

MEETING REPORT
FISCAL COMMITTEE
MONDAY, FEBRUARY 1, 2010
8:00 A.M.

Directors: Joseph Day
Bob Behee

Staff: Pete Kampa
John Barnhart
Ted Allen
Lisa Westbrook
Casey Prunchak

Public: Ron Ringen

Review of Capital Expenditures to Date

John Barnhart, Committee members, District staff and the public reviewed in detail the capital asset charges for the past five months ending on November 30, 2009. Mr. Barnhart indicated that the auto read meters are on tract for installation, and the vehicle replacement program is back on tract from the last FY budget. The group reviewed the projects that have exceeded the budget amount, however if the internal labor was removed from the amount, the project would meet the estimated budget.

Pete Kampa reported that every project on the list is an absolute necessity for the District to move forward, either it's due to grant funding, efficiency, breakage, or other impending problems.

Director Day requested that the capital assets charges show what the total budget is, in as much as all the projects are not listed due to their starting date.

Review 2008 Audit

John Barnhart, Committee members, District staff and the public reviewed the following documents and charts:

- Consumer Price Index change for the 2009/2010 budget – December 2009 was 0.747%.
- Newspaper article from the Modesto Bee on the building bust – Habitat for Humanity is having trouble attracting families for its new homes priced at \$75,000 to \$100,000.
- Employment California, non farm payrolls – lost almost one millions jobs since 2007 in California.
- Government Employment in Tuolumne County – Federal employees have gone down since 1990.
- Per Capita Personal Income (April 2009) – Tuolumne County is higher than our neighboring counties.
- Newspaper article from the Modesto Bee on existing home sales in 2009 – Tuolumne County median price per square footage is \$127 must higher than neighboring counties.
- Tuolumne County building permits – substantially decreased since 2008.
- Tuolumne County notice of defaults & trustee sales – 2010 has already exceeded 2008 and on tract for exceeding 2009.
- Tuolumne County 1A loan calculations – TUD \$72,457 property tax transfer.
- TUD connections based on verification sheets – only 22 water and 22 sewer connections in 2009.

The meeting recessed at 9:00 a.m. and reconvened at 9:10 a.m.

The group continued reviewing the following documents and charts:

- TUD credit card payments for utility bills for 2009 – received 1,713 transactions.
- TUD water rates 1984/2009 – showing in the past the water rates haven't kept up with expenditures.
- TUD LAIF cash balance and money spent on capital projects – water projects since 2006 have increased.
- TUD audit reports – \$63,591 in total projects since 1990.
- TUD balance sheets for water funds, wastewater funds, and District wide funds – total net assets have increased since 2006.
- Statement of revenue, expense, and change in net assets for water funds, wastewater funds and District wide funds.

- TUD management report for year ended June 30, 2008 – related parties be removed as an authorized check signer due to the job responsibilities and access to the financial records.
- TUD independent auditor's report and financial statement, June 30, 2008 – to be presented to the Board at a future meeting.

Discuss Strategy for Future Water and Sewer Rate Proposal Development

It was the consensus of the Committee to reschedule this agenda item for a future Fiscal Committee meeting.

It was determined to place on the next Fiscal Committee meeting a discussion regarding policy related to regulatory compliance.