

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
at Sanitary District No. 5 of Marin County Meeting Room
2001 Paradise Drive, Tiburon, California
Thursday, February 4, 2010 10:00 a.m.**

CALL TO ORDER at 10:11 a.m.

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

II. PUBLIC COMMENTS: None

III. NEW BUSINESS:

a. Warrants for January 2010 (attached)

The Committee reviewed and approved warrants for January 1 – 31, 2010, #3539 through 3600, in the amount of \$135,961.15. The Committee discussed warrant #3583 to WorkSmart Automation, Inc. for instrumentation troubleshooting and then requested that its zone allocation be changed to 100% for the Paradise Cove zone. The Finance Committee would like the Information Technology Committee to discuss the District's contract with Salesforce.com.

b. Financial Reports for January 2010 (attached)

The Committee reviewed and approved the Financial Reports for January 1 - 31, 2010. The Committee requested that the Office/Computer expense account be split out further in next year's budget.

The Committee asked Mr. Bob McCaskill for advice about how the District should account for depreciation. Mr. McCaskill recommended that the depreciation expense be included in the operating fund, to make sure the District is covering its depreciation expense every year.

c. Discussion of Recycled Water Project at Paradise Cove Treatment Plant

Mgr. Lynch presented the total capital and operating costs of a secondary treated effluent recycled water program at the Paradise Cove Treatment Plant. After reviewing the costs, the Committee determined this project is not feasible for the District. It would involve a \$43,163.00 loss to the District the first year, followed by a \$15,363.00 loss each year thereafter, due to the ongoing operating and maintenance costs.

d. Discussion of Future District Fiduciary Responsibilities

The Committee discussed the future fiduciary responsibilities of the District, and Mgr. Lynch presented several scenarios for lowering future operations and maintenance costs. After discussion, the Committee recommended that the Board adopt Resolution No. 2010-01: A Resolution of the Board of Directors Adopting an Early Exit Incentive Policy for Designated Employees. The Committee recommended that the early exit incentive be \$35,000.00. This early exit incentive policy will only be offered to operations and maintenance staff with at least five years of service with the District.

IV. ADJOURNMENT at 11:20 a.m.

Recorded by Samantha Miller