

MEETING REPORT
FISCAL COMMITTEE
TUESDAY, JUNE 30, 2009
8:00 A.M.

Directors: Joseph Day
Bob Behee

Staff: Pete Kampa
Tom Scesa
John Barnhart
Leonard Mauro
Sheri Barnett
Kelly Klyn
Casey Prunchak

Public: Jim Beaty
Rick Breeze-Martin
Ron Ringen

Review a Modified Rate for Senior Housing for Mobile Home Parks – Beaty

Jim Beaty addressed the Committee stating that back in the 1990's the Federal Government established rules and guidelines for age related housing, generally it was found the various entities of housing cannot discriminate on housing related issues based on age. Mr. Beaty explained that since that time more government agencies have adjusted their regulations to accommodate this determination, noting that they have recognized that the need to apply the fees and taxes on a more equitable basis. Mr. Beaty indicated that since the county is making an effort to modify the zoning to allow more low income housing and the Federal Government passed legislation allowing a senior classification, he is requesting that TUD consider adopting a modification of the rates to be more uniform with current other fees and taxes.

Pete Kampa responded that TUD is not governed by the California Public Utilities District, however is governed by the California Water Code and the State constitution, and cannot arbitrary provide separate rates and fees based on a certain classification of people, unless the District can make the determination that there is a reason for providing the modified rates.

Kelly Klyn reported that District staff will collect and assemble the data from the Columbia Sky Senior Mobile Home Park to use to determine and possibly establish a separate senior water service user classification listing.

District staff and Jim Beaty responded to questions from the Committee.

Committee recommendation: District staff to prepare the data using the Columbia Senior Mobile Home Park for comparative information to be reviewed by the Committee at a later date.

Review First Draft of the 2009/2010 FY Budget

District staff, Committee members, and members of the public reviewed in detail the 2009/2010 FY budget documents and revisions were suggested.

John Barnhart reported that several definitions of various terms used in the allocation of cost to the various functional areas have been included in the budget summary for 2009/2010.

Discussion ensued on the regulatory compliance element of the draft budget. District staff was directed to prepare a listing of regulatory compliance components for further review by the Committee.

John Barnhart reminded the Board that employers currently have the option to pre-fund retirees' medical benefit liability using a third party trustee, explaining that pre-funding minimizes future cost impacts, since agencies that pre-fund use higher discount rates. Mr. Barnhart indicated that if the Board approved the pre-funding and the District pre-funds the cost avoidance (savings) would be \$505,293 for the first year, and is estimated to be a total cost avoidance of \$5,368,000.

District staff, Committee members, and members of the public reviewed the consolidated budget water funds projections for 2009/2010 FY budget. John Barnhart indicated that District staff will be proposing a rate increase next year to cover the District's cash flow deficit.

District staff, Committee members, and members of the public reviewed the proposed major projects scheduled for the 2009/2010 FY budget, suggesting that District staff show the justification why each individual project needs to be completed in this budget year.

Rick Breeze-Martin suggested that District staff develop an evaluation work plan in order to establish quarterly goals and/or performance bench marks of individual departments. Committee members and District staff concurred with Mr. Breeze-Martin.

Committee recommendation: Conceptually approved, District staff was directed to proceed with the budget process for Board review and consideration at the July 14, 2009 Board meeting. District staff to develop a budget evaluation work plan to be reviewed by the Committee at a later date.