

**LOS TRANCOS COUNTY WATER DISTRICT
NOTICE OF PUBLIC MEETING
Thursday, June 2, 2011, 7:30pm**

**PV Town Center
Buckeye Room
765 Portola Road
Portola Valley Ca.**



AGENDA

0) Public Comment

Members of the public may address the Board on District relevant issues not listed on the agenda. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes.

- 1) Approval of Minutes for May, 2011 (10 min)**
- 2) Financial Report (Tate: 10 minutes)**
- 3) Discussion/Decision(s) regarding Recording Secretary position (Sherman/Board: 20 minutes)**
- 4) Follow-up discussion on E-Signatures/email approvals of invoices (Smernoff: 5 minutes)**
- 5) Information regarding upcoming 2011 LTCWD Board of Directors Election (Ward: 5 minutes)**
- 6) 2011-2012 Budget Discussion/Decision(s): (Sherman/Board: 60 minutes)**
- 7) Correspondence & Communication (Board: 10 minutes)**
- 8) Set date, time, and place of next meeting**



Legend: Follow up's needed
In put/clarification needed

May 14, 2011

DRAFT
Minutes of the Public Meeting of
The Board of Directors
Los Trancos County Water District
May 5, 2011

In attendance:

Charlie Krenz, David Smernoff, Tracy Sherman, Tom Uridel, Mike Ward, Keri Tate (Finance Manager), and Helene Zimmerman (Recording Secretary).

Community Members: Julian Lighton & Vicky Sargent

Meeting was called to order: at 7:34pm at the Portola Valley Town Center

0. Public Comment on Issues NOT on the Agenda:

Julian Lighton & Vicky Sargent, homeowners at 1183 Los Trancos Road, attended the meeting and petitioned the LTCWD in support of “the involvement of BAGG Engineering and others to identify and prioritize improvements” regarding their concerns relating to drainage and land erosion that is adversely impacting their property (their report attached).

Lighton & Sargent suggested that maybe a “basic level of drainage” could be expected for each homeowner. long term. All homeowners should sign up to minimize the environmental impact, and short term incentives from the Home Owners Association could kick in . There should be both goals in the plan.

Uridel said that maybe homeowners can't take the financial burden. We're dealing with 50 years of deferred maintenance, it should be the county's issue, not theirs.

While Lighton suggested obtaining a “buy in for minimum standards where the barrier to entry was not too high,” ie. contributing some money towards improvements Uridel suggested a “Community Cooperative Pledge” could go into the paperwork.

Sherman suggested a holistic approach that fits in to the overall plan. Krenz wants to look at the whole system. Uridel's issue was stability and safety. He wants to treat it as the heart of the system and place as much drainage as possible in the area. He said we're “currently probably just at 50%).

Lighton & Sargent were in support of discussion/response.

1. Approval of Minutes:

January & February:

- a. Krenz voted to approve, 2nd by Smernoff

Approval of minutes for March:

- b. Sherman voted to approve, Ward 2nd with I edit – replace “volunteers” with resident, in last sentence of Water Movement.

2. Finance:

Tate reported:

\$91,941 total income was received in March & April

\$16,738.87 of the March & April income is direct public support for fiscal year 2008/09

\$242,886.61 is therefore the adjusted total income received for this fiscal year to date

\$259,000 predicted direct public support (tax apportionments) for this fiscal year (not inclusive of interest)

\$261,837.80 total income predicted for this fiscal year (inclusive of interest)

In August, the district will receive an additional check. It is estimated over the entire year.

It was agreed to send additional funds to Cal Water as up to March there was \$4496.76 – which was not enough for April – June. Monies are to be sent in amounts of \$10,000. LTCWD is contractually obligated to pre-pay.

3. Program Updates

Saving water: Ward said he thinks there will be lots of action when the community sees the many ways in which water savings can be achieved.

Lands:

Smernoff reported: The end of Lake Road is finished, and that the invoice is in for that. They also did general maintenance and clean up; installed rock walls within the culverts at Los Trancos and Lake Road and near the Red Shed, caged Madrones planted earlier in the year, and have received native plant identification signs.

The water movement control program paid for the rock walls & fire safety programs paid for some of the fire safety gate at the end of Lake Raod..

He added that the **No Parking sign is missing from the end of Lake Road**, and that Portola Valley wants a combination lock installed (note lock has been installed).

Woody debris removal will continue to be worked on. Working to get AT&T to remove hazardous guy wires attached to trees.

A report was submitted and included in the meeting packet.

Water Movement Control:

Smernoff reported: The project continues to have a productive dialog with San Mateo County; and support from County field staff about Ramona and the clogged culvert. The County has been very responsive; and has reviewed reports from BAGG Engineering.

The project has completed the surveys for culvert and down slope protection; a detailed map is being annotated and will be added to a layered GIS map.

The project interviewed 3 companies for initial culvert and down slope protection work and chose West Coast Excavating. The owner, Anthony Brazil was the road maintenance supervisor for San Mateo Country.

A Phase 1 report to LAFCo.

The video survey has been done on Ramona, and a report was prepared by BAGG that outlines 5 specific recommendations for additional evaluation. The District has retained Kier & Wright to evaluate

the recommendations and potential solutions. They will also be mapping and evaluating other elements of the overall program on a time and materials basis.

The program initiated the water quality testing program on both creeks, and in 3 places each, lower, middle & upper sampling locations have been identified. Results of bacterial, sedimentation, and heavy metal tests will be made available when initial sampling and evaluation is complete. Sherman asked if this would be used to create a base line, and Smernoff responded affirmatively.

Smernoff talked about continuing to have sedimentation problems downstream, and the need to become proactive and catch sediment before hand, and to do so as an aggregate community measure.

Uridel noted that one demonstration site in OST Highlands, above Vista Verde – looking at Vista Verde as it crosses Old Spanish Trail. Looking at removing water from the roads and residential right of-way into a public drop box. The demonstration sites for culverts and down slope protection will cost roughly \$5,000 each. The project hopes to finish 4 culvert and 2 down slope protection projects by the end of the FY.

Krenz asked about the down slope initiative, and if we're looking to fix it, do we see the same kind of expense? Smernoff said we need to wait until more engineering analysis is complete.

Uridel noted that the County's responsibility is for the drainage system in the road right of way. The District is in a position to extend their reach by working on improvements on private property in conjunction with the owner and County. The project is focused on improving the "health and safety of the community."

Fire Safety

Krenz reported that activities have been put on hold due to insurance issues, but they're being resolved.

Per a previous commitment, LTCWD is going to get a \$5,000 check for the fire escape route integrity brush clearing done along Los Trancos Road on Portola Valley land over the past two years. Additional work is to be done on Ramona and sections of Los Trancos Road.

Krenz and Sherman are undershooting on program expenditures for residential programs, though the gas "shut off" program should close part of the gap.

Motion: to give an extra \$15,000 from the residential program to the community buffer for this fiscal year. in order to remove and limb up Eucalyptus along Coalmine Ridge near the frog pond.

Proposed: Charlie Krenz, seconded, Mike Ward. Motion passed 5 – 0.

4. Incentive/coupon book

Ward and Sherman reported that they are over the budget due to the graphic artist's fee. A preliminary copy was handed out to the directors (see supplemental packet). On its way in May.

The Coupon Booklet is designed to raise awareness about the fire safety and water saving incentives; and to make it easy to get more information; or if customers already know what they want to do, materials are also provided so they can apply for the incentives immediately. There is a bonus for acting quickly – customers can get an extra \$100 added to their incentives, (as long as it doesn't exceed the actual cost of materials and labor).

Sherman said they're adding to the Fire Safety offering and have included "Seismic auto shutoff valves." The homeowner would receive up to \$500 for parts and labor.

They will also add a list of recommended (and licensed) contractors.

Krenz said the title of the booklet didn't "speak to him. He suggested "Conservation and Safety Incentive Coupon Book." Or Improving..... Sherman will revise the title..

5. Mission Statement adoption

Ward stated that a Mission Statement ought to say "what you do and why," He feels that the new version – edited per suggestions from last meeting and with Sherman's help, accomplishes this. He presented Resolution 203 to adopt our new mission statement. Sherman proposed that the board accept the motion.

Uridel asked what is in the charter and legal [documents]in fear of contradiction? With no water delivery, he suggested conservation and watershed safety – fire safety and water movement control. Ward agreed that it is right for us to protect the watershed.

Uridel said that originally we were chartered to do two things, now we only do one. The strongest argument in favor of moving water movement flow to the first line, and changing it to water movement control (WMC). He said that conservation is different from water movement control and agreed that it is the least understood.

Uridel stated that WMC be first on control , as in the originally approved document that he didn't know what was meant by water shed safety. "provides services...." he didn't know if that was correct that we're doing things that they're not able to do. We're supplementing what agencies do.

Sherman's concern was the wording and which program should be listed first.

Sherman asked that Uridel and Ward work offline. Ward declined and asked that we resolve this at this meeting.

Amendment to original motion: Krenz suggested keeping the statement as is, and moving water flow versus water movement control to the front of the list and keeping everything else the same.

Motion: Krenz

2nd: Sherman

Copies of the signed resolution need to go to: legal counsel, Zimmerman & Sherman.

6. Don Horsely meeting update

Smernoff reported that Sherman & he met with Supervisor Don Horsely. He was friendly and knowledgeable on the District and issues related to LAFCo. They gave him the [area] history and background, including the sale to Cal Water and programs. He asked why we hadn't sought "Latent Powers" approval.

He sits on the LAFCo Board and knew that we were up for a Municipal Services Review. He was appreciative of the value of District programs and that we were working cooperatively with the Dept. of Public Works.

Sherman mentioned that Supervisor Horsely inquired about our property tax revenue percentage and if we could measure the impact of water use efficiency measures based on our conservation program. Sherman agreed it was a good question but didn't know the answer. Ward thought it would be difficult to measure.

Ward responded that many factors go in to this, including the weather. Even if we put in water savings, use will always go to down because of accounting for weather & family size. A discussion clarified that tax revenue for the District is 10% of the 1% general tax revenue(1/10 of 1%).

We need to get back to Horsely on assessed property value, and give him & Suzanne BAGG Engineering's report. (Note: draft email sent to Finance committee for verification).

7. Information available to date on Grand Jury Member meeting: No report issued yet, so no information can be discussed.

8. Insurance Update:

Uridel said it's a good thing to re-evaluate.

Sherman has worked with Peter Brown from Farallon. The District has increased our general liability and Directors and Officers insurance from 1 million to 3 million per occurrence and \$3 million aggregate. The revisions have been approved by Nautilus. Insurance will need to be reissued after the current policy expires on Sept. 9, 2011. The additional premium for the current period is \$1,000.

New insurance proposal = sub-contracted work exclusion and someone comes after the district, the exclusion will be removed. He would like some requirements in place = the sub-contractor must have \$1million and carry Worker's Comp. Insurance. He will try to get a full policy.

Motion in favor. Krenz; seconded by Uridel.

Smernoff said he'll need to review it; Uridel wanted to know what kind of agreement the homeowner would need to sign – Conrad; shorter – Martinez.

Sandy reviewed the proposal. Uridel said it's another layer of protection if something goes wrong. Smernoff said "we're holding them harmless, but they're not holding us harmless."

The individual agreement is different from what was used when done previously.

Uridel said like when a landslide occurs naturally by its own actions. Ward will add the additional amount to the Policies & Procedures Manual. Need policies on how to distribute.

Helene to email Sacramento instructors email = Daranda@normwd.org (David Aranda).

9. Fiscal Year Budgets/Program Objectives for 2011 – 2014.

Look at in May for 3 years; accept/approve in June.

Fire Safety: Krenz

\$103,000 allocated; currently \$10,000 under - \$93,000 projecting

For 2011 – 2012 projecting \$92,000

2012 & 2014 projecting \$82,000

A lot of funds were spent on spent on Los Trancos Woods, which will not to have to be done in the future.

Fire safety = Stabilizing, finding out what works.

\$30,000 escape routes; \$32,000 community buffer & \$30,000residential programs

Saving Water: Ward

This year spent \$3,900 out of \$29,000. I have high hopes for the ad campaign. He said \$26,000 for 2011 – 2012 might be high. He’s still looking at the Grey Water system for the future. He’ll keep on top of it. He’s going to the PG&E/East Bay MUD conference for new materials and ideas.

Ward wants to simplify the program

Ward added 1 program for customers with outdoor irrigation systems or contemplating one. The program is to provide a 2-hour free assessment – what needs to be changed to make your system better using Michael Moore of Majestic Gardens.

Uridel asked if Cal Water should also be included in the offering for people – it’s on the web site. **Ward said he’d look into it and also see if PG&E has energy savings rebates.**

Lands: Smernoff

\$25,000 – budget will be fully utilized, including make transfers within the 10% of full budget rule. Projecting that next FY there will be less in maintenance.

The capitol projects will include Red shed restoration; evaluation of lake pipe system and a possible fire hydrant.

For 2011 – 2012, there will be \$8,000 in capital projects.

Next year [2012] = \$22,000

2013 = \$17,000

2014 = \$16,000

For 2011 – 2012, there will be \$8,000 in capital projects.

Uridel said it would be nice to have water at the Red Shed.

Water Management: Smernoff/Uridel

Out of \$142,000 in the budget, projecting \$70,000 in expenses this FY. The goal is to get a lot done before the next rainy season.

Uridel suggested having a contract for each activity.

Ward asked about the Phase 2 plan: Smernoff said everything that they didn’t carry out is part of the 5-year plan for the district.

He said he’s under the guidance of two firms who are helping and evaluation on what to do that makes the best investment – mapping it out in broad strokes.

2011 – 2012: \$175,000 (from \$140,000) this year for Ramona Road study, re-permitting; mitigations – putting placeholders in place.

Over the next month he may have more actual figures.

2012 – 2013 & 2013 – 2014 = \$140,000 to begin to address problems.

Smernoff noted that the overall projected expenses for next FY was about \$350,000 with projected revenue of \$280,000. Pointed out that with the current surplus deficit spending was acceptable and asked what our projected surplus would be at the end of the FY. He would be comfortable with ½ - ¾ years reserve and others noted that it would be useful to establish this value. Krenz said that was high.

Smernoff suggested hiring to Project/General Manager to oversee the District. They would be in charge of all details, administrative functions, meeting contractors, etc. A ½ time person – to do analysis and professionalize. It would project a better image; we would benefit on a contract basis – about \$45,000 - \$50,000 range to include in next year's budget. **Smernoff to do job description.**

Uridel went on to say that an identifiable center needed to be created with who has authority. Currently there is confusion and it's a burden, which is why it's a problem getting people to participate. There has to be an elected legislature – doing everything is a deterrent, it's a heavy administrative burden.

Ward said that \$50,000 is a lot. Uridel said a Project/General Manager also does fundraising, as we're not just bound by the tax money received. He said we were elected as legislators not administrators.

Smernoff talks about gaps – able to provide a centralized administrative function; managed by 1 person; working on behalf of the district; make a decision as a group; does contractor outreach.

He suggested a trial period, and that a job description be drawn up. This should be discussed again at the next meeting. Zimmerman to contact CSDA to obtain job description for a district our size.

10. Recording Secretary/Finance Manager Contractor Agreement

Compensation: \$50 an hour per project.

If unable to work meetings, both Zimmerman & President to work to find a substitute. Compensation to be at set rate: Substitute - \$300 for attending meeting, initial draft and final editing of minutes; \$200 to Helene for pre-meeting preparation and other normal duties in the month described in the job description. When present at meetings \$500.

For President assigned additional projects paid at an hourly rate of fifty dollars (\$50),

No payment on off months unless project work. Must submit detailed invoice.

A time sheet to have been kept for 6 months since initial engagement with Zimmerman to fine-tune these numbers.

Motion: By Smernoff; seconded by Krenz. Uridel abstained.

11. Ordinance 65

Agree to meet every other month. The ordinance is to state:

- 24 hour notice for special meetings
- The 1st Thursday as a placeholder for Special Meetings (many special districts have special meeting).

Will meet in January, March, May, June (special), September & November.

Motion: by Ward – to meet every other month for regular meetings. Seconded by Krenz, Uridel abstained.

12. Correspondence & Communications

Electronic signature approval requested by Smernoff: Tate will check with the auditor.

Sandy Sloan: move her invite to September.

13. Next meeting: **Thursday, June 2.**

Meeting concluded at 11:17pm.

Vicky Sargent and Julian Lighton
1183 Los Trancos Road
Portola Valley
CA 94028

Los Trancos Community Water District Board
May 5th, 2011

Dear members of the LTCWD Board,

We want to thank you for your quick action following the recent heavy rains to identify concerns relating to drainage and land erosion. We appreciate your communication of April 1 to the community, outlining the involvement of BAGG Engineering and others to identify and prioritize improvements. We are writing to petition in support of these actions, and to highlight the adverse impact to our property from various drainage issues, with the request that these urgent issues are appropriately prioritized and actioned by the board.

Background

During the heavy rains in early April 2011, runoff water entered our property at 1183 Los Trancos Road. It has become clear that water runoff from part of the neighborhood is coming down the upper hillside from our neighbors' properties (1185 and 1189 Los Trancos Road), sheering off the roadside, pooling in the flat lawn area, seeping down below the house and then making its way down the hill underneath and around our House. As a result of the escape of this runoff water through our property, a part of the lower side of our hill gave way, causing mud to block half of Los Trancos Road, making it difficult to pass. Water was flowing out of the hillside on the lower side of our property, causing a deep gully to form. It continued to flow from that part of the hillside for nearly 6 days after the rain stopped.

We have noticed in prior years that the lawn area has quickly become saturated with standing water in heavy rains. In 2005 when we bought the property we had French drains installed to improve the drainage. However, the problem has continued. We did not realize until this year however that the problem is in large part caused by drainage issues that lie beyond our property boundary and therefore beyond our control. We are concerned that the heavy saturation and pooling of water so close to and under our house could cause significant damage to our property, in addition to weakening the hillside. We're concerned that the water could cause movement of the earth that could affect the foundations. More immediately, water has seeped into a storage area under the house, causing some damage.

On March 28, a soils engineer accompanied LTCWD member, Tom Uridel, to inspect our property. A verbal report from that meeting revealed that water from further up Los Trancos Road is not being captured by any public drains and is therefore finding its escape route through our neighbors' and our property.

1. While there is a drainage system on the north, high, side of the street from our and our neighbors' houses, there is no adequate drainage on the south side of the street adjoining our properties
2. This is causing runoff water from the hillside and the street to 'sheer' off and enter our property from the north, pooling there, before escaping farther south downhill back to the street
3. This is dangerous for the long term structural integrity of the hillside and has significant ramifications, if not corrected, for public safety and economic loss to us and our neighbors

It is our understanding that the county does not consider it their responsibility to attend to water management issues – this responsibility belongs to the water board. We therefore respectfully request and petition that the water board make addressing these issues a high priority.
Sincerely,

Vicky Sargent and Julian Lighton

Los Trancos County Water District Income Statement: Actual vs Budget by Account May 2011

	May 11	Budget	Jul '10 - May 11	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
43400 · Direct Public Support					
43405 · Property Tax Revenue	1,003.80	1,132.60	260,629.28	238,924.40	259,837.80
Total 43400 · Direct Public Support	1,003.80	1,132.60	260,629.28	238,924.40	259,837.80
45000 · Investments					
45030 · Interest-Savings, Short-term CD	0.00		1,027.84	2,000.00	2,000.00
Total 45000 · Investments	0.00		1,027.84	2,000.00	2,000.00
46400 · Other Types of Income					
46430 · Miscellaneous Revenue	5,000.00		5,069.80		
Total 46400 · Other Types of Income	5,000.00		5,069.80		
Total Income	6,003.80	1,132.60	266,726.92	240,924.40	261,837.80
Expense					
61100 · Water Use Efficiency					
60904 · WUE Rebate - Exterior	0.00	1,979.16	615.11	21,770.84	23,750.00
61102 · WUE Rebate - Interior	0.00	415.00	2,300.00	4,565.00	4,980.00
Total 61100 · Water Use Efficiency	0.00	2,394.16	2,915.11	26,335.84	28,730.00
61200 · Emergency Preparedness					
61205 · Fire Safety Escape Routes	0.00	2,916.66	18,603.87	32,083.34	35,000.00
61207 · Fire Safety Community Buffer	0.00	5,000.00	21,055.77	25,000.00	30,000.00
61208 · Fire Safety Residential Program	8,948.44	666.66	27,627.32	37,333.34	38,000.00
Total 61200 · Emergency Preparedness	8,948.44	8,583.32	67,286.96	94,416.68	103,000.00
61900 · Offset Program					
61901 · Offset	10,000.00		43,520.00	29,400.00	29,400.00
61905 · Offset admin fee	0.00		2,160.00	600.00	600.00
Total 61900 · Offset Program	10,000.00		45,680.00	30,000.00	30,000.00
62800 · Lands					
62801 · Restrtn Supls, Plants Irrrgtn	0.00	1,250.00	4,739.88	3,750.00	5,000.00
62802 · Fuel load reduction/SOD treatme	0.00	166.66	2,000.00	1,833.34	2,000.00
62803 · Maintenance	0.00	666.66	5,852.67	7,333.34	8,000.00
62840 · Capital Projects	8,010.00	666.66	8,385.00	7,333.34	8,000.00
62850 · Contingency	1,000.00	83.33	1,000.00	916.67	1,000.00
62890 · Utilities - Water	0.00	83.33	203.00	916.67	1,000.00
Total 62800 · Lands	9,010.00	2,916.64	22,180.55	22,083.36	25,000.00
62900 · Water Movement Control					
62901 · Mapping, Drafting, Engineering	0.00	4,166.66	6,557.58	45,833.34	50,000.00
62903 · Water testing	0.00	1,833.33	0.00	20,166.67	22,000.00
62904 · Ramona Road Study	13,314.40	3,333.33	13,814.40	36,666.67	40,000.00
62905 · Residential Incentive Program	3,863.59	2,500.00	3,863.59	27,500.00	30,000.00
Total 62900 · Water Movement Control	17,177.99	11,833.32	24,235.57	130,166.68	142,000.00

Los Trancos County Water District
Income Statement: Actual vs Budget by Account
May 2011

	May 11	Budget	Jul '10 - May 11	YTD Budget	Annual Budget
64800 · Contract Services					
64801 · Recording Secretary	500.00	433.33	4,560.00	4,766.67	5,200.00
64805 · Bookkeeping	500.00	525.00	5,700.00	5,775.00	6,300.00
64810 · Accounting Fees	0.00		4,725.00	4,500.00	4,500.00
64840 · Legal Fees	1,525.00	333.33	4,898.75	3,666.67	4,000.00
Total 64800 · Contract Services	2,525.00	1,291.66	19,883.75	18,708.34	20,000.00
65000 · Operations					
65020 · Postage, Mailing Service	0.00	2.24	46.73	24.73	26.97
65030 · Printing and Copying	1,000.00	191.67	2,898.42	2,108.33	2,300.00
65040 · Supplies	347.93	75.00	863.48	825.00	900.00
65050 · Telephone, Telecommunications	0.00	21.17	48.00	232.83	254.00
65060 · Technology	0.00		743.45		
Total 65000 · Operations	1,347.93	290.08	4,600.08	3,190.89	3,480.97
65100 · Other Types of Expenses					
65105 · Insurance, Liability	0.00		3,091.82	2,936.26	2,936.26
65120 · Insurance - D and O	0.00		2,045.00	1,195.00	1,195.00
65150 · Memberships and Dues	0.00		644.00		
65155 · Grants and Donations	0.00		1,000.00		
65160 · Other Costs	0.00	8.33	125.00	91.67	100.00
65170 · Staff Development	0.00		350.00		
65180 · LAFCO	0.00		136.00	130.00	130.00
Total 65100 · Other Types of Expenses	0.00	8.33	7,391.82	4,352.93	4,361.26
68300 · Travel and Meetings					
68310 · Conference, Convention, Meeting	0.00		313.63		
68320 · Travel	0.00	208.33	203.04	2,291.67	2,500.00
Total 68300 · Travel and Meetings	0.00	208.33	516.67	2,291.67	2,500.00
Total Expense	49,009.36	27,525.84	194,690.51	331,546.39	359,072.23
Net Ordinary Income	-43,005.56	-26,393.24	72,036.41	-90,621.99	-97,234.43
Net Income	-43,005.56	-26,393.24	72,036.41	-90,621.99	-97,234.43

Los Trancos County Water District
Income Statement: Actual vs Budget by Account
May 2011

	May 11	Budget	Jul '10 - May 11	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
43400 · Direct Public Support	1,003.80	1,132.60	260,629.28	238,924.40	259,837.80
45000 · Investments	0.00		1,027.84	2,000.00	2,000.00
46400 · Other Types of Income	5,000.00		5,069.80		
Total Income	6,003.80	1,132.60	266,726.92	240,924.40	261,837.80
Expense					
61100 · Water Use Efficiency	0.00	2,394.16	2,915.11	26,335.84	28,730.00
61200 · Emergency Preparedness	8,948.44	8,583.32	67,286.96	94,416.68	103,000.00
61900 · Offset Program	10,000.00		45,680.00	30,000.00	30,000.00
62800 · Lands	9,010.00	2,916.64	22,180.55	22,083.36	25,000.00
62900 · Water Movement Control	17,177.99	11,833.32	24,235.57	130,166.68	142,000.00
64800 · Contract Services	2,525.00	1,291.66	19,883.75	18,708.34	20,000.00
65000 · Operations	1,347.93	290.08	4,600.08	3,190.89	3,480.97
65100 · Other Types of Expenses	0.00	8.33	7,391.82	4,352.93	4,361.26
68300 · Travel and Meetings	0.00	208.33	516.67	2,291.67	2,500.00
Total Expense	49,009.36	27,525.84	194,690.51	331,546.39	359,072.23
Net Ordinary Income	-43,005.56	-26,393.24	72,036.41	-90,621.99	-97,234.43
Net Income	-43,005.56	-26,393.24	72,036.41	-90,621.99	-97,234.43

7:12 AM

05/31/11

Accrual Basis

Los Trancos County Water District
Balance Sheet
As of May 31, 2011

	<u>May 31, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of California - Checking	13,708.67
LAIF Mutual fund	<u>266,523.71</u>
Total Checking/Savings	<u>280,232.38</u>
Total Current Assets	<u>280,232.38</u>
TOTAL ASSETS	<u>280,232.38</u>
LIABILITIES & EQUITY	
Equity	
30000 · Opening Balance Equity	175,649.69
32000 · Unrestricted Net Assets	32,546.28
Net Income	<u>72,036.41</u>
Total Equity	<u>280,232.38</u>
TOTAL LIABILITIES & EQUITY	<u>280,232.38</u>

**Minutes of the Public Meeting of
The Board of Directors
Los Trancos County Water District
February 3, 2011**

Write up/Review Cycle:

As of the February minutes, the draft minutes will first go to the directors for review/revision before posting on the LTCWD web site. They will remain draft minutes until approved by the board.

Time frames for posting of minutes:

Zimmerman: 3 – 5 days for initial write up

Directors: 5 days to get back to Zimmerman with any necessary edits

2-3 days for minutes to be posted on the Web site.

Where program has 2 people involved, only 1 set of comments will be sent in for inclusion. They will collaborate off line.

Consensus on new approach to final set of minutes.

June 2, 2011

MEMORANDUM



TO: Board members
FROM: David Smernoff
RE: Electronic approval of invoices

At the May 5th, 2011 meeting I suggested that the District approve electronic approval of invoices to streamline payment of District obligations. The idea was generally supported with an action item to determine if there were any accounting or auditing reasons not to use electronic approval.

When asked, Jeff Ira, District accountant, said that electronic signature is "great and should be used".

Therefore, I propose the following motion:

District Board members, staff and consultants may approve expenditures by sending an electronic mail approving the expenditure to the District Financial Manager. Upon receipt the Finance Manager will treat the invoice and payment identically to any other expenditure request.

The email message should:

- Contain an electronic copy of the vendor invoice including; vendor name and billing information, invoice number, date, services provided, and amount.
- Clearly specify the subaccount(s) to charge, and include a signature file indicating the sender's role with the District.
- In the absence of an electronic invoice, the email message should specify all of the items above. A hard copy of the invoice should be sent to the Finance Manager subsequent to electronic approval.

**Los Trancos County Water District
Profit Loss Budget Overview
July 2011 through June 2012**

**DRAFT PROPOSAL
DAVID SMERNOFF
JUNE 2ND, 2011**

	TOTAL												
	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul '11 - Jun 12
Ordinary Income/Expense													
Income													
43400 · Direct Public Support	7,052.00	0.00	141.00	38.00	21,632.00	95,078.00	518.00	55,306.00	1,042.00	76,416.00	1,167.00	14,488.00	272,878.00
45000 · Investments	300.00			300.00			300.00			300.00			1,200.00
Total Income	7,352.00	0.00	141.00	338.00	21,632.00	95,078.00	818.00	55,306.00	1,042.00	76,716.00	1,167.00	14,488.00	274,078.00
Expense													
61100 · Water Use Efficiency													
60904 · WUE Rebate - Exterior	1,441.66	1,441.66	1,441.66	1,441.66	1,441.67	1,441.67	1,441.67	1,441.67	1,441.67	1,441.67	1,441.67	1,441.67	17,300.00
61102 · WUE Rebate - Interior	623.34	623.34	623.34	623.34	623.33	623.33	623.33	623.33	623.33	623.33	623.33	623.33	7,480.00
61103 · WUE Residential Water Survey	128.34	128.34	128.34	128.34	128.33	128.33	128.33	128.33	128.33	128.33	128.33	128.33	1,540.00
Total 61100 · Water Use Efficiency	2,193.34	2,193.34	2,193.34	2,193.34	2,193.33	2,193.33	2,193.33	2,193.33	2,193.33	2,193.33	2,193.33	2,193.33	26,320.00
61200 · Emergency Preparedness													
61205 · Fire Safety Escape Routes	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
61207 · Fire Safety Community Buffer	2,666.66	2,666.66	2,666.66	2,666.66	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	2,666.67	32,000.00
61208 · Fire Safety Residential Program	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
Total 61200 · Emergency Preparedness	7,666.66	7,666.66	7,666.66	7,666.66	7,666.67	7,666.67	7,666.67	7,666.67	7,666.67	7,666.67	7,666.67	7,666.67	92,000.00
61900 · Offset Program													
61901 · Offset													0.00
61905 · Offset admin fee													0.00
Total 61900 · Offset Program													0.00
62800 · Lands				250.00									
62801 · Restrtn Supls, Plants Irrgrtn	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,000.00
62802 · Fuel load reduction/SOD treatme	250.00	250.00	250.00	500.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	250.00	3,250.00
62803 · Maintenance	500.00	500.00	500.00	83.34	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	5,583.34
62804 · Environmental review, document	83.34	83.34	83.34	666.66	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,583.32
62840 · Capital Projects	666.66	666.66	666.66	83.34	666.67	666.67	666.67	666.67	666.67	666.67	666.67	666.67	7,416.68
62850 · Contingency	83.34	83.34	83.34	83.34	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	1,000.00
62890 · Utilities - Water	83.34	83.34	83.34	1,916.68	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	2,833.34
Total 62800 · Lands	1,916.68	1,916.68	1,916.68		1,916.66	1,916.66	1,916.66	1,916.66	1,916.66	1,916.66	1,916.66	1,916.66	21,083.32
62900 · Water Movement Control				4,166.66									
62902 · Phase One Supplemental Budget	4,166.66	4,166.66	4,166.66	1,250.00	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	4,166.67	47,083.34
62903 · Water testing	1,250.00	1,250.00	1,250.00	3,333.34	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	17,083.34
62904 · Ramona Road Study	3,333.34	3,333.34	3,333.34	5,000.00	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	41,666.66
62905 · Residential Incentive Program	5,000.00	5,000.00	5,000.00	833.34	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	55,833.34
62906 · Contingency	833.34	833.34	833.34	14,583.34	833.33	833.33	833.33	833.33	833.33	833.33	833.33	833.33	23,750.00
Total 62900 · Water Movement Control	14,583.34	14,583.34	14,583.34		14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	14,583.33	160,416.66
64800 · Contract Services				550.00									
64801 · Recording Secretary	550.00	550.00	550.00	512.50	550.00	550.00	550.00	550.00	550.00	550.00	550.00	550.00	6,562.50
64805 · Bookkeeping	512.50	512.50	512.50	2,500.00	512.50	512.50	512.50	512.50	512.50	512.50	512.50	512.50	8,137.50
62806 · General Manager	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	30,000.00
64810 · Accounting Fees			4,750.00	300.00									5,050.00
64840 · Legal Fees	300.00	300.00	300.00	6,362.50	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	9,662.50
Total 64800 · Contract Services	3,862.50	3,862.50	8,612.50		3,862.50	3,862.50	3,862.50	3,862.50	3,862.50	3,862.50	3,862.50	3,862.50	47,237.50
65000 · Operations													
65010 · Books, Subscriptions, Reference	1.00			4.16									5.16
65020 · Postage, Mailing Service	4.16	4.16	4.16	400.00	4.17	4.17	4.17	4.17	4.17	4.17	4.17	4.17	445.84
65030 · Printing and Copying	400.00	400.00	400.00	75.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	400.00	4,475.00
65040 · Supplies	75.00	75.00	75.00		75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	825.00
65050 · Telephone, Telecommunications	1.00			62.50									63.50

**Los Trancos County Water District
Profit Loss Budget Overview
July 2011 through June 2012**

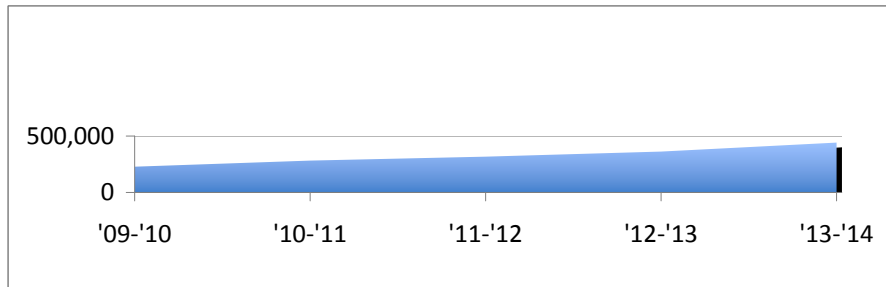
DRAFT PROPOSAL
DAVID SMERNOFF
JUNE 2ND, 2011

	TOTAL												
	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul '11 - Jun 12
65060 · Technology	62.50	62.50	62.50	541.66	62.50	62.50	62.50	62.50	62.50	62.50	62.50	62.50	1,229.16
Total 65000 · Operations	543.66	541.66	541.66		541.67	541.67	541.67	541.67	541.67	541.67	541.67	541.67	5,960.34
65100 · Other Types of Expenses													
65105 · Insurance, Liability		4,500.00											4,500.00
65120 · Insurance - D and O						3,000.00							3,000.00
65130 · Election Costs				644.00				2,000.00					2,644.00
65150 · Memberships and Dues													0.00
65155 · Grants and Donations						1,000.00							1,000.00
65160 · Other Costs	1.00												1.00
65170 · Staff Development	1.00												1.00
65180 · LAFCCO						130.00							130.00
65190 · Departing Gifts				644.00		50.00							694.00
Total 65100 · Other Types of Expenses	2.00	4,500.00			180.00	4,000.00		2,000.00					10,682.00
68300 · Travel and Meetings				41.66									
68310 · Conference, Convention, Meeting	41.66	41.66	41.66	8.34	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	466.68
68320 · Travel	8.34	8.34	8.34	50.00	8.33	8.33	8.33	8.33	8.33	8.33	8.33	8.33	141.66
Total 68300 · Travel and Meetings	50.00	50.00	50.00	33,958.18	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	34,508.18
Total Expense	30,818.18	35,314.18	35,564.18	-33,620.18	30,994.16	34,814.16	30,814.16	32,814.16	30,814.16	30,814.16	30,814.16	30,814.16	320,769.64
Net Ordinary Income	-23,466.18	-35,314.18	-35,423.18	-33,620.18	-9,362.16	60,263.84	-29,996.16	22,491.84	-29,772.16	45,901.84	-29,647.16	-16,326.16	-114,270.00
Net Income	-23,466.18	-35,314.18	-35,423.18		-9,362.16	60,263.84	-29,996.16	22,491.84	-29,772.16	45,901.84	-29,647.16	-16,326.16	-80,649.82

THREE YEAR CASH FLOW PROJECTION

Income/expense growth factor 4.00%

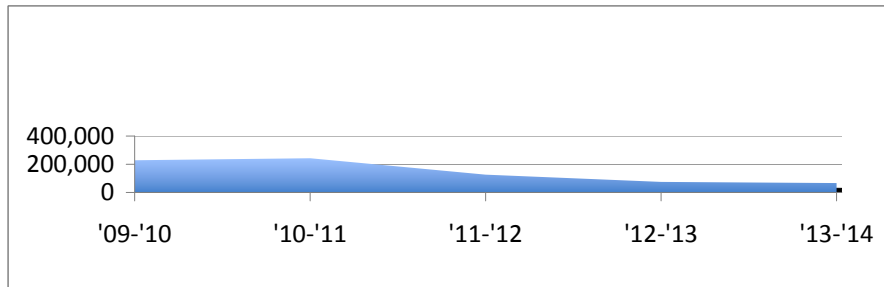
	'08-'09	'09-'10	'10-'11	'11-'12	'12-'13	'13-'14
Cash at start of year	148,420	219,364	<i>estimated</i> 228,564	<i>Budg Propl</i> 282,664	<i>swag</i> 317,264	<i>swag</i> 362,688
<u>Income</u>	245,500	255,300	270,000	280,800	292,032	303,713
<u>Expenses</u>						
Saving Water	15,987	2,800	3,300	23,240	24,210	24,650
Offset	135,000	80,000	35,000	40,000	35,000	0
Fire Safety	66,000	85,000	93,000	92,000	82,000	82,000
Water Movement	24,176	41,000	25,000	35,000	50,000	60,000
Lands	56,000	17,500	25,000	20,000	18,000	19,000
Total Programs	297,163	226,300	181,300	210,240	209,210	185,650
Contract Services	11,000	10,000	20,000	20,800	21,632	22,000
Operations	2,051	3,500	6,000	6,240	6,490	7,000
Other Expenses	6,230	6,300	8,000	8,320	8,653	9,000
Travel and meetings	0	0	600	600	624	800
Total Non Program Expenses	19,281	19,800	34,600	35,960	37,398	38,800
Total Expenses	316,444	246,100	215,900	246,200	246,608	224,450
		'09-'10	'10-'11	'11-'12	'12-'13	'13-'14
Cash at end of year	219,364	228,564	282,664	317,264	362,688	441,951



THREE YEAR CASH FLOW PROJECTION

Income/expense growth factor 4.00%

	'08-'09	'09-'10	'10-'11	'11-'12	'12-'13	'13-'14
Cash at start of year	148,420	219,364	<i>estimated</i> 228,564	<i>TMW est</i> 242,664	<i>tmw swag</i> 126,354	<i>tmw swag</i> 74,787
<u>Income</u>	245,500	255,300	270,000	274,078	285,041	296,443
<u>Expenses</u>						
Saving Water	15,987	2,800	3,300	26,320	24,210	24,650
Offset	135,000	80,000	35,000	40,000	35,000	0
Fire Safety	66,000	85,000	93,000	92,000	82,000	82,000
Water Movement	24,176	41,000	65,000	175,000	140,000	140,000
Lands	56,000	17,500	25,000	21,108	18,000	19,000
Total Programs	297,163	226,300	221,300	354,428	299,210	265,650
Contract Services	11,000	10,000	20,000	20,800	21,632	22,000
Operations	2,051	3,500	6,000	6,240	6,490	7,000
Other Expenses	6,230	6,300	8,000	8,320	8,653	9,000
Travel and meetings	0	0	600	600	624	800
Total Non Program Expenses	19,281	19,800	34,600	35,960	37,398	38,800
Total Expenses	316,444	246,100	255,900	390,388	336,608	304,450
		'09-'10	'10-'11	'11-'12	'12-'13	'13-'14
Cash at end of year	219,364	228,564	242,664	126,354	74,787	66,779



Mike Ward's notes on the LTCWD 2001-12 budget proposal.

Some recommendations.

I recommend that we **constrain our annual budgets** and three year estimates so that we maintain a base amount in the bank (ore LAIF) in order to be able to address the variability in our spending vs income, and to be able to fund opportunities that may arise. This could be one year's cash flow, which seems too large, or maybe \$ 100K or even some lessor amount like \$75K, as we don't have any capital equipment emergencies. Eventually, we will have to get to a sustainable rate equal to our revenues.

Our survey showed that we need to do **more outreach and communications**; especially in our newest program, Water Movement Control. I think we should put monies in a category for communications and publications every year. A mailing costs from \$600 to \$3000 depending on the complexity. I would suggest about \$4000 as a trial number.

Contingency funds are sometimes used for programs where you don't get another chance to secure funding. We as a board can modify the budget during the year, as needed when a program encounters unscheduled needs; if we have the reserves. We do have the reserves. I recommend against budgeting 'contingency funds" We already have given ourselves the flexibility to move up to 10% of our budget between sub-elements of our programs, so have significant powers already. Looks too much like a slush fund to the public.

I believe we should have **plans before budgets**. What are we trying to achieve, how much will it cost (plus or minus) and what are we trying to achieve. Having said this I would like to see phase 2 plans for Water Movement Control before staking out almost half a million dollars over a three year period. Thus I think a budget of \$30 or \$40 K is more appropriate for this year. I'm afraid consultants can absorb as much money as we have if we give them too free a rein. And, speaking from experience, it takes longer for a program to get going than you hope or plan, even if it is straight forward, logical and beneficial.

On hiring a part time General Manager. After the sale of the water delivery assets to Cal Water, there was a big danger that we would not have useful, meaningful and acceptable ways to get a return on the tax dollars we were elected to manage. Over the years, with significant community input and, strong research by LTCWD directors and other volunteers, we now have 4 program areas that fit these criteria. One reason I chose to serve on the board was that we did have a reasonable amount of money to do significant programs to benefit the community. Our overhead has crept up, but is still fairly low; insurance, legal, plus a finance manger and secretary. This is about 9% of the proposed budget, and 14% of a sustainable annual budget – a good ratio by any standard.

We all ran for office knowing that we would have to design and run our programs; some tasks can certainly be done by our existing staff at the rates in their consulting agreements. It takes a lot of work to define work to be delegated, a fact that must not be overlooked.

It was said at the last meeting that we were elected to legislate. I beg to differ. We have nothing to legislate – no body of laws to consider and change, no ongoing product or service to produce, therefore an operation to manage.

No, we have some fairly small, affordable, discrete programs that we, as elected Directors, can direct, design and carry out, often with the help of community volunteers. Hiring a 50K a year person would raise our overhead rate to 32% of a sustainable rate – almost 1/3! And I personally don't believe that expecting to raise money for undefined programs in today's economy holds any promise and would be a waste of energy and money.

We have a unique model here to manage local tax dollars for the benefit of the community which I believe is exemplary; let's not kill the goose laying the golden egg.

May 31, 2011

MEMORANDUM



TO: Board members
FROM: David Smernoff
RE: General Manager Position Description

At the May 3rd, 2010 and again at the May 5th, 2011 meetings I have proposed that the District consider hiring a contractor to manage various District administrative and programmatic responsibilities.

It is clear to me that the District has numerous unmet governance, administrative and programmatic functions that are not able to be consistently addressed within the current volunteer management structure. As the District continues its transition from its historical responsibilities to new programs and operations, it is essential that we strive to transform the District into a modern, professionally managed special District, consistent with peer agencies. Finally, I believe that significantly reducing administrative and management functions from Director's responsibilities will encourage greater community participation and retention of Board members.

Specifically, I propose that a professional manager would:

- Review and improve District business operations (*e.g.* refinement of written policies and procedures, financial management, records management, web site, contractual agreements, etc.).
- Implement and manage District programs (manage contractors, develop program materials, interface with Residents.)
- Supervise District contractors (Finance Manager, Recording Secretary)
- Enable Directors to focus on legislative and policy responsibilities.

The District currently has three programs with resident incentives. Management of these programs in an integrated fashion, including marketing, would benefit the District and residents by providing uniform guidelines and service, integrated database management, etc.

**DRAFT Position Description
General Manager
Los Trancos County Water District**

1. Administrative Responsibilities:

- a. Review current Policies and Procedures and present changes as warranted to the Board.
- b. Technical support
 - i. Website management: (add and remove content, maintain email, etc.)
 - ii. Resolve technical issues
 - iii. Manage ISP
 - iv. Maintain District equipment
 - v. Maintain District records (print and electronic)
- c. Monitor contracts and routine expenses
 - i. Audit
 - ii. Insurance
 - iii. Legal
 - iv. Financial officer
 - v. Recording secretary
 - vi. Other?
- d. Management of all Elections related activities
- e. Maintenance of District records (paper and electronic)

2. Programmatic Responsibilities for Incentive Programs:

- a. Develop standard and consistent policies, forms, reporting mechanisms, and marketing tools
 - i. Work with Boards/committees to achieve goals
 - ii. Establish and maintain database of participating residents
 - iii. Provide timely reports to Board and community.
- b. Financial:
 - i. Work with financial officer to provide rebate checks
 - ii. Track budgets for each program and program element
- c. Interact with residents
 - i. Answer questions about qualification and program details
 - ii. Site visits as needed (pre and post)
 - iii. Approve or deny requests
- d. Service Providers:
 - i. Develop contractor specifications/RFP's
 - ii. Interview potential contractors
 - iii. Manage contractor performance
 - iv. Approve or modify invoices

3. Organizational Effectiveness:

- a. Analysis of current special district status, analysis of unmet needs and preparation of materials for Board review (*e.g.* external agency reviews, activation of latent powers or change in status).

- b. Manage Municipal Service Review process
 - i. Hire and manage specialist to prepare necessary documentation to demonstrate unmet needs of District residents including financial analysis of service delivery
 - ii. Develop written response to MSR inquiries for Board discussion and approval
- c. Identify opportunities for improvement in all District operations