

Corinne W. Wiley, President  
Catharine Benediktsson, Vice President

V. William Brady, Secretary  
Casey Kawamoto, Director  
Claire McAuliffe, 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  
Thursday, April 2, 2009 9:00 a.m.**

**CALL TO ORDER** at 9:00 a.m.

- I. ROLL CALL:** Directors present: Catharine Benediktsson, Vice President  
Claire McAuliffe
- Staff present: Robert L. Lynch, District Manager  
Samantha Miller, Office/Finance Manager

**II. PUBLIC COMMENTS:** None

**III. NEW BUSINESS:**

**a. Review of Updated Financial Reports for July 2008 – February 2009 (attached)**

The Committee reviewed and discussed the updated financial reports for July 2008 – February 2009, which incorporate the new zone allocation percentages. The Committee, along with Mgr. Lynch and Mgr. Miller, discussed the District's cash balance policies and agreed that adjustments need to be made, in the context of budgeting for 2009-2010. The committee will meet again on this specific subject, along with the budget planning.

There was discussion about the reserve policies for both the Belvedere and Tiburon zones. The Committee will address these policies at the next Committee meeting; the reserve policies are integral to the annual budgeting process. The Committee agreed it will take steps to develop a new reserve policy for each zone and work on building sufficient operating and capital reserves. The operating and capital reserves need to be kept separate, and the capital reserves need to remain untouched, except for true capital expenditures.

The Committee requested that Mgr. Lynch provide them with copies of the District's current reserve policy for each zone. The Committee will begin looking into a possible 218 process during the 2009-2010 fiscal year, to take effect in the 2010-2011 fiscal year.

In addition, the Committee asked Mgr. Lynch to start researching the reserve policies of other similar sanitary districts in Marin County, and to get proposals from John Farnkauff and Martin Rausch for developing new long-term financial models, new reserve policies, and potential new rate increases that would be needed to fund these reserves.

The Committee also asked Mgr. Lynch to report back to them about when the Board needs to vote on the Belvedere zone's 4% sewer service charge rate increase for the 2009-2010 fiscal year. The Committee discussed the timeline for the 2009-2010 Budget review and approval process, as well. District staff is currently working on preparing the 2009-2010 Budget.

**b. Warrants for March 2009 (attached)**

The Committee reviewed and approved warrants for March 1 - 31, 2009, #2846 through 2914, in the amount of \$261,895.16. The Committee asked what warrant #2852 to Goodman Building Supply Co. was for. Mgr. Lynch replied the supplies were used to build a shed at the Paradise Cove Treatment Plant to protect the blowers from rusting. The Committee questioned warrant #2880 to BCS for chemicals. Mgr. Lynch explained the warrant was for two different chemicals: sodium hydroxide (bioxide) and sodium bisulfite. The Committee discussed warrant #2908 to Team Ghilotti, Inc. Mgr. Miller explained this warrant included part of the repair work done on the 32 Eucalyptus 6" sewer main, and the remainder was the final payment for extra work at the Paradise Cove Treatment Plant.

**c. Financial Reports for March 2009 (attached)**

The Committee reviewed and approved the Financial Reports for March 1 - 31, 2009.

**d. Request for Refund of Fixture Fee Payment to Resident at 6 Linda Vista Ave., Tiburon (attached)**

Mgr. Miller explained that Iris Golden, of 6 Linda Vista Avenue in Tiburon, has requested a refund of the connection fee she paid to the District on February 19, 2009 in the amount of \$687.00. She originally intended to install an additional sink in her kitchen, but she has discovered there is not enough room and would like a full refund of her permit fee. The Committee said the District needs to receive a letter from the Building Inspector at the Town of Tiburon as verification that this permit will not actually be needed at 6 Linda Vista Ave.

The Committee added the District needs to amend Ordinance No. 2006-1, which sets the District's connection fees, to include a provision allowing the District to keep a certain portion of the connection fee when residents request a refund. This non-refundable portion would be intended to cover District staff's initial time inspecting and approving the permit, as well as the time it takes to issue the refund.

**e. Review of Draft Resolution No. 2009-01, a Resolution Providing for the Collection of a Paradise Sewer Line Extension Acquisition Fee (attached)**

The Committee reviewed and discussed Draft Resolution No. 2009-01. The Committee decided the fee should be called "Paradise Sewer Line Extension Fee," instead of "Paradise Sewer Line Extension Acquisition Fee." The Committee discussed the District's costs of acquiring and accommodating the Line within the District's sewer system, totaling \$651,525.25. This results in a \$10,000.00 per parcel fee for the first year, and this fee will be adjusted annually according to the Consumer Price Index for San Francisco-Oakland-San Jose. This resolution will be considered for adoption at the April 14, 2009 Regular Board Meeting.

**IV. ADJOURNMENT** at 9:55 a.m.

Recorded by Samantha Miller