

CONFORMED AGENDA
SPECIAL MEETING
BUDGET WORKSHOP
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6329 LOWER MAIN STREET, GEORGETOWN, CALIFORNIA 95634
TUESDAY, MARCH 22, 2016
6:00 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. **WELCOME AND INTRODUCTIONS** – *The meeting was called to order at 6:00 PM. Directors present: Capraun, Krizl, Uso. Staff present: Operations Manager Darrell Creeks, Office Manager Victoria Knoll. Directors Hanschild and Hoelscher were absent.*
2. **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.
3. **DISCUSSION OF DRAFT BUDGET** – Presentation of the estimated revenue and expense for the Fiscal Year 2016-17.

Office Manager Victoria Knoll presented the proposed FY 2016-17 Budget. It was noted that revenues are lower due to the drought, and expenses cannot be cut enough to meet the lower revenue.

A. Historical Review and Analysis

The drought in California has impacted the District's revenues. In 2011-12, the last normal year prior to the drought, operating revenue covered 75% of operating costs (60% when depreciation is factored in). By comparison, in 2014-15 operating revenue covered only 68% of operating costs (53% when depreciation is factored in). In other words, operating revenue covered 7% less of operating expenses in 2014-15 than in 2011-12.

B. Assumptions for 2016-17 Budget

Operating Expenses – Operating Revenue and Expenses will remain fairly constant relative to 2015-16 actuals. Materials and Supplies will increase to reflect needed repairs in treated and raw water

transmission conveyance systems. Repair and Maintenance will increase to cover costs of roof repair/replacement at the headquarters building and at some of the sheds. Regulatory contract work will continue. Staff development and travel have been increased by \$6,000. Increase of \$10,000 in Audit to cover a single audit requirement in the event that the District exceeds the \$750,000 threshold in federal funding – the audit would look at internal controls over regulatory law. Additional interest expense for the State Water Board \$10 million loan. The last assumption is for personnel changes: one temporary admin position to on full time Admin Aide I, and one temporary Maintenance I to full time (in Dept. 52, Raw Water Transmission).

Revenue and Capital – Other revenues include \$610,000 surcharge for the new State Water Board (SWB) loan. Funding of \$8 million for the ALT Water Treatment Plant (SWB loan) and ALT WTP Reserve Fund 24. Completion of the CABY Project (approved in 2015-16 Budget) with funding from the CABY grant and the remaining match from Operations (Fund 10). Capital projects to be funded from the recently established Capital Reserve Account (with 2016-17 excess cash put back into the account for the following year's capital improvements).

C. Draft Revenue Estimate by Source

Operating Revenue – Residential Sales are budgeted at \$1.285 million. Commercial Sales are budgeted at \$297,950. Irrigation Sales are budgeted at \$225,000 for an anticipated full five-month season. Wastewater is budgeted at \$344,000. Penalties, Fees, and Other is budgeted at \$37,000. **Total Operating Revenue** is budgeted at **\$2,188,950**.

Non-Operating Revenue – Property Taxes are estimated at \$1,345,000 (this number needs to be verified – it might be too low). SMUD is budgeted at \$105,000, Grants (CABY and EPA) are budgeted at \$1,303,968. Interest Income is budgeted at \$40,000. El Dorado County Water Agency Cost Share is budgeted at \$50,000. Leases are budgeted at \$60,000. Hydroelectric and Other is budgeted at \$40,000 (this could be higher). **Total Non-Operating Revenue** is budgeted at **\$2,943,968**.

D. Draft Expense Estimate (by department) Summarized

Departmental expenses for the 2016-17 Budget are similar to the 2015-16 Budget. The treated water transmission department (54) will continue to repair the system and that is reflected in the budget. Labor related and non-labor related expenses will be similar to the 2015-16 Budget. The labor related budget expenses for 2015-16 and 2016-17 equal \$1,904,000 and \$1,860,000 respectively. The 2015-16 and 2016-17 operating expense budgets equal \$3,067,300 and \$3,068,239 respectively.

E. Capital Budget

The following amounts are budgeted for Fiscal Year 2016-17 Capital Improvements.

DESCRIPTION	AMOUNT	SOURCE
Repair Safety Walkways	\$35,000	Capital Reserve Account
Repair Irrigation Distribution	80,000	Capital Reserve Account
Pump Station Repairs	75,000	Capital Reserve Account
Man Holes	5,000	Fund 41 (CDS)

<i>Sewage Pump Station Repair</i>	<i>30,000</i>	<i>Fund 41 (CDS)</i>
<i>Vehicle Replacement (two trucks)</i>	<i>80,000</i>	<i>Capital Reserve Account</i>
<i>Excavator</i>	<i>70,000</i>	<i>Capital Reserve Account</i>
<i>25 Pressure Reducing Valves</i>	<i>120,000</i>	<i>Capital Reserve Account</i>
<i>ALT-WTP</i>	<i>8,741,953</i>	<i>Cap. Fac./EPA Grant/SWB Loan</i>
<i>Gunite Ditches</i>	<i>1,112,859</i>	<i>CABY Grant/Ops. (2015-16 Budget)</i>
<i>El Dorado County Water Agency</i>	<i>100,000</i>	<i>Grant Match/Capital Reserve Account</i>
TOTAL CAPITAL IMPROVEMENTS	\$10,449,812	

F. Projected Cash Flows

The following table portrays estimated cash flows for Fiscal Year 2016-17.

DESCRIPTION	AMOUNT
<i>Operations</i>	<i>(\$1,258,285)</i>
<i>Non-Capital Financing Activities</i>	<i>\$2,964,098</i>
<i>Capital and Related Financing Activities</i>	<i>(\$2,449,812)</i>
<i>Investing Activities</i>	<i>143,000</i>
<i>Cash Transfer from Fund 24, Fund 10 (FY 2015-16), Fund 41 (CDS), and Capital Reserve Account</i>	<i>\$1,075,844</i>
CASH SURPLUS	\$474,845

5. **ADJOURNMENT** – Next regular meeting: April 12, 2016 at 2:00 p.m. at the Georgetown Divide Public Utility District office.

The meeting adjourned at 7:30 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 March 17, 2016.

Signed Wendell B. Wall
Wendell B. Wall, General Manager

Date 4-12-2016