

III. PUBLIC COMMENTS

None

IV. SPECIAL ITEMS

A. Approval of 2003-04 Audit Report

Brian Ruff from Vavrinek, Trine, Day & Co. presented the audit and addressed the exception of timely payments of contractors. Mr. Wojcik addressed the issue of legal expenditures to Mr. Ruff. Mr. Ruff confirmed they are allowed expenditures as did our legal counsel, however the District has agreed not to charge these expenses to the Bond Fund. After discussion by the Committee, Mr. Agnes made a motion to accept the report as presented, seconded by Mr. Brudin, motion was carried unanimously.

B. Trust Accounting System for Payment of Multi-Prime Contractors

Brian Cahill, Senior Vice-President of douglas e. barnhart provided a hand-out to the Committee on the trade contractor payment processing procedures. He explained that they are a trustee on behalf of the District. Examples of how the tracking of and payments to contractors are made was presented. He further explained that the 10-day requirement is actually an artificial requirement that barnhart put in place.

C. Project Status Report

Bill Downing of douglas e. barnhart gave a status report on projects.

D. Annual Report

Richard Beck presented the Annual Report which is a compliance document tied to the audit. It addresses the minimum requirements. It will be posted on the District website. On a motion by Mr. Lewis to approve the Annual Report, seconded by Mr. Agnes, the motion carried unanimously.

E. Frequency of Meetings

With just \$12 million of the \$60 million dollar bond money remaining, Mr. Wojcik suggested lessening the frequency of meetings to quarterly, producing two reports a year and holding special meetings if needed. On a motion by Mr. Green to meet quarterly, seconded by Mr. Lewis, the motion carried unanimously. The following meeting dates were established: March 17, 2005, June 9, 2005 and September 15, 2005.

F. Citizens' Oversight Committee Report

A meeting with the Ad Hoc Committee will be set up after the first of the year.

G. Financial Report

The financial report on all of the Measure E projects was presented for review.

H. Future Items

None

V. ADJOURNMENT

The meeting was adjourned at 7:48 p.m.