

AGENDA
SPECIAL MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS-FINANCE COMMITTEE JOINT WORKSHOP
6425 MAIN STREET, GEORGETOWN, CALIFORNIA
TUESDAY, JANUARY 19, 2016
4:00 PM

MISSION STATEMENT

It is the purpose of the Georgetown Divide Public Utility District to:

- Provide reliable water supplies
 - Ensure high quality drinking water
 - Promote stewardship to protect community resources, public health and quality of life
 - Provide excellent and responsive customer services through dedicated and valued staff
 - Insure fiscal responsibility and accountability are observed by balancing immediate and long term needs
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1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

2. ADOPTION OF AGENDA –

A. Board Action to adopt agenda.

3. PUBLIC FORUM – This is a special meeting under Government Code Section 54956. Public comment is limited to items appearing on the agenda. Under Section 54954.3, the public shall have the right to comment on any items appearing on the agenda prior to or during consideration of this item. Public comment on items not appearing on the agenda should be made at the regular meetings of the District.

4. JOINT DISTRICT/FINANCE COMMITTEE WORKSHOP TO DISCUSS THE FINANCE COMMITTEE PHASE I REPORT

A. Discussion – At the September 8, 2015 Regular Board Meeting, the Directors asked District staff and the District Finance Committee to review, understand, and recommend any appropriate changes to the funding structure, usage, reserve amounts and other activities related to certain District funds. The Finance Committee will present a summary of its report and recommendations for discussion.

B. Possible Board Action – Receive and file.

5. ADJOURNMENT – Next GDPUD regular meeting: February 9, 2016 at 2:00 p.m. at the Georgetown Divide Public Utility District office. Next meeting of the GDPUD Finance Committee: February 16, 2016 at 4:00 PM

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Wendell Wall by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted in the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on January 14, 2016.

Memo

To: Board of Directors

From: Dennis Goodenow, Vice Chairman, GDPUD Finance Committee

Date: January 13, 2016

Re: JOINT DISTRICT/FINANCE COMMITTEE WORKSHOP TO DISCUSS
THE FINANCE COMMITTEE PHASE I REPORT

Board Meeting of January 19, 2016; Agenda Item #4

BACKGROUND / DISCUSSION

On September 8, 2015, at its regular Board Meeting, the GDPUD Board asked District staff and the District Finance Committee (the "Committee") to review, understand, and recommend any appropriate changes to the funding structure, usage, reserve amounts, and other activities related to certain District funds. The Board was concerned that some or many of these District funds, which were established several years ago, were not currently addressing the immediate or expected fiscal management needs of the District. The first funds reviewed as part of this assignment include:

Number	Fund Name
08	SMUD Fund
10	General Fund
12	Retiree Fund
19	Stumpy Meadows Fund
24	Reserve USDA Fund
30	Small Hydro Fund
37	GV Improvement District Fund
39	Capital Facility Charge Fund

As a result, the Committee met on this topic several times and, with the help of District staff and the public, has developed an understanding of these funds. The Committee makes recommendations for each fund as specified in a report submitted to the GDPUD Board of Directors by the General Manager on December 16, 2015.

At the Board of Directors meeting held on January 12, 2016, the Board requested a joint Board of Directors and Finance Committee workshop be held on January 19, 2016 at 4:00 PM in the District Board Room.

The Finance Committee has prepared a PowerPoint presentation (**Attachment 1**) to help the Board and the public follow the format and the content included in the Phase I Report.

RECOMMENDATION – Receive and file.

GDPUD Finance Committee Fund Analysis – Phase I Report



GDPUD Public Finance Committee Fund Analysis – Phase I Report

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GDPUD Finance Committee Fund Analysis – Phase I Report Agenda

- Introduction
- Fund Analysis Methodology
- Findings
- Recommendations
- Next Steps

GDPUD Public Finance Committee Fund Analysis – Phase I Report

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GDPUD Finance Committee Fund Analysis – Phase I Report Introduction

- On September 8, 2015, the Board requested the Finance Committee work with staff to review and make recommendations for certain District Funds
- The phase I funds reviewed:

Number	Fund Name
05	SMUD Fund
10	General Fund
12	Retiree Fund
19	Stumpy Meadows Fund
24	Reserve USDA
30	Small Hydro Fund
37	GV Improvement Dist.
39	Capital Facility Charge

- Additional funds will be reviewed as time allows

GDPUD Finance Committee Fund Analysis – Phase I Report Methodology

- The Finance Committee met several times with staff and the public
- Fund specific documentation was reviewed
- Public input and verbal testimony was considered
- No legal opinion was solicited
- The Finance Committee is reasonably certain the information is correct and reflects reality

GDPUD Finance Committee Fund Analysis – Phase I Report Findings

- The current status of the funds reviewed:

Number	Fund Name	Designated	Restricted	Ord./Res.	Balance*
05	SMUD Fund	No	No		216,340
10	General Fund	No	No		1,459,573
12	Retiree Fund	Yes	No	2006-06, 2006-10	623,171
19	Stumpy Meadows Fund	Yes	No	1988-26, 2002-16	2,159,422
24	Reserve USDA	Yes	No	2010 Loan Doc.	761,370
30	Small Hydro Fund	Yes	No		523,859
37	GV Improvement Dist.	Yes	Yes	Res. 75-14	107,042
39	Capital Facility Charge	Yes	No	2007-01, 2007-04	1,615,069

- * As of September 30, 2015

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations

- The Finance Committee recommendations:

Number	Fund Name	Designated	Restricted	Ord./Res.	Balance*
08	SMUD Fund	Yes	No	Adopt Res.	216,340
10	General Fund	No	No	Adopt Res.	1,200,000
12	Retiree Fund	Yes	No	2006-06, 2006-10	623,171
19	Stumpy Meadows Fund	Yes	No	Adopt New Res.	1,000,000
24	ALT WTP Reserve Fund	Yes	Yes	Adopt Res.	761,370
30	Small Hydro Fund	Yes	No	Adopt Res.	523,859
37	GV Improvement Dist.	Yes	Yes	Adopt New Res.	107,042
39	Capital Facility Charge	Yes	No	2007-01, 2007-04	1,615,069

- * Recommendation

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations (Cont.)

- Fund 08 – SMUD Fund

- Current Status:

Number	Fund Name	Designated	Restricted	Ord./Res.	Balance
08	SMUD Fund	No	No		216,340

- Recommendations:

Number	Fund Name	Designated	Restricted	Ord./Res.	Balance
08	SMUD Fund	Yes	No	Adopt Res.	216,340

- Designate the Fund for activities related to the Fund stability, studies and efforts to secure and add water rights, etc.
- Adopt a resolution to this effect
- No reserve balance is recommended

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations (Cont.)

- Fund 10 – General Fund

- Current Status:

Number	Fund Name	Designated	Restricted	Ord./Res.	Balance
10	General Fund	No	No		1,459,573

- Recommendations:

Number	Fund Name	Designated	Restricted	Ord./Res.	Balance
10	General Fund	No	No	Adopt Res.	1,459,573

- No Fund designation is recommended
- Keep a four month spending balance
- Adopt a resolution to ensure the four months reserve is maintained

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations (Cont.)

- Fund 12 – Retiree Fund

- Current Status:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
12	Retiree Fund	Yes	No	2006-06, 2006-10	623,171

- Recommendations:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
12	Retiree Fund	Yes	No	2006-06, 2006-10	623,171

- No changes are recommended

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations (Cont.)

- Fund 19 – Stumpy Meadows Fund

- Current Status:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
19	Stumpy Meadows Fund	Yes	No	1988-26, 2002-16	2,159,422

- Recommendations:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
19	Stumpy Meadows Fund	Yes	No	Adopt New Res.	1,000,000

- It is recommended that the reserve be limited to \$1,000,000
- Adopt a new resolution to designate the recommended reserve amount

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations (Cont.)

- Fund 24 – Reserve USDA

- Current Status:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
24	Reserve USDA	Yes	No	2010 Loan Doc.	761,370

- Recommendations:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
24	ALT WTP Reserve Fund	Yes	Yes	Adopt Res.	761,370

- It is recommended that the fund be renamed
- Adopt a resolution to designate the recommended new name and expense activities

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations (Cont.)

- Fund 30 – Small Hydro Fund

- Current Status:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
30	Small Hydro Fund	Yes	No		523,859

- Recommendations:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
30	Small Hydro Fund	Yes	No	Adopt Res.	523,859

- Recommend expense tracking for associated activities
- Adopt a resolution to designate the recommended expense activities and determine appropriate reserves

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations (Cont.)

- Fund 37 – Garden Valley Improvement District
- Current Status:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
37	GV Improvement Dist.	Yes	Yes	Res 75-14	107,042

- Recommendations:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
37	GV Improvement Dist.	Yes	Yes	Adopt New Res	107,042

- Recommend using fund to maintain improvement
- Adopt a new resolution to maintain the improvement

GDPUD Finance Committee Fund Analysis – Phase I Report Recommendations (Cont.)

- Fund 39 – Capital Facility Charge
- Current Status:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
39	Capital Facility Charge	Yes	No	2007-01, 2007-04	1,615,069

- Recommendations:

Number	Fund Name	Designated	Restricted	Ord. Res.	Balance
39	Capital Facility Charge	Yes	No	2007-01, 2007-04	1,615,069

- Recommend using fund as currently designated and structured
- Transfer 20% of this fund into Fund 24

GDPUD Finance Committee Fund Analysis – Phase I Report Next Steps

- Identify additional funds for review
- Prioritize additional funds for review
- Conduct additional reviews
- Report findings and recommendations
- Keep the Board and public aware of these findings and recommendations