

MINUTES

Georgetown Divide Public Utility District Board Of Directors
6425 Main Street, Georgetown, California 95634

FINANCE COMMITTEE

Regular Meeting
Thursday, February 23, 2023
3:30 P.M.

Finance Committee

Steve Miller, Chairman	M. Martha Helak
Andy Fisher, Vice Chairman	Vacant
Vacant, Secretary	Vacant

Board of Directors Liaison

Mitch MacDonald
Robert Stovall

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.
 - Ensure fiscal responsibility and accountability are observed by balancing immediate and long-term needs.
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1. CALL TO ORDER

The meeting was called to order by Chairman Miller at 3:30 P.M.

ROLL CALL

Andy Fisher, Martha Halak were both present via Zoom and Chairman Miller was present in person.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chairman Miller.

2. ADOPTION OF AGENDA

The agenda was adopted by a roll call vote.

PUBLIC FORUM: Any member of the public may address the Finance Committee on any matter within the jurisdictional authority of the Finance Committee. Public members desiring to provide comments, must be recognized by the Committee Chairman, and speak from the podium. Comments must be directed only to the Finance Committee. The public should address the Finance Committee members during the public meetings as Chairman, Vice Chairman, Secretary, or Member, followed by the Committee member's individual last name. The Finance Committee will hear communications on matters not on the agenda, but no action will be taken. No disruptive

conduct shall be permitted at any Finance Committee meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the Chairman, of that person's privilege of address.

3. APPROVAL OF MINUTES – Meeting January 26, 2023

The minutes from January 26, 2023, were approved by a roll call vote.

4. INFORMATIONAL ITEMS

A. Grant Update

General Manager Nicholas Schneider gave an update on the District's grant application status.

1. CalOES — HPMB

It will be anywhere from 6 to 18 months to get the funding. The District's share is approximately \$950,000 over a 3-year period.

2. CalOES — FMAG

The application was submitted. The District will be reimbursed for some overtime work, tools, truck mileage, from the actual fire response.

3. The CalFire Wildfire Prevention Grant

A grant for equipment, the deadline for submission is March 15, 2023.

4. NRCS — WWP

The District is continuing to work with NRCS. Accessibility to the fire area has been hampered due to weather conditions.

5. Drought Funding will be pursued into the summer.

6. Additionally, The District is starting on an earmark for the federal government asking for approximately \$1 million to expand water reliability by installing a tank at the Sweetwater treatment plant.

5. ACTION ITEMS

A. Election of Finance Committee Officers

Chairman Miller suggested the election of officers be tabled until the next meeting. The committee members agreed.

B. Six Month Review FY 2021-2022 Financial Reports

General Manager, Nicholas Schneider reviewed the FY 2022-23 budget to date. Under revenue summary, he noted that as of December 31st property tax revenue had not been received.

Andy Fisher asked about the Irrigation revenue as to why it was not at 50% received. Staff explained it falls within the end of the fiscal year not the Irrigation season.

Under Operating Expenses, the biggest thing to contend with are salaries and retirement expenses. In the 5100 account there is overtime resulting from the Mosquito Fire, the district is applying for reimbursement and has already received \$30,000. There has been increased vehicle use paired with a 45% increase in fuel costs.

Overall, the budget is at 66%. A portion has been reimbursed, and the hope is to get more back through various funding mechanisms.

Martha Halak asked about the PERS expenses. Staff replied the PERS-UAL is an unfunded liability and a one-time payment made at the beginning of the year.

Overall, The District is at 59% of the budget. This is a bit high and requires monitoring. However, there are some July only costs, and reimbursement for some of the costs related to the fire are expected.

Public Comment:

Cherie Carlyon asked about the difference between the Tyler financial reports and the figures on this review—approximately \$288,000 which she presented at the last Board meeting. Staff replied they do not have a full answer yet.

Jessica Buckle reported she spoke to our accountants to explain the discrepancy. When the budget was drafted, a series of 8000 accounts in the water account were created and were pulling GL funds through the Pooled Cash but they were supposed to be tied to the capital improvement projects. It was set up this way so that as work was completed, it could be coded to a project and would be pulling funds from CIP. The accounts have not been used, but funds were allocated to them. To clarify the reports, we are looking at moving those funds back to the CIP projects and deleting the 8000 accounts.

There are significant savings implementing a new phone system, approximately \$44,000 annually. The new billing company should save roughly \$13,000 per year. Including the newsletter in the bill mailings resulting in about \$18,000 saved per year.

Under the capital improvement budget, there is retrofit of a pump station. A new storage tank at the Sweetwater plant is a \$300,000,000 tank budgeted for FY 2025-2026 for fire flows and water supply reliability. The District is applying to get an earmark allocation for this project. The District is also working with a tunnel inspector, weather permitting, inspection may or may not be possible this year. Building improvement plans at the District office are in the planning phase. Developing an alternative water source will require grant and/or bond funding.

The KASL study—water resources reliability assessment— will have a preliminary report for the March Board meeting. The District is doing a test AMI (automatic meter) program and will seek grant funds to complete the overall project. A test installation of a power generating waterwheel for the ditches is occurring and further grant funding will be sought.

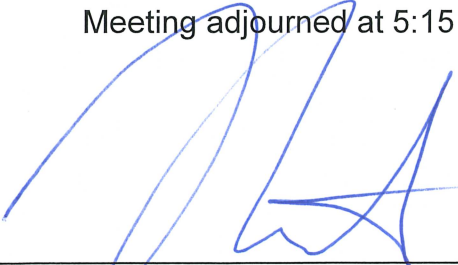
C. Review Financial Advisor Presentation and Investment Policy

The Board of Directors has approved an updated investment policy and selected Optum Investment Partners to help develop an investment program.

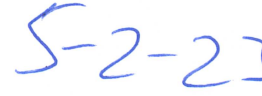
Initial analysis indicates there is approximately \$10 million dollars for investment. It has been in LAIF since 2018, yielding 2.29% It is currently near 5%. It is estimated this could nearly double return on investment.

6. NEXT MEETING DATE AND ADJOURNMENT – The Finance Committee set the last Thursday of each month at 3:30 PM for regular committee meetings. Next regular meeting is March 30, 2023, at 3:30 PM.

Meeting adjourned at 5:15 PM



Nicholas Schneider, General Manager



Date