coverage gap and how it has been addressed.

The Committee supports recommending the revised Agreement to the full Board at the November meeting. The Committee prefers that ultimately the equipment is repurposed to TNSAR.

9. Bills Paid and Payable Approval

There was no discussion.

10. General Manager Travel and Expense Report

There was no discussion.

11. Public Forum

There was no public input.

12. Meeting Review and Staff Direction

There was no direction.

13. Adjournment

The meeting was adjourned at 10:05 a.m.

Prepared by Terri Viehmann

Terri Viehmann, District Clerk