

FINANCE COMMITTEE MEETING
APPROVED MINUTES

May 16, 2011

DIRECTORS PRESENT: Lou Reinkens and Ron Treabess

COMMITTEE/STAFF PRESENT: Jim Dykstra, Treasurer/Director of Accounting & Employee Services
Cindy Gustafson, General Manager
Bob McClintock, Audit Committee Consultant
Bob Bolton, Director of Parks and Recreation
Matt Homolka, District Engineer
Kelli Twomey, Director of Resource Development & Community Relations
Tony Laliotis, Director of Utilities
Ginger Charlton, District Clerk

The meeting was called to order at 4:00 p.m.

1. Department Activity Report

Mr. Dykstra reviewed the report and added information on the following items:

Participated in Sierra College mechatronics program meeting.

Mr. Laliotis added that the program is a certificate program that blends mechanical and electrical engineering and is heavily weighted towards the ski lift industry. He and Michelle Martland met the students and instructors and told them about the certificates that they could earn to be able to work for the PUD.

Prepared computers, phones, etc. for recently hired employees.

Director Reinkens said that he noticed in our ads that we aren't saying that we are an Equal Opportunity Employer. Ms. Gustafson responded that the ads are minimal and point people to our ad on the website which does say that we are an Equal Opportunity Employer.

2. Bills Paid and Payable Approval

Director Reinkens asked about the check to Girls on the Run. Mr. Dykstra explained that the District marketed their program and collected the fees. The check was for their share of the money.

3. Expense Report Approvals

Director Reinkens reviewed his expense report and explained that the JPIA collected all of his receipts and tabulated the amount that the JPIA owed and the District owed. The JPIA paid the entire credit card bill and then billed TCPUD for our share.

4. Investment Schedule

Mr. Dykstra reviewed the investments for the committee. He explained the California Employers' Retiree Benefit Trust (CERBT) Fund Values and said that a number of districts went to them and asked if they offer variations on the portfolio because they wanted something a little bit more conservative. We are going to be asked to choose between three choices of weightings that are being put together. Mr. Dykstra will bring more information to the committee as soon as he receives it.

Ms. Gustafson said that at the ACWA conference they heard about the prepayment of PERS to save 8% - 10% and we might want to think about it for next year. She also said that Irvine Ranch's finance officer was talking about how they invest in municipal bonds and debt instruments for other water districts and they are getting returns of 7 – 8% on municipal offerings.

5. 2011 Cash Flow Projection

Mr. Dykstra reviewed the chart and answered questions of the committee. Ms. Gustafson said that they spent a lot of time at the conference looking at the reserves and they promoted having Board directed, not restricted, reserves showing on our financials so that it's clear to the public and the State what the funds are dedicated for.

6. Grant Status Report

Mr. Dykstra reported the following:

Homewood Bike Trail – We've received more from the Resort Association and the Conservancy than we have spent so far and are ready to move.

Lakeside Trail Design and Engineering – We're in a wrap-up position.

Lakeside Trail Phases 5-7 Construction – We're moving forward and will get a billing out to the Bicycle Transportation Act.

2009 USFS Lake Tahoe Fire Protection Partnership – It's basically wrapped up and will be taken off the schedule.

2010 USFS Lake Tahoe Fire Protection Partnership – This is basically the second year of the partnership and we're ready to get a billing out.

Ms. Gustafson noted that South Tahoe got word that we didn't receive the requested \$5 million for the 2012 budget but are getting \$1 million. Our share is a little over \$100,000 so we'll have one more year of funding from the USFS Lake Tahoe Fire Protection Partnership.

7. Discussion and Direction for 2011 Financial Audit outside Auditor Selection

Mr. Dykstra reviewed the District's history of using Caporicci and Larson (C&L) as our auditors. He said the committee needs to decide if they want to stay with them or go out for an RFP and look at other firms. Director Treabess asked if staff is comfortable with them after their merger with Marcum LLP and if staff feels it is necessary to look for another firm.

Mr. Dykstra said that their current price is very competitive and he's comfortable with the quality of their work. Director Treabess asked if there are any local people who would be capable of doing the job. Mr. McClintock didn't think so. He said that the District needs to know what C&L's final bill is and then have a discussion with the firm about looking forward at costs. If we're not happy with their quote, we can go out for an RFP. Mr. McClintock said that he feels that C&L has been very fair with their charges in the past and it will be interesting to see what they come in with for the next three years with a possible two year extension.

Ms. Gustafson asked Mr. McClintock if it's reasonable to ask the auditors to include charts and graphs for their presentations to the Board. He said it's fine to include that in our requests.

8. CalPERS Pension Side Fund Refinancing Update

Mr. Dykstra said that he spoke with Brandis Tallman again and they still really want to do the work for the District. They are going to try to reduce the rate a little more. Mr. Dykstra said that he should know within two weeks what the proposals are from the banks that have shown an interest.

9. Public Forum

There was no public input.

10. Meeting Review and Staff Direction

Kelli Twomey provided a Grant Update chart for the committee and reviewed the information. She reviewed the changes that have been made recently. She also reported that she attended a Funders Fair put on by the California Financing Coordinating Committee. Eight agencies were there and the overriding message was that there isn't a lot of money for funding. There was much more emphasis on financing vs. grants.

Ms. Gustafson reported that the District is moving forward with getting something ready to submit for the treatment plant this summer. She added that the District didn't get the \$35,000 from Placer County but should be getting \$60,000 from El Dorado County.

Ms. Twomey said that she obtained a lot of contacts for lists and notifications at the Funders Fair that she wouldn't have known about otherwise and will keep the committee abreast of whatever she learns.

11. Adjournment

The meeting adjourned at 5:10 p.m.

Ginger Charlton, District Clerk