

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF OCTOBER 12, 2021
AGENDA ITEM 8.B.**



AGENDA SECTION: OLD BUSINESS

SUBJECT: APPROVING THE DISTRICT POLICY ON THE ROLE AND RESPONSIBILITIES OF THE FINANCE COMMITTEE

PREPARED BY: Gloria Omania, Interim Board Clerk

APPROVED BY: Andy Coyan, General Manager

BACKGROUND

The Board of Directors (“Board”) created the ad hoc Finance Policy Committee (“Committee”) at the regular meeting of January 12, 2021, to review and redefine the roles and responsibilities of the Finance Committee. The Committee submitted recommended changes to the policy and Staff reformatted this document into District Policy 2021-0914, as directed by the Board through Resolution 2021-16, and inserted additional language related to Brown Act provisions requested by Board President Michael Saunders.

During the Regular Meeting of September 14, 2021, the Board considered District Policy 2021-0914 (**Attachment 1**). The Board discussion related primarily to Section 8. Removal, and the Board directed Staff to bring this item back at the regular meeting of October 12, 2021, for reconsideration by the Board.

DISCUSSION

As directed by the Board, Staff made changes to the District Policy, submitted as **Attachment 2** of this report for the Board’s reconsideration. District Policy No. 2021-1012, includes the following changes:

- Added to Background Section: *The Board of Directors (“Board”) of the Georgetown Divide Public Utility District (“District”) formally established the Finance Committee (“Committee”) under District Policy 5000.3 which requires the committee to comply the Ralph M. Brown Act, California’s “Open Meetings Laws” adopted by the Legislature in 1953. Commonly referred to as the Brown Act, these provisions are contained in Government Code Section 54950 et seq. The Brown Act is broadly construed, and compliance is constitutionally mandated. Committee members must be knowledgeable about Brown Act provisions and are required to take annual and bi-annual training.*

- Added to Section 2. Memberships: A quorum shall consist of a simple majority of the total number of members currently appointed to the Committee, *but no less than three (3) public members.*

Approval of District Policy on the Role and Responsibilities of Finance Committee

Board Meeting of September 14, 2021
Agenda Item # 8.F.

- Changed Section 8. Removal: *All committee members serve at the will of the Board, and any member may be removed by an affirmative vote of three (3) members of the Board. The removal of a Finance Committee member shall follow procedures that will be outlined in a District Policy on Board Committees.*

The following points for procedures on the removal of committee members is being proposed by President Saunders for inclusion in a yet-to-be adopted District Policy that will apply to all District committees:

Removal of Public Committee Members:

- The vote for removal must be added to the agenda of a Regular Meeting of the Board.
- Public members are volunteers and may not have had experience with governance, thus it is recommended that remedial actions be taken before recommending removal, depending on the infraction or violation.
- The Board of Directors may recommend:
 - the Board issue a warning letter (providing any remedial courses of actions, trainings, expectations); or
 - remove the committee member from the committee.
- An affirmative vote of three (3) members of the Board is required for any of the recommended options.

This proposed policy will be developed by Staff for consideration by the Board of Directors. Upon adoption, the policy will be included as an addendum to the District Policy on the Role and Responsibilities of the Finance Committee.

FISCAL IMPACT

There is no fiscal impact.

CEQA ASSESSMENT

This is not a CEQA project.

RECOMMENDED ACTION

Staff recommends that the Board of Directors adopt Resolution 2021-41 (**Attachment 3**) approving District Policy 2019-1012, the Role and Responsibilities of the Finance Committee.

ATTACHMENTS

1. Draft District Policy presented Sept. 14, 2021
2. District Policy 2021-1012 Role and Responsibilities of Finance Committee
3. Resolution 2021-41

Georgetown Divide Public Utility District
Policy Manual

2021

POLICY TITLE: Role and Responsibilities of the Finance Committee

POLICY NUMBER: 2021-0914

BACKGROUND:

The Board of Directors (“Board”) of the Georgetown Divide Public Utility District (“District”) rescinded the resolution establishing the role and responsibilities of the Finance Committee (“Committee”) during the regular meeting of June 9, 2020. At the regular meeting of January 12, 2021, the Board created an ad hoc committee to work on a new Finance Committee Policy. The roles and responsibilities of the Finance Committee is set forth below:

1. **Purpose.** The Finance Committee was established as an advisory body to the Board on matters related to the District’s finances, budgeting, auditing, financial policies, and reports. Due to the Committee’s advisory nature, the Committee and its members have no authority to set policy, expend funds, or make obligations on behalf of the Board and/or the District.
2. **Membership; Quorum.** The Committee shall be comprised of no fewer than three (3) and no more than five (5) public members. A quorum shall consist of a simple majority of the total number of members currently appointed to the Committee.
3. **Board Liaison.** The Board Treasurer and another Director, for a total of two (2) Directors, shall be assigned to the Committee as Board Liaison members.
 - (a) The duties of the Board Liaison include presenting relevant data to the Board and arranging for any presentation of important progress on projects to the Board by the Committee Chairperson.
 - (b) The Board Liaison’s role will be advisory to the Committee.
 - (c) The Board Liaison will not have a vote on the Committee.
 - (d) Only two (2) Board of Directors can be present at any of the Committee meetings
 - (e) If a regular Liaison cannot attend a meeting, that member will contact the Board President and the Board President will arrange for another member to attend the meeting. If there are three members present, the Board Liaison is authorized to request the non-liaison Board member to leave.
4. **Selection of Committee Members.**
 - (a) A Notice of a Vacancy on the Finance Committee shall be posted on the District’s website and social media sites, and must be published in a newspaper of general circulation in the District with instructions for applying, including a deadline for submittal.
 - (b) All applicants who reside within the District boundaries will be eligible for consideration by the Board. It is recommended that applicants have experience in finance, budgeting,

accounting, management, and/or related fields.

- (c) Applications must be submitted by the stated deadline and must include a Statement of Interest and resume. Applicants can be mailed or hand-delivered to the General Manager at the District Office, located at 6425 Main Street, Georgetown, CA 95634, or transmitted by email to gm@gd-pud.org.
- (d) The General Manager will distribute all applications to the Board of Directors.
- (e) All applicants shall make a personal presentation of their qualifications to the Board of Directors during a Board meeting.
- (f) The Board of Directors will ask questions of the applicants during the Board meeting and will publicly vote on each applicant to be appointed. In the case where there are more applicants than Committee seats, Directors will submit their ranking of the applicants to the Board President after the questioning period. The applicant(s) with the highest number of first place, then second place, etc., (if needed) rankings shall be selected and announced as the appointee(s).
- (g) Those Finance Committee members who resign or who do not renew their two-year commitment shall provide a letter of resignation to the Finance Committee Chair, the President of the Board of Directors, and the General Manager.
- (h) The Board of Directors will confirm appointments and resignations by Resolution of the Board.

5. Role of the Committee. The primary role of the Committee is to provide recommendations to the Board of Directors from their direction, or in response to Board approved proposals made by staff on matters related to the District's finances. It shall be the responsibility of the committee to adhere to the Board approved Conceptual Budget Timeline (Exhibit A) and to:

- (a) Review annual operating budget proposed by staff and make recommendations to the Board prior to the Board receiving the annual operating budget for approval.
- (b) Review emergency, short-range, long-range strategic financial plans and quarterly financial reports proposed by staff and make recommendations to the Board prior to the Board receiving the proposed financial plans and reports for approval.
- (c) Review the audited annual financial data and statements available when the audit is presented to the Board of Directors.
- (d) Review and monitor all District financial reports including, quarterly reports, request for proposal budgets, Capital and Reserve funds, monthly cash balances, fund transfers, investments, source of funding, and make any recommendations to the Board.
- (e) Present alternative options with recommendations to the Board.
- (f) Present all Committee identified financial goals and proposals to the Board for approval.
- (g) Accept all projects requested by the Board.

6. Meetings. The committee shall meet monthly, and more often if needed or requested by the Board. Meetings shall be held at the District's offices unless otherwise stipulated by an emergency or Executive Order.

- (a) At any meeting of the Finance Committee, the majority of the members currently appointed show constitute a quorum for purposes of conducting business or meetings.

Unless otherwise posted, a majority vote of those present and voting shall be sufficient to adopt any motion. A quorum cannot be under three (3) members.

- (b) All meetings of the Committee shall be open and public, and all persons shall be permitted to attend any meeting of the Committee as provided by Government Code Section 54950 et seq.
 - (c) All meetings of the Committee shall be held in the GDPUD offices at 6425 Main Street, Georgetown, CA 95634, unless there is a special need to hold a meeting at a different location.
 - (d) The proceedings of all meetings of the Committee shall be conducted in accordance with GDPUD Board Policy Numbers 5000, 5030 and 5040.
 - (e) The Committee shall follow the order of business for the conduct of its meetings by the agenda. The order can be changed during the Adoption of the Agenda by majority vote.
 - (f) Any meeting may be adjourned to a time and place stated in the Order of Adjournment. Less than a quorum may also adjourn from time to time. If all members are absent, the Secretary may declare the meeting adjourned to a stated time and place and shall cause each notice to be given in the same manner as for special meetings.
 - (g) Special meetings may be called at any time at the direction of the Chairperson or by a majority of the Committee. However, scheduling must be coordinated with the General Manager and Board President to ensure there are no conflicts with other scheduled Committee, Board, County, Regional, or Legislative meetings. A minimum of Forty-Eight (48) hours advance written notice of special meetings shall be provided by the Chairperson to the Board President and General Manager stating the date, time, and business to be transacted. The public shall be notified through the district regular communications and procedures, in accordance with Government Code Section 54950 et seq – at least twenty-four (24) hours prior to the meeting.
 - (h) The Board Clerk shall maintain meeting minutes, including a complete record of all transactions, findings, and determinations, and present a full statement to the General Manager for the Board prior to the next Board meeting. A signed copy of meeting minutes shall be filed with the Staff Liaison.
- 7. Terms.** The terms of office shall be two (2) years. Committee members may be reappointed to subsequent terms by providing their resume to the Board and the General Manager, and then the Board voting on the Committee members reappointed during a Board meeting.
- 8. Removal.** All committee members serve at the will of the Board, and any member may be removed by an affirmative vote of three (3) members of the Board. There shall be no requirement to show cause for removal.
- 9. Officers.** The committee shall designate from among its members a Chair, Vice-Chair, and Secretary. The Chair shall preside over the meetings, and in the Chair's absence, the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the remaining members, if a quorum exists, shall select from among themselves a person to preside over the meeting. The Board Clerk, or Staff designee, shall prepare agendas and minutes of every meeting and shall be responsible for transmitting the agenda and the final copy

of all minutes to the General Manager or designee. Items needing Board action shall be transmitted as soon as possible to the General Manager or designee for inclusion on the next available Board agenda.

10. Agenda.

- (a) The General Manager, in cooperation with the Board President and the Chair of the Finance Committee, shall prepare an agenda for each regular and special meetings of the Finance Committee Meeting in accordance with the Ralph M. Brown Act (California Government Code Section 54950).
- (b) All items on the agenda must have been approved or directed by the Board of Directors. These items may come from either the Board, Staff, or Finance Committee requests.
- (c) There is a conceptual timeline which should be automatically incorporated each month at the direction of the Board.
- (d) During the last item of the Finance Committee agenda before adjournment, a Committee member may bring up items they would like the Committee to review and for what purpose. Requests affirmed by a majority vote of the Committee shall be reported to the Board of Directors by the Committee Chair at the next meeting of the Board of Directors.
- (e) Reports will be prepared each month based on the conceptual timeline for the Finance Committee and any other monthly financial committee reports or agendized items.
- (f) Requests for additional information by Committee members should be directed to the Finance Committee Chair. The Chair will provide the Board Treasurer with these requests. The requests will then be given and discussed with the General Manager by the Treasurer with a copy to the Board President. Only the General Manager can direct staff for reports. Only the Board can direct the General Manager. Committee members must be aware of the conceptual timeline and reports required for the agenda when requesting additional information.

11. Board Reports. The Committee shall report on its activities to the Board at least monthly and more often if needed or requested by the Board. The Board Report shall be either oral or written and shall include a description of the activities of the Committee for the proceeding, and any on-going or outstanding activities or tasks. The Board Report will be given at the next Regular Board Meeting by the Finance Committee Chair or Vice-Chair. Committee member minutes can be used to satisfy this requirement if the Chair or Vice-Chair is not present at the Board of Directors meeting.

12. Board Liaison and Staff Support. The Committee shall have a following Board and/or staff members to assist it with its work from time to time as may be necessary or desired by the Committee and/or the Board: Board Treasurer who will serve as the Board Liaison, and a Staff Liaison designated by the General Manager. The Board Liaison and Staff Liaison shall (a) not be regular or ex officio members of the committee; (b) not have the right to vote; and (c) not be counted for purposes of determining the presence of a quorum.

EXHIBIT A

Georgetown Divide Public Utility District Finance Committee Conceptual Timeline

The Finance Committee shall accept direction from the Board of Directors to provide financial reviews, make recommendations, and report on its activities to the Board at least monthly, or more often if needed or requested by the Board. The Board Report can be either oral or written and shall include a description of Committee activities per this timeline, and on any ongoing or outstanding activities or tasks. The Board Report is given during the Regular Board meeting during Committee Reports by the Committee Chair. Committee meeting minutes may be used to satisfy the reporting requirement if the Chair will not be present.

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September – Fund Transfer Tracking Review.

October – Review First Quarter Budget Report.

November – Review CalPERS Unfunded Liabilities, Compare Prior FY Budgets with Matching Prior FY Audits.

December – Develop Finance Committee’s Annual Work Report for the Board of Directors.

Georgetown Divide Public Utility District
Policy Manual

2021

POLICY TITLE: Role and Responsibilities of the Finance Committee

POLICY NUMBER: 2021-1012

BACKGROUND:

The Board of Directors (“Board”) of the Georgetown Divide Public Utility District (“District”) formally established the Finance Committee (“Committee”) under District Policy 5000.3 which requires the committee to comply the Ralph M. Brown Act, California’s “Open Meetings Laws” adopted by the Legislature in 1953. Commonly referred to as the Brown Act, these provisions are contained in Government Code Section 54950 et seq. The Brown Act is broadly construed, and compliance is constitutionally mandated. Committee members must be knowledgeable about Brown Act provisions and are required to take annual and bi-annual training.

The Board rescinded the resolution establishing the role and responsibilities of the Finance Committee during the regular meeting of June 9, 2020. At the regular meeting of January 12, 2021, the Board created an ad hoc committee to work on a new Finance Committee Policy. The roles and responsibilities of the Finance Committee is set forth below:

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- (f) are three members present, the Board Liaison is authorized to request the non-liaison Board member to leave.

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- (c) Applications must be submitted by the stated deadline and must include a Statement of Interest and resume. Applicants can be mailed or hand-delivered to the General Manager at the District Office, located at 6425 Main Street, Georgetown, CA 95634, or transmitted by email to gm@gd-pud.org.
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next Regular Board Meeting by the Finance Committee Chair or Vice-Chair. Committee member minutes can be used to satisfy this requirement if the Chair or Vice-Chair is not present at the Board of Directors meeting.

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DRAFT

EXHIBIT A

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December – Develop Finance Committee’s Annual Work Report for the Board of Directors.

RESOLUTION NO. 2021-41
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
APPROVING THE DISTRICT POLICY ON THE
ROLE AND RESPONSIBILITIES OF THE FINANCE COMMITTEE

WHEREAS, the Board of Directors created the ad hoc Finance Policy Committee on January 12, 2021, to review and redefine the role and responsibilities of the Finance Committee; and

WHEREAS, during the regular board meeting of April 13, 2021, the Board adopted Resolution 2021-16 to reestablish the Finance Committee and allow the ad hoc Finance Policy Committee to continue the work on a District policy on the role and responsibilities of the Finance Committee; and

WHEREAS, the ad hoc Finance Policy Committee submitted recommended changes to the policy; and

WHEREAS, additional language related to the Brown Act provisions was inserted and the document was reformatted into District Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT the District Policy on the Role and Responsibilities of the Finance Committee is adopted.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 12th day of October 2021, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

Michael Saunders, President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Attest:

Adam Coyan, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Resolution 2021-41 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this 12th day of October 2021.

Adam Coyan, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

DRAFT

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF OCTOBER 12, 2021
AGENDA ITEM NO. 9.A.**



AGENDA SECTION: NEW BUSINESS

**SUBJECT: CUSTOMER REQUEST FOR LEAK CONSIDERATION
ADJUSTMENT TO WATER BILL DUE TO BROKEN LINE
CAUSED BY REPAIRS BY A GDPUD TO PRESURE
REDUCING VALVE**

PREPARED BY: Darrell Creeks, Operations Manager

APPROVED BY: Adam Coyan, General Manager

BACKGROUND

GDPUD customer Eileen Parr is requesting the Board grant a leak consideration adjustment for her excessive water use based on a water break that occurred when a new GDPUD pressure reducing valve failed to control the water pressure and blew apart one of her pipes. She did not know there was a leak until we read meters and found she used approximately 25,000 cubic feet. It took them a while to find the leak as it was going straight down. In the meantime, they used another 20,000 cubic feet for this billing cycle.

Operations Manager Creeks did some research and found that they were using a little under 1,000 cubic feet per day putting the timeline right around when the new PRV was installed. GDPUD also had a large main break the same day in ALT that we repaired along with several other service lines within the next few days.

DISCUSSION

Ordinance 82-1, Section 2-6 states, "All applicants for service connections or water service shall be required to accept such conditions of pressure and service as are provided by the distribution system at the location of the proposed service connection, and to hold the District harmless from any damages arising out of low pressure or high pressure water service or from any interruptions in service."

The Leak Consideration Policy is attached as reference.

FISCAL IMPACT

Approving this request would result in the District allowing the customer to pay the amount they paid last year for the July/August and September/October billing cycles. Her current

CUSTOMER REQUEST FOR BILL ADJUSTMENT

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bill for July-August is \$783.41; last year's bill for the same time period was \$131.11. The difference is \$652.30. This current billing cycle is not over, but is expected to be very similar.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

Staff is bound by Ordinance 82-1 and cannot approve this request for an adjustment to the bill and requests direction from the Board.

ALTERNATIVES

Approve the request and allow Mrs. Parr to pay the bills in the amount she paid last year for the same billing cycles.

Allow customer to apply for leakage consideration according to Leakage Consideration Policy 1118 to receive a bill adjustment.

ATTACHMENTS

(1) Leak Consideration Policy 1118

RESOLUTION NO. 2019-62
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
ADOPTING A REVISED LEAKAGE CONSIDERATION POLICY

WHEREAS, the current Board adopted Leakage Consideration Policy is from 2010; and

WHEREAS, an update of the policy is needed to provide a formal policy; and

WHEREAS, a Revised Policy was presented to and reviewed by the Finance Committee at their September and October 2019 meetings; and

WHEREAS, a Revised Policy was presented to and reviewed by the Board at their November 12, 2019 meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT adopts Revised Policy 1118, Leakage Consideration, attached to this Resolution as Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 12th day of November 2019, by the following vote:

AYES: WADLE, HALPIN, GARCIA, SOUZA, SAUNDERS

NOES:

ABSENT/ABSTAIN:

Dane Wadle

Dane Wadle, President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

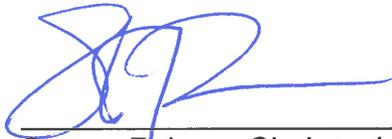
Attest:



Steven Palmer, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-62 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this 12th day of November 2019.



Steven Palmer, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

POLICY TITLE: **Leakage Consideration**

POLICY NUMBER: **1118**

1118.1 Background: In the 1980's, the Board enacted a leakage consideration policy. If a customer had a leak on their side of the meter due to broken pipes or other failures in the properties plumbing system and got it fixed promptly, they could qualify for an adjustment to their water bill. This is called a Leakage Consideration.

The policy was based on compassion for the customer, timely repair of the leak, and payment by the customer for the chemicals and energy to treat the water that was lost.

The customer is responsible for monitoring higher than expected usage. The District will do it's best to provide high usage phone calls to customers with seemingly abnormally high usage during meter reading. Customers must investigate higher than expected usage to determine if the usage was caused by a leak. Customers should promptly repair leaks.

1118.2 Eligibility: Only the legal homeowner of the property can request a leakage consideration. Rental tenants paying bills must contact the owner to have them request an adjustment from the District.

No leak adjustments will be granted for loss of water due to irrigation or pool failures.

No adjustments will be granted for loss of water due to leaking faucets or running toilets.

The customer's account must be in good standing at the time of the Leakage Consideration.

Adjustments are limited to the water usage portion of the bill only.

Only residential treated water customers are eligible for the leakage consideration. The adjustment does not apply to agricultural irrigation water accounts.

1118.3 Procedure: A leakage consideration is calculated by staff using the following provisions.

1118.3.1 Qualification for a consideration requires that the customer repair the leak promptly. Prompt repair is considered to be within ten calendar days of notification or when the leak was discovered.

1118.3.2 The adjustment is calculated by staff and shall be determined by the District based on comparison of "normal consumption" during the same billing period of the prior year the leak occurred. Staff shall use the immediate past year but may, at staff's sole discretion, consider other years if necessary to determine an appropriate historical usage

1118.3.3 The customer shall be responsible for payment of forty percent (40%) of the calculated water loss. Water consumption not subject to the water loss calculation shall be billed at the appropriate rate.

1118.4 Number of Adjustments: One adjustment for one billing cycle is granted for every three years of an active account status. If a leak persists over more than one billing cycle, the customer shall only receive relief for excess water usage that occurred during one billing cycle. The leakage consideration may be extended to two billing cycles at the discretion of General Manager or designee, if it can be documented that the leak started within the last ten (10) calendar days of the billing cycle.

1118.4.1 If a property transfers ownership, considerations requested by the previous owner do not apply.

1118.5 Authorization. All adjustment decisions from the General Manager and/ or their designee are final. A customer may appeal the decision of the General Manager within (10) working days from the date of the General Manager's decision. The customer's written appeal must describe in detail the basis for the appeal and explain why the adjustment should be granted. The General Manager will agendaize the appeal for a Board of Directors meeting within forty (40) days from the date the written appeal is received.

1118.6 Application. The customer must submit written request to the district office within 30 days from the billing date in which the loss occurred. For example, if the leak occurred in the billing cycle for service months July/August, the billing date would be September 1, and the deadline for adjustment submittal would be September 30. Applications submitted after the deadline will not be exempt from late penalties and may not be approved.

To receive an adjustment because of a leak, customer must fill out the designated form, or write a letter to GDPUD with the equivalent information.

In their description, customer must explain (1) how and when the leak occurred, (2) when it was repaired and (3) enclose or attach copies of proof of repair (such as a plumber's bill, parts receipt, photos of repair, etc.)

If the customer or others made the repair with parts on hand and have no receipts, customer must state that in their description.

Customer should include their account number, daytime phone number, and email so staff can contact them with questions.

1118.6 Submission. All adjustment requests must be submitted to the General Manager and/or designee for approval. Staff will contact the customer by phone call and/or writing either detailing the adjusted amount of their bill or denying the request.

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF OCTOBER 12, 2021
AGENDA ITEM NO. 9.B.**



AGENDA SECTION: NEW BUSINESS

**SUBJECT: DISCUSS RECOMMENDATIONS OF THE AD HOC SPECIAL
AUDIT COMMITTEE FOR AN EXTERNAL INVESTIGATIVE
AUDIT AND AN ASSET VALUATION**

PREPARED BY: Gloria Omania, Interim Board Clerk

APPROVED BY: Adam Coyan, General Manager

BACKGROUND

The Board of Directors created the Ad Hoc Special Audit Committee (“Committee”) during the Regular Board meeting of January 12, 2021, to review and analyze District finances and determine the need for a deeper investigation not covered by regular audit processes or evaluations.

During the Board’s Regular Meeting of September 14, 2021, Director Saunders gave an oral presentation on the Committee’s activities.

DISCUSSION

The Ad Hoc Special Audit Committee, comprised of Directors Michael Saunders and Mike Thornbrough, is formally presenting the attached report and recommendations for discussion by the Board (**Attachment 1**).

FISCAL IMPACT

No fiscal impact is identified at this time.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

Staff recommends that the Board of Directors receive the Report of the Ad Hoc Special Audit Committee and provide Staff direction.

ATTACHMENTS

1. Ad Hoc Special Audit Committee Report

Ad Hoc Special Audit Committee Report October 2021

Board Meeting of October 12, 2021
AGENDA ITEM 9.B.
Attachment 1

Members:

President, Michael Saunders
Treasurer, Mike Thornbrough

At the Regular Board Meeting of Jan 12, 2021 a Special Audit Ad Hoc Committee was created to review and analyze the District for anything which may need a deeper investigation that is not covered by our regular audit processes or evaluations. This committee would bring their recommendations back to the Board.

Initially, this committee consisted of President Michael Saunders, and Director Cynthia Garcia.

Synopsis - January Meeting

A list of areas to begin our review and analysis was determined

The Broad category listings include

- Salary
- Forecast budget vs actuals
- Overall financial health
- Depreciation
- Fund management
- Fund transfers
- Calpers actuaries/past actuaries
- Asset valuation

No recommendations to the Board were provided at this time due to the discussions.

In August, Treasurer Mike Thornbrough was added to the Committee to replace director Garcia.

The Committee met with the General Manager in September.

Synopsis - September Meeting

Vehicle/Equipment Maintenance was added to the category areas

The main concerns for review deal with inadequate listings of funds, fund balances, fund transfers. Especially with the transfer over from the MOM system to Tyler, Financial Software, there is a need for a deeper dive to determine the funds, balances, and transfers. The other focus was on the need for an asset valuation.

Recommendations to the Board:

- **To send out an RFP for an External Investigative Audit**

Background.

With the transition from the financial system MOM to Tyler the District has been unable to provide financial reports and balance sheets since December 2020. There is not an adequate listing of funds, fund balances, and fund transfers. We already have the information from our internal audits, and annual audits. The current annual audit is designed to provide assurance that certain parts of the financial statements are reasonable. It examines and evaluates our financial statements and checks that the information contained in those financial statements is a fair and accurate representation of the organization. The annual audit also looks at our accounting practices and makes recommendations based on best standard accounting practices and also provides and fills out the forms necessary for our Government Accounting Standards Board (GASB) documentation.

An external investigation while also focusing on the accounting practices will focus more in-depth on the transactions, balances, and assets to create a clearer picture of the funds, fund balances, and organizational structure of the funds. The transfers between accounts needs to be investigated and determined to also assure there is no co-mingling of restricted and non-restricted funds in our transfer processes.

Based on this information, the Special Audit Committee makes a recommendation that the Board directs staff to provide the Board with an RFP to approve for an External Investigatory Audit.

- **Send out an RFP for an Asset Valuation**

Background.

Knowing we are moving forward with a rate study, an asset valuation and inventory needs to be done to match the new Water System Assessment RFP, Inventory and Asset Management planning for the Capital Improvement Plan with prioritization.

Based on this information, the Special Audit Committee makes a recommendation that the Board directs staff to create an RFP for an Asset Valuation of the District.

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF OCTOBER 12, 2021
AGENDA ITEM NO. 9.C.**



AGENDA SECTION: NEW BUSINESS

**SUBJECT: CONSIDER AUTHORIZING THE GENERAL MANAGER TO
ISSUE AN RFP FOR CPA SERVICES**

PREPARED BY: Adam Coyan, General Manager

BACKGROUND

Since April 11, 2017, the District has been receiving CPA services from Vavrinek, Trine, Day, & Co., LLP (VTD) when then-General Manager Steven Palmer retained this firm's services to review finance and accounting operations of the Georgetown Divide Public Utility District in the amount of not to exceed \$9,500.

When that initial scope of work was completed with satisfactory performance, the General Manager requested a proposal from VTD to provide finance manager services for the Fiscal Year 2017-2018. On August 8, 2017, the Board approved a Professional Services Agreement with VTD, for an amount not to exceed \$89,100. For subsequent Fiscal Years, VTD, now Eide Bailly, has continued to provide these services under amended Agreements. The current amended Agreement provides for a total amount not to \$231,960.

DISCUSSION

The General Manager plans to conduct a review of all current Professional Services Agreement in the near future. Due to the current financial situation (conversion to the new accounting software Tyler, the vacant Management Analyst position, and the strong interest by the Board to conduct a thorough review of the District's finances), Staff would like to issue an RFP for CPA Services. This will allow an opportunity for Eide Bailly to submit a bid and give an opportunity for other CPA firms to compete for the contract. This process could translate into savings for the District.

FISCAL IMPACT

There is no financial impact identified at this time.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District authorize the General Manager to issue a Request for Proposals for CPA Services.

ALTERNATIVES

Deny Staff's request and provide alternative direction.

ATTACHMENT:

Resolution 2021-49