



MINUTES

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CALIFORNIA 95634

MEETING OF THE FINANCE COMMITTEE

TUESDAY, OCTOBER 28, 2021
3:30 P.M.

FINANCE COMMITTEE MEMBERS

Steve Miller, Chairman
Marilyn Boehnke, Member
Andy Fisher, Member

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, ROLL CALL, AND PLEDGE OF ALLEGIANCE

President Steve Miller called the meeting to order, lead the pledge of allegiance and called the roll with all Committee members being present

2. ADOPTION OF AGENDA

MOTIONED BY ANDY FISHER TO ADOPT AGENDA. SECONDED BY MARILYN BOEHMKE THE MOTION PASSED.

- #### 3. 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.

4. APPROVAL OF MINUTES -- SPECIAL MEETING OF October 5, 2021

*MOTIONED BY ANDY FISHER TO APPROVE THE MINUTES OF OCYOBER 5, 2021.
SECONDED BY STEVE MILLER.*

THE MOTIONED PASSED.

5. FINANCE COMMITTEE MEMBER COMMITTEE COMMENTS AND REPORTS

No reports.

6. NEW BUSINESS

A. Review First Quarter Budget to Actuals

Steve Miller suggested the Committee members go over the Budget to Actuals report they got in their packets and submit any questions they might have to him to pass on to Adam Coyan or hold off until the next meeting. Andy Fisher asked for a "highlights" version of what was discussed at the Board meeting. Adam Coyan said he could give a general overview. He indicated the Budget to Actuals for the next November Board meeting will be just like this one, complete along with a short quarterly report. He made adjustments in the Budget to Actuals because bills were paid in July for services that were rendered in June. He is still trying to make an adjustment to one CIP account. Then November Budget to Actuals will include the CIP items.

The general overview is if you compare the spreadsheets with the Tyler printout there are different amounts because there were pending charges included even though they hadn't cleared yet. If you go to page 10 of 31. Source of Supply reflects that the gaging project as a CIP project. However, in discussions with Adam Brown, it is not a CIP project, it is more of a maintenance item. The item stands and we're over budget and we need to keep monitoring it going forward. Any budget item over 25% was reviewed, such as the vehicle maintenance and operations. There is a lot more driving during irrigation season, checking ditches and such. It is anticipated those items will stabilize with less usage during the winter months.

On page 12 of 31, you can see a good example where June utilities were paid in July. Those costs will be adjusted out. On page 13 of 31, there are CIP charges for two pressure regulating valves. Those charges must be recategorized before an adjustment can be made, which is still over budget. However, things should slow down in Materials and Supplies during the winter because we usually do CIP projects instead of maintenance projects.

Another area of concern is on page 15 of 31, due to underestimating the cost of services on outside service consultants. Some adjustment can be made for services billed in June and paid in July. The audit is costing a lot of money.

Although we are over in some categories, the overall budget is very close to being on track. With adjustments made, the next Budget to Actuals will give a better indication of how close to budget we are. The next report will include the percentage used as well as a target percentage. This should make it easier to make a quick analysis of where we are with the overall budget for each category,

Some additional changes to note. electronic transfers (page 18 of 31) are not currently

showing up in Tyler. This is an issue we'll work on. We have good contact with Tyler and we work through things rather quickly now. On Unrestricted Reserve Funds, there was the ALT Water Treatment Plant Capital Reserve which is a restricted account so that has been moved, The Pooled Cash report (page 22 of 31) each account was named and indicated whether it was a restricted account.

Currently the Check Report lists all the checks to date, enabling monthly verification of expenditures. Sometime in the future, with Board approval, we'll include a more detailed report, grouped by vendors. Such as Pacific Gas and Electric grouped together with a total amount listed making it easier to track where the money is spent. The goal is to have a better spreadsheet for Budget to Actuals. Steve Miller said he would definitely support the additional report. Marilyn Boehnke and Andy Fisher both agreed.

Steve Miller asked if there are monthly updates or only quarterly. Adan Coyan said he'll do a Budget to Actual report every month. Steve Miller indicated he'd like to build a spreadsheet on a month by month for every category for what he calls "shadow budgeting".

PUBLIC COMMENT: Cherie Carlyon had a question (page 2 of 31) regarding the ending date of October 3, 2021, rather than September 30, 2021. Adam Coyan said when he runs a report Tyler defaults to the month when he runs the report.

Andy Fisher asked about the PERS Unfunded Accrued Liability cost (page 17 of 31), is a pretty significant cost— is it cyclical within the year or is it lineal within the year? Adam Coyan noted it comes out all at once, it is the cost for the whole year. Andy Fisher asked about materials and supplies noting part of the cost is seasonal, is part of it inflationary pressure or do you attribute most of it to the cyclical way you purchase? Adam Coyan noted some of the cost is CIP, some is seasonal, and we've had two unaccounted for major leaks. When we're over on materials and supplies Adam Coyan reviews every transaction to date for accountability and for a better understanding of what is going on.

PUBLIC COMMENT: Cherie Carlyon asked about the negative accounts under Pooled Cash (page 22 of 32). Adam Coyan said the 114 claim says UNKNOWN, but the CABY Grant Fund was actually the CEQA study completed on Poverty Creek and Georgetown Creek before we did the ditch lining project.

B. Review Current Status on Reserve Funds

Steve Miller asked: Do we have targets for the Reserve Funds? If so, are we at the target? What are the targets? We should have a clear focus on the Reserve needs and the Reserve holdings so we can assume a position in terms of where we need to go to make sure our Reserve accounts are where they need to be.

C. Share Findings on the Automated Meter Impact from Seven Proximity Districts

Steve Miller contacted seven proximity districts that have converted to automated meters. The good news is there doesn't appear to have been a universal impact to customers. There were impacts on certain customers where leaks were on the far side of the meter, and they had been charged for water they didn't get. Even with these instances only about 1% of the customers had an issue. Some of the districts had automatic meters for some time while others were fairly new. Overall, the districts gave percentages of issues up or down. Placer County had an up of about 1.7% which is rather incidental. Some customers got a break. The districts contacted include Nevada

Irrigation, Placer County Irrigation Water District, Weimar Water Supply, which is one of the two not heard from, Foresthill PUD, Meadow Vista County Water District, the Carmichael Water District and El Dorado Irrigation District (EID) which has not been heard from. From information gathered, we can report to the Board that there will not be a big customer impact. The increase to customers was minimal and, in some instances, it was beneficial to the customer.

Mike Thornbrough commented a marginal increase to customers means the districts did not have much increase in revenue from under registering meters. Steve Miller agreed and stated that other than accuracy, the benefit of the metering is the impact it has on labor. It won't cost as much to get the data as it has cost in the past. Director Thornbrough said one of the big issues of the Grand Jury report was the claim that there was water that wasn't being captured for revenue because the meters weren't reading correctly. That was one of the big pushes for getting the automated meters was that we would capture the water we hadn't been able to get paid for. Adam Coyan said part of the issue was that our leakage rate was around 15–19% of the water we transmit through the pipes. The operating theory was the 15–19% was meter error because they were over 20 years old and over time they aren't as accurate, He suggested that if we aren't losing water as a meter error, then we need to put meters in the system mains to find where we are losing water.

Mitch MacDonald pointed out the of the 15–19%, 5% of the loss might be attributed to the meters. Water usage for him is about 1/3rd of the total bill, a 1.5% increase usage credited to the new meters in this case would amount to less than \$1 per month.

Steve Miller stated that from the information gathered, the automated meters will be good news for the customers.

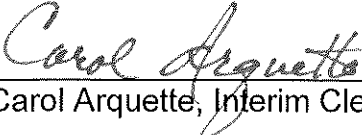
7. AGENDA ITEMS FOR NEXT FINANCE COMMITTEE MEETING

Steve Miller asked the Committee for items for the next agenda. No items were suggested.

8. NEXT MEETING DATE AND ADJOURNMENT – The Finance Committee set the last Thursday of each month at 3:30 PM for regular committee meetings. Insofar as the next Finance Committee Meeting is scheduled for Thanksgiving, the next meeting was scheduled for the following Thursday, December 2, 2021, at 3:30 PM.

Guest, Steve Dowd, requested we keep Zoom meetings along with any in person meeting. Director Thornbrough said Director Saunders is looking into the capability of holding an in-person meeting along with a Zoom meeting.

Mr. Fisher motioned to adjourn the meeting. Seconded by Ms. Boehnke. The meeting adjourned at 5:10 PM.



Carol Arquette, Interim Clerk



Date