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## Memorandum

**Date:** March 14, 2018  
**To:** Each Director  
**From:** Paul D. Zillig, General Manager  
**Subject:** Finance and Planning Subcommittee Meeting

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The Finance and Planning Subcommittee met on Tuesday, March 13, 2018 at 4:30 pm in the NRD Large Conference Room. Subcommittee members present were Jeremie Kerkman, Don Jacobson, Vern Barrett, Sarah Wilson, Dan Steinkruger, Bob Andersen, Greg Osborn and Dick Bolte. Others present included Ray Stevens, Gary Aldridge, David Potter, Kathy Spence and myself.

Chair Kerkman opened the meeting and staff then reported on the budget overrun of Budget code 447040 – Watershed Dam O&M. I reported that the maintenance completed at Upper Salt 3-A was budgeted as a capital expense (budget code 780350) while it should be a non-capital expense under operation & maintenance. It was moved by Andersen, seconded by Bolte, and unanimously approved by the Subcommittee to **recommend the Board of Directors approve that the expenditure of \$15,900 for the Upper Salt 3-A repairs comes from budget code 780350.**

The subcommittee then reviewed the attached schedule to prepare the FY 19 Budget and LRIP. The Subcommittee discussed the schedule and opportunities for public input. The Subcommittee agreed to the proposed schedule and directed staff to provide information to the public about the budget process, opportunities for public input and the proposed budget.

The last item on the agenda was to consider a proposed option for the NRD Board to approve Director expenses and per diem. I reported that the current method of having the Board approve all expenditures, “except that each Director who has per diem and/or reimbursement of expenses included in such financial reports, abstains from voting for the approval of his or her own per diem and/or expense reimbursement” was not endorsed by the Accountability & Disclosure Commission. Aldridge reported that he is waiting to hear from the A&DC on his request for clarification. I reported that we will have Director expenses/per diem to consider at the April Board Meeting so we will need to have a plan. I reviewed a 4-vote process of having the entire Board consider all expenditures except the Director expenses & per diem, and then 3 separate votes on 1/3 of the Director expenses & per/diem at a time, with the 1/3 of the Directors with expenses & per diem either not voting, abstaining, or voting “no” on that particular motion.



The Subcommittee discussed this option and felt it was probably our best option until there is either a change of opinion, the law can be modified, or other alternatives can be presented. Overall the Subcommittee felt it was a good plan that shows that the NRD wants to be transparent and it is a wise thing to do.

The Subcommittee then had some additional suggestions for Director input on the budget process. Osborn asked that all Directors with new ideas or changes make sure they present their ideas in time to be considered in the first draft of the budget. Wilson recommended that Directors with suggestions for a subcommittee they do not serve on either attend that subcommittee meeting or provide their ideas to a Director that serves on that subcommittee.

There being no further business, the meeting adjourned at 5:15 pm.

PDZ/pz

pc: Steve Seglin