

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 Minutes
at Sanitary District No. 5 of Marin County Meeting Room
2001 Paradise Drive, Tiburon, California
Tuesday, June 1, 2010 10:00 a.m.**

CALL TO ORDER at 10:04 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. Warrants for May 2010 (attached)

The Committee reviewed and approved warrants for May 1 - 26, 2010, #3800 through 3872, in the amount of \$327,186.23. The Committee asked about the warrants issued to pay for the lot line adjustment with the Marks property, next to the Paradise Cove Treatment Plant. Mgr. Lynch informed the Committee that Mr. Ken Marks has reimbursed the District for these lot line adjustment costs, as was the agreement with Mr. Marks. The Committee asked about warrant #3834 to Roto-Rooter Sewer Service for \$1,532.10. Mgr. Lynch explained this was for the preparation work to pipe burst the Woodwardia Lane sewer line. It was discovered that the line is made of steel, not clay (as the Harris Report had indicated), so Roto-Rooter could not complete the pipe bursting of this line, but the District still had to pay Roto-Rooter for their preparation work. Mgr. Miller informed the Committee that warrant #3836 to Pacific Gas & Electric is for two months of utilities, which explains why it totals \$33,182.94 (PG&E did not send a bill for the main plant utilities in April). The Committee discussed the high cost of chemicals. Mgr. Miller noted that the District gets reimbursed by the Sewerage Agency of Southern Marin (SASM) for the cost of the chemicals and parts used for them. Recently this has been averaging approximately \$14,000 per quarter in reimbursements from SASM.

b. Financial Reports for May 2010 (attached)

The Committee reviewed and approved the Financial Reports for May 1 - 26, 2010. The Committee reviewed all accounts that are over 100% on the Combined Total Budget vs. Actual report. The Committee asked why the District had a net loss of \$337,029.16 for the month of May, with the Belvedere zone bearing the majority of this loss (\$214,677.37). Mgr. Miller explained that the District is currently in the "dry period," when the District does not receive much income but has to continue paying all of its monthly expenses. One of the reasons why the Belvedere zone experienced such a significant loss this month is that the Belvedere zone had to pay \$131,566.43 for its loan principle and interest payment this month (the principle payment is made once per year and the interest payments are made twice per year). In addition, Belvedere received no connection fee revenue this month, unlike Tiburon (the Belvedere zone has been having far fewer connections than the Tiburon zone this fiscal year, which the District has no control over). Furthermore, the Tiburon zone received some remaining property tax revenue this month, which the Belvedere zone does not receive. No sewer service charge revenue was received by either zone this month (since it is the "dry period").

Recorded by Samantha Miller