

Georgetown Divide Public Utility District Finance Committee

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

17 Oct 2019 Draft FINANCE COMMITTEE MEETING MINUTES

Meeting Date & Time: October 16, 2019, at 2:00 PM

Location: GDPUD Boardroom

Committee Members Present: Steve Miller (Chair), Thomas Crawford (Vice Chair), Mitch MacDonald, Ken Pauley, Don Waltz (Secretary)

Committee Member(s) Absent: Sierra Nyokka

Board Member Present: Michael Saunders (Treasurer, Finance Committee Liaison)

Staff Present: Steven Palmer (General Manager), Christina Cross

1. Call to Order, Pledge of Allegiance

Meeting called to order at 2:00 PM.

2. Public Forum

Question asked by member of the public: Can Finance Committee meeting packets be posted to the GDPUD Website prior to a meeting. Response from Steven Palmer (GM): Information packets are posted to the Website.

3. Consent Calendar - Approval of Minutes August 21, 2019, and September 15, 2019.

Motion was made and seconded to approve the minutes for FC meetings of August 21, 2019, and September 15, 2019, pursuant to the following deletion involving page 3 of the draft August 21st minutes:

“Mr. Palmer expressed strong concerns for ~~the~~ having significant legal oversight of GDPUD activities.”

Motion was unanimously approved.

4. New Business

A. Cash Balances Report

A report regarding the beginning and ending cash balances for fiscal years covering 2014-2019 was presented by Thomas Crawford. A request was made by a Committee member to instead investigate and report the beginning and ending fiscal year information for excess revenues or deficits. It was suggested that the District’s audit reports would be the likely source of such information. FC member Waltz volunteered to explore the audits and report accordingly.

B. Investment Report:

FC member MacDonald provided detailed information regarding the District’s current investment policy and the amounts of money invested in various financial instruments and accounts. After discussion, the Committee came to the conclusion that the FC was of the opinion that there may be more beneficial investment opportunities available to the District.

As a result, it was moved and seconded that the FC recommends that the Board of Directors direct its Treasurer to examine investment opportunities with respect to (1) approximately \$7,000,000 currently invested with the State of California Local Agency Investment Fund, and (2) approximately \$2,000,000

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invested in a savings account with El Dorado Savings Bank. The motion was approved on a unanimous vote.

C. Review Draft Leakage Consideration Policy

Mr. Palmer and Ms. Cross led a discussion of alternative solutions to the issue revolving about the percentage of water rate charges that can be offset by the District when a customer incurs extraordinary water charges resulting from a leak in a customer’s water delivery system. As a result of discussions regarding the subjectivity of the percentages that were examined, the Committee entertained two motions:

- 1. It was moved and seconded that the offset that a customer could receive after a leak is reported cannot not be greater than \$1000 and 90% of the amount that is equal to or less than \$1000. This motion failed on the following votes:*

Yes: Mr. Crawford and Mr. Waltz

No: Mr. Pauley and Mr. Miller

Abstain: Mr. MacDonald

- 2. It was moved and seconded that the offset that a customer could receive after a leak is reported could not be greater than \$1000 and 70% of the amount that is equal to or less than \$1000. This motion was approved on the following votes:*

Yes. Mr. Crawford, Mr. Miller, Mr. Pauley and Mr. Waltz

No: None

Abstain: Mr. MacDonald

Thus, the Committee recommends that the Board take into consideration the above approved motion when contemplating changes to the District’s Leakage Consideration Policy.

D. Discussion of District’s Investment Policy

The Committee agreed that discussion of this item had been covered during the conversations that ensued following Mr. MacDonald’s presentation under item “B” of the agenda.

E. Review Update to Capital Improvement Plan and Impact to Fiscal Year 2019/2020 Budget

Mr. Palmer indicated that the update was not ready for discussion. The matter was tabled.

5. Next meeting & adjourn

It was decided that the next Committee meeting would be held November 20, 2019, at 2pm, at the Georgetown Divide Public Utility District office, 6425 Main St., Georgetown, CA 95634. The meeting was then adjourned at 4:20 PM.

Minutes prepared by Don Waltz, Finance Committee Secretary.