

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
P.O. Box 303
Tomales, CA 94971**

NOTICE OF FINANCIAL ADVISORY COMMITTEE MEETING

**EVERY THIRD MONDAY of each month, 6:30 – 7:30 p.m.
Tomales Town Hall**

Get involved!

We invite and encourage all Tomales residents and ratepayers to regularly attend and participate in our monthly meetings.

STANDING AGENDA:

- 1. READING & APPROVAL OF MINUTES:** Review and approve minutes from prior meeting(s), if necessary.
- 2. NEW BUSINESS:** Present and discuss new items for committee action. *The committee requests all relevant materials from presenters at least 7 days in advance of posted meeting for thorough committee review. Time allotted for submitted issues will be given a hearing depending upon complexity of current projects and deadlines. Request for an audience with committee, along with relevant supporting documents and presentation materials, may be sent to: deborahparrish@mac.com.*
- 3. ONGOING FINANCIAL PROJECTS:** Discuss and review current financial projects for committee action.
- 4. Announcements, notices, correspondences.**

TVCSO Financial Advisory Committee Members are:

Bruce Bramson

Donna Clavaud

Venta Leon

Deborah Parrish, Chair, Chick Petersen, Sue Sims

Minutes of the last meeting: Read them on our own and email approval.

Paul Brought a letter from the Sonoma county gazette Graton CSD that he's sending to the Board.

Deb: I haven't gotten all of calls returned yet, but what is the request that we're going to have them do? Do we want them to come to FAC or go directly to the Board?

Donna, Didn't we try to get a little clarity at the meeting but the board left it to FAC.

Venta: they seemed to want us to meet with candidates

Donna: ask for the candidates materials, brochures

Deb, question, we want them to meet with us, do we choose one of three?

Sue, would the process bring clarity

Chick, I think we should interview all three, pick our best and present to board.

Deb, Venta and Donna liked that.

Focus on operations, not just financial

Deb, we define the scope and high level priorities. These are the things that the district should analyze.

Sue: Bad news also, cause we don't know what we are doing

Deb: it's more general than that. They could even audit the board. Governance audit.

Donna: Board is talking about getting training, really good. Financial audit in process. I see some very good signs. Place in the world for an optimist!

Hank did audit for Point of Arcna, 5 page result, \$1,000.00. Pointing to what's wrong and HOW to correct it. Right off the bat saved \$12,000 by changing the chlorine system. Someone should call PofA and see if they will share their audit.

Paul, that's Doug Burke,

Deb: asked if Paul would try to get the audit from Doug.

Donna felt Doug would be very helpful

Paul, somehow we'll get that to you

Paul, these pages are a Tomales sewer system history, 12 pages...he'll send that too, so everyone will have history. Maybe will send it to FAC, he'll see

Deb: I feel really good about knowing where we are going as far as choosing and recommending an auditor.

Venta: I had another thought. We could ask auditors for their opinion about the survey. Philips scope of work. Philips was asked to be admin and the amount of time seems to be similar to survey respondents.

Sue: What kind of criticism would you want or expect?

Venta: would they add to the list?

Donna, that's difficult since systems are so different.

Chick thought it might muddy the waters. Chick: I think it's doing what we already want in an efficiency audit.

Sue: Especially since we want to extract ourselves from it and leave it to the experts.

Paul: Philips operates about 30 small systems, admin some as well as operates. Paul asked about if he administered others. Philips, the devil is in the details? They said yes, they would do the admin work.

Non scheduled work, sewer use enforcement. 50 hours a year is scheduled. I think we should get rid of that...

Deb, let's table this. We need to talk about actionable items. The board has kicked it back to us and thinks things are fine as is, so we need to refer to the auditor.

Sue, agreed with Deb.

Deb, compile the stuff we want these folks to do.

Donna: looking at resource use.

Deb: What do we want to provide to the auditors?

1. Last 12 months and the previous year's Admin reports
2. Contracts
3. Board packages
4. Job Description

Donna: Do we have any evidence of bids for the work done on the major projects sent out 13 RFPs and got one.

Deb: client says that there is more work with a smaller system relative to profitability. This could be reason why little response. Could be other reasons. Bids will probably come from independent contractors because of size.

Sue: regardless of response, the process you use to get bids might tell auditors something.

Terry: we don't actually have any RFP?

Donna, the board has to answer that

Donna: do we look for the best price? One bid? Be sure we're in the right market place. I suspect that historically we've used whoever is around.

Deb, focus on what we need to do:

Terry, Dennis Ryan, new, working with another auditor and branching off, civil engineer. Terry will send to Deb. He was very specific, said the bidding process, you need more than one. Where's the comparison with one

Deb, we agreed we will get three.

Terry, Ryan asked for WDR permit, waste water discharge permit. From State water board saying what we can discharge.

Deb, we don't have to give these people everything, they can get it from Karl. Karl will provide

Chick: As we go through the bidding process, there will potentially be legal, non disclosure from auditors and potential auditors. Good reason why the board should be involved in disseminating some of the information

Donna: make sure the auditors are looking at the strategic planning process. Framework.

Donna: we should include operations, not just assume Philips is offering the most cost effective price.

Chick agreed.

Venta: they have not renegotiated with Philips since the finish up of the changes.

Donna: supposed to be renegotiating contract with no word of results. What's happening with operations given our new improved system.

Venta: Brought up the issue with School wanting to renegotiate their contract. Change the dynamics Auditors can look at all contractors.

Chick, who's to look at the school contract.

Operations manual and strategic planning process.

Donna: I think rates are an important issue. We might as well look at rates. The other night at the meeting Karl suggest a rate study. It got me thinking that we should cover the rates with the audit.

Deb: what is the budget process? Karl presents it.

Deb: most powerful thing we can do is present a budget that does what we want it to do. Here's the pieces and here's the budget, here's how to address these needs.

Second, talk about the board elections in November. Seems far away but it's not. Three positions are up and I think two are not coming back.

Deb: we need someone who is a leader to bridge both sides. Need someone who holds the space and keeps people cool. Doesn't let people go crazy. Getting the conversation productive.

Donna: another issue is purchasing. Paul brought up purchasing/contracts. We will be having them look at contracts that are current.

Chick: Pay for equal services, org structures, policy and procedures, expense management

Chick, I think you talked about this before. If we give examples, it would be a little like tugging on the thread of a sweater where they will go and ask for x, y or z. Chick, I think we should oversee the info given them by Karl/Board.

Donna, an auditor will know the info they want to tease out.

Deb wants a way to summarize

Sue, expert knows how to pull that thread, when to stop.

Donna, maybe they will ask for contracts in last 3-5 years.

Deb: what troubles me is that Policies and procedures doesn't take that long to develop and implement.

Sue: I'll send a link on writing policy

Paul: data comes from board packets

Deb: We've talked about audit, plans for audit, next steps. Provided a list a of what auditors will need and help focus them on issues, give them a summary of concerns, contracts & bidding process. School rate changes will effect the budget. We will work on high level structuring of budget...next meeting.

Recruitment.

Is there a limit for the committees. Limit is 7. Hard to get a quorum.

Paul: I'll put together a scope of work for admin. Deb, have you called Melinda Bell?

Sue, I don't think there's any reason for Deborah to call Melinda at this point.

Deb: Looking at the budget structure. Deborah to prepare for that. Not complete. Get started.

Sell it with facts and confidence!

How does the FAC get district documents? Chick to contact Walter.

Chick: is it timely and should we give a formal recommendation that bookkeeper report to board?

Deb: policies and procedures manual: prioritize this to aide in defining process. our target for having the efficiency audit for June, they should have a working draft of policies and proccdures prior to june. It can be an aid in the audit.

Draft concept on whether or not the bookkeeper reports to the (organizational structure, we're recommending specifically that the bookkeeper report to the board. No bookkeeper be hired until after the audit.

We think that the order should be:

1. Policies and proccdures manual, Draft
2. Complete the efficiency audit
3. Any resources to hirc

Sue Dennis
3/30/13