SUMMARY MINUTES OF THE FINANCE COMMITTEE
ZONE 7 BOARD OF DIRECTORS

March 19, 2012
4:00 p.m.

Directors present: Sandy Figuers
A. J. Machaevich
Chris Moore

Zone 7 Staff: Jill Duerig, General Manager
Tamara Baptista, Financial Services Manager
JaVia Green, Staff Analyst
Judy Rector, Board Secretary

President Figuers called the meeting to order at 4:00 p.m.

1. Public Comment: - None

JaVia Green, Staff Analyst in Finance, gave a presentation covering the following:

2. Transition from a July 1 – June 30 Fiscal Year to a Calendar Fiscal Year

Ms. Green discussed the reasons for changing Zone 7's fiscal year to a calendar fiscal year. This will avoid preparing two Water Enterprise fund budgets – a preliminary budget in the fall to determine water rates and a final budget in the spring to match Alameda County's fiscal year. Budget and water rates would cover the same time period and would be prepared and presented to the Board at the same time. The change would also align Zone 7's budget and finances with the Department of Water Resources' Annual Statement of Charges.

The first calendar fiscal year budget will be in 2013. Zone 7's external auditors, Maze and Associates and the State Controller's Office, are requesting an initial 18-month audit which would be from July 1, 2011 through December 31, 2012. Subsequent audits would be based on a calendar fiscal year.

New World Systems, Zone 7's new financial software vendor, advised staff that it would be more efficient to start off with a calendar fiscal year in the new software system instead of changing down the road.

3. FY 12/13 County Budget (July 1, 2012 through June 30, 2013)

Zone 7 staff has prepared preliminary FY 12/13 County budgets for the three operating funds (Funds 50, 51 and 52) for inclusion in the County-wide budget.

4. 18-Month Transition Budget (July 1, 2011 through December 31, 2012)

Staff recommends that the Board approve additional appropriations necessary to create an 18-month transition budget covering 7/1/11 through 12/31/12 for the three operating funds (Funds 50, 51 and 52) as well as the three capital funds (Funds 72, 73 and 76).

Prior to the Finance Committee meeting, the retailers asked about personnel costs. Ms. Green explained that Fund 50 has more staff in Flood Control because of planned studies related to the Stream Management Master Plan (SMMP) and the flood-related Development Impact Fee (DIF). This was clarified with the retailers.

After a brief discussion by Director Moore and Director Machaevich, Director Moore moved to concur with the staff recommendations and present it to the full Board at the April 2012 meeting and then for submittal to the County by April 30, 2012.

Angela Ramirez Holmes asked what happens if the legislation does not pass.

General Manager Jill Duerig said that even without passing the statute, another option may be only to do Flood Control because it is County-funded and is part of the Alameda County Flood Control and Water Conservation District.

When asked what the County's position is on the budget transition, Ms. Duerig said that County staff says it is supportive. Supervisor Miley defers to Supervisor Haggerty who is supportive as long as it is "all or nothing," not "cherry picking."

5. **Verbal Reports**

Director Moore asked if there had been any damage from the recent storms? He commented that the storms had helped with the snow content.

6. Adjournment

Since there were no further issues or comments, the meeting was adjourned at 4:20 p.m.