

December 6, 2012

The Finance Committee of Novato Sanitary District held a meeting at 10:37 a.m., Thursday, December 6, 2012, at the District office, 500 Davidson Street, Novato.

COMMITTEE MEMBERS PRESENT: Members William C. Long and Jean Mariani.

STAFF PRESENT: Manager-Engineer-Secretary Beverly B. James, Deputy Manager-Engineer Sandeep Karkal, Finance Officer Laura Creamer and Administrative Secretary Julie Swoboda.

No members of the public were present.

AGENDA APPROVAL: The agenda was approved as presented.

REVIEW OF MINUTES: The November 5, 2012 meeting minutes were approved as written.

FINANCIAL POLICIES:

- Consider adding Marin County Investment Pool to the preferred investments list. The Manager gave an overview of the Marin County Investment Pool, stating that it was rated AAA by Fitch in October 2010 and again in August 2012. She reported that the return on investment was 0.245% for September as compared to 0.348% for LAIF (Local Agency Investment Firm). The Manager stated that she spoke to Karen Shaw, Investment Officer for the pool, who indicated that the Pool is limited to long-term participation. The Manager stated that after consideration, she recommends the District not include the Marin County Investment Pool as an investment option. The Committee members agreed with Ms. James.

- Review and make recommendations to the Investment Policy which contains draft revisions. The Manager stated that the suggested edits to the Policy are intended to remove the procedures covered elsewhere and restrict this to a policy document consistent with CSDA recommendations.

The Manager reviewed the revisions to the Policy Handbook, Policy #3120: Investment of District Funds. Editing & grammatical changes were discussed and the Manager stated she would make the requested modifications before presenting the final Policy for Board approval at their regular December 10th Board meeting.

2011-12 AUDIT:

- Review Draft 2011-12 Audit and make recommendation to the Board on acceptance of the audit. The Manager stated that the Committee was provided a revised transmittal letter which highlighted the changes requested by the Committee at their meeting on

November 5th. She discussed the additions to the letter which were included as highlighted text and the Committee discussed further changes.

Member Long questioned the cost of replacing the District's sewer system lines, pumps, etc. The Manager replied that the District is predicting system replacement at 2% each year at a cost of approximately \$2 million per year. Member Long suggested that an addition be made to include the \$2 million per year cost for repairs/replacements. The Manager stated that those changes would be included.

Finance Officer Laura Creamer reviewed the changes to the Management's Discussion and Analysis (MD&A) letter. The Committee accepted and agreed upon the changes to the letter.

The Manager stated that once the final Audit is accepted, it will be posted to the District website.

ADJOURNMENT: The meeting was adjourned at 11:34 a.m.

Respectfully submitted,

Beverly B. James
Secretary

Julie Swoboda, Recording