

Report on the Financial Advisory Committee Meeting of January 19, 2010

Members Present:

Lisa Gonzalez

Bill Garfinkel

Burke Vanderhoef

Jon Saurwein

Board Members: Steve Senet, Joe Sparks

Staff: Ampy Haber, Dan Gilmore, Mitch Cooney

Agenda Items A: December/Mid-Year Financial Statements:

Ms. Haber gave an overview of the December financial statement. She provided a summary for all funds for the mid-year period. Key points of her summary report were:

- Fund 200-Bayridge: The fund may need an infusion by fiscal year-end, but does have approximately \$40K in reserves.
- Fund 301: The District received the rate securitization loan, as the JPA has sold bonds.
- Fund 500: Consulting fees should only expect to be \$30-40K

Mr. Haber indicated that she is reviewing interest bearing accounts, and reviewing towards converting cash accounts into investment sweep accounts to maximize interest earnings.

Mr. Cooney indicated that the County is behind in providing PEG fees. These are flow-thru funds which are used to pay for broadcasting of District meetings. Mr. Cooney also addressed the following:

- Fund 301: The purchase of the Emergency Services vehicle was less than budgeted and advised to monitor the expenses for any additional vehicle additions that are required.
- Fund 500: Utilities will gain the experience of working with a 4 person crew thru the remainder of the FY – and if that level of manpower can be maintained to support the level of service.

Mr. Gilmore indicated that the cement repair at the Fire Station may need additional treatment to be determined as part of the final design, but should be within budget.

Other items resulting from the committee discussion: If there are surplus at the end of the fiscal year, they should be designated undesignated reserves before the end of the year. There should be a review of investment policy of the District, with an updated investment policy brought back to the Board.

Agenda Item B: Status of the Chapter 9 Bankruptcy:

Director Sparks gave a brief update of the status only of the Bankruptcy. There is a hearing set for late February as a result of a request by the Contractors (Barnard & Monterey Mechanical) to dismiss the Bankruptcy. The final plan of debt adjustment is still dependant on the County, since wastewater project assets are uncertain until a due diligence resolution is made by the County.

Submitted,
Joe Sparks, Director