

Georgetown Divide Public Utility District Finance Committee

*“Providing financial research, review, and advisory services for the GDPUD Board of Directors
in support of sound, prudent and business-like management of the water district”*

FINANCE COMMITTEE MEETING MINUTES

Meeting Date & Time: October 31, 2018

Location: GDPUD Boardroom Scheduled Time: 2:00 PM

Committee Members Present: Rick Gillespie (Chair), Michael Saunders (Secretary), Sierra Nyokka, Thomas Crawford

Board Members Present: Dane Wadle, Director

Staff Present: Steve Palmer, Adam Brown

Consultants: Christina Hansford, Kristen West

1. Call to Order , Pledge of Allegiance

Meeting called to order

2. Public Forum

Steve Dowd raised a concern of water running through Illinois Canyon Creek.

The GM does not know where the water is coming from and will look into it.

3. Consent Calendar - Approval of Minutes July 17, 2018

Motion to approve: Thomas, Second: Sierra. Passed. unanimously

Minutes will be published on website

4. New Business

A. Wastewater fee (ALT) Review

Presentation of ALT Wastewater Study results by Christina Hansford.

ALT Zone Member Steven Miller presented several questions related to the long-term accumulated overcharges and labor costs for the zone.

Major Study findings:

- *If ALT Reserve funds were used the rates could remain the same for the CDS lots and decrease for the non-CDS lots. If not CDS customers would see approx, \$74 bimonthly increase, and Non-CDS approx \$4*
- *The CDS undeveloped lots rate is too low,*
- *The One time User Fee for the remaining 2 undeveloped lots needs to increase*

Mike Saunders Study revision recommendations:

- *The Professional/Outside Service Budget included a one-time study fee for Stormwater Drainage which was carried over per year. This number can be revised in the projected yearly budgets for the service.*
- *Possible reduction in some of the inflators - labor*

Thomas Crawford: Philosophical question on who determines what to do with the excess ALT money

Other issues agreed upon - With no real assets for the District to the Non-CDS customers, the Non-CDS customers should not have to maintain a reserve, especially since they are financially responsible for their own septic tanks.

Finance Committee agreed that the ALT Zone members were the ones that needed to determine the use of the ALT Zone unrestricted Fund 40.

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Finance committee recommendation is once the numbers are revised that the next step should be Consultant and Staff have a presentation and Community Meeting with the ALT. Zone members to determine how to proceed with the Reserve fund before a recommendation can go to the Board of Directors.

B. Draft Reserve Policy Review

Discussion and Presentation by Kristen West, Steven Palmer

Mike Saunders suggestions to include with the Reserve Fund Procedure

1. *During the annual budget preparation, the Board will review all reserves and set target for funds to be set aside that year. (Already in Accounting Management draft proposals)*
2. *Tracking - Immediate Update for Transfers*
 - a. *Source From (Amount) → Reserve Fund (New Total - Net Increase)*
 - b. *Reserve Fund (new Total - Net Decrease) → Source (amount)*
3. *Procedures for*
 - a. *Fund Reaches limit set by Board*
 - b. *A zero fund has excess at Fiscal Year end*

These may have to be specified on a fund by fund basis for possible crediting, rebates, rate alterations, transfers , etc...

Discussion was also had on the timing for Reserve Fund review (annual, quarterly, Fy end)

How to define maximum amounts to remove in a fiscal year for a Capital project when adopting a Capital reserve policy and budgeting for future projects.

The Board had originally stated to maintain a separation between the Emergency Fund and the Capital Reserve Fund which the Finance Committee agrees with

Finance Committee recommendations for the Policy:

- *Continue to work on improving the language of the policy*

Finance Committee Recommendations to the Board:

- *Converging the Rate/Stabilization Fund into the Operating Reserves Fund*

C. Discuss and Establish Finance Committee Regular Meeting Day and Time

Due to Sierra’s school schedule, Wednesday will be the best day for all members to be able to attend the meetings. Motion made to have our regularly scheduled Finance Committee meetings on the Third Wednesday of the Month: Mike, Second: Thomas, Motion Passed - unanimously,

5. Items to be included for the next Finance Committee Meeting Agenda

Approval of minutes - June. Approval of minutes - October.

Appoint Vice-President of the Finance Committee

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6. Next meeting & adjourn

*Next Meeting: November 21, 2018 at 2pm at Georgetown Divide Public Utility District, 6425 Main St.,
Georgetown, CA 95634.*

Meeting adjourned.

Minutes prepared by Michael Saunders, Finance Committee Secretary.