

MINUTES
SPECIAL JOINT MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS AND FINANCE COMMITTEE

6425 MAIN STREET, GEORGETOWN, CALIFORNIA 95634

THURSDAY, MAY 27, 2021
2 P.M.

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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BOARD OF DIRECTORS

Michael Saunders, President
Mitch MacDonald, Vice President
Mike Thornbrough, Treasurer
Donna Seaman, Director
Gerry Stewart, Director

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

The meeting called to order at 2:12 PM by Director Saunders.

ROLL CALL:

DIRECTORS PRESENT: THORNBROUGH, MACDONALD, SEAMAN, SAUNDERS

DIRECTOR ABSENT: STEWART

OTHERS PRESENT:

Director Saunders led in the Pledge of Allegiance.

2. ADOPTION OF AGENDA

MOTIONED BY DIRECTOR THORNBROUGH TO ADOPT THE AGENDA.
SECONDED BY DIRECTOR MACDONALD.

ROLL CALL VOTE:

AYES: THORNBROUGH, MACDONALD, SEAMAN, SAUNDERS

ABSENT: STEWART

- 3. PUBLIC FORUM** – Any member of the public may address the Board on any matter within the jurisdictional authority of the District. Public members desiring to provide comments, must be recognized by the Board President, and speak from the podium. Comments must be directed only to the Board. The public should address the Board members during the public meetings as President, Vice President, or Director, followed by the Board member's individual last name. No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the President, of that person's privilege of address. Comments shall be limited to three minutes per person, or such other time limit as may be imposed by the President, to enable the Board to complete its agenda within a reasonable period of time.

No public comment.

4. BUDGET WORKSHOP

Presentation of Draft FY 2021/2022 Budget

Possible Action: Discuss and provide direction to staff.

General Manager Jeff Nelson described some of the challenges Staff had to overcome in preparing the draft Budget: the resignation of Financial Analyst Christina Greek just a month ago and using the new accounting system for the first time. He acknowledged the assistance provided by financial consultant Kristen West of E Bailey who was available to help answer questions.

*Mr. Nelson then provided an overview of the Draft FY 2021-22 Budget through a Power Point slides (**Attachment 1**) with the following budget highlights:*

Water Fund (Fund 100)

- *The budget does not include any rate increases any time during the fiscal year.*
- *Fund revenue is estimated to be \$5,324,956 with operating budget of \$5,253,480 reflecting a 3.6% increase compared to FY 2020-2021.*
- *The net surplus is \$71,475.85 including proposed Capital Outlays of a little over \$70,000.*
- *Staff is still working through the different reserve funds which will be presented at the next Board meeting.*

Zone Fund (Fund 200)

- *Will increase from \$200,317 to \$221,401.*
- *Operating costs will decrease from \$338,819 to \$281,193.*
- *The deficit of approximately \$60,000 will be made up from the ALT Zone Fund.*

Mr. Nelson described the department codes for expenditure, provided a summary of projected revenues pointing out again that a rate increase is not included, and provided a pie chart showing percentage of expenses by department.

*Director Saunders then provided an overview of the Budget process through a Power Point presentation (**Attachment 2**).*

The Budget Report was then reviewed and discussed and included an exchange of questions and answers. Below is a recap of some of the comments, requests, questions/answers that was exchanged during the remainder of the workshop:

COVID-related Revenue Losses. Director Saunders asked Staff to identify all COVID-related losses in revenue to use for reimbursement. Mr. Nelson indicated that Staff has been tracking these losses including needed office supplies and office renovation as inquired by Director Seaman. Director Saunders stated the District may also have an opportunity to apply for reimbursement for projected losses because of economic and financial challenges faced during the pandemic including revenue losses due to rate freeze. He pointed out that special districts, as an essential service, have not received any COVID rescue funds.

Capital Improvement Plan will be presented at the next regular Board meeting.

Reserve Funds. Director Saunders asked for details in reserves. Transfer funds was moved into the reserve account. Mr. Nelson stated Staff is still working on the reserves and this will be presented at the next Board meeting.

Renumbering of Pages in the Report. It was noted the page numbering was confusing and Staff was asked to renumber the pages.

Reallocation of Labor Costs. In response to Steve Miller, Mr. Nelson and Mr. Creeks explained that personnel costs were reallocated and reassigned to be more accurate about where labor costs are being charged.

Costs Due to Aging Infrastructure. Director MacDonald asked if there is a trend that costs are related to aging infrastructure. Darrell Creeks confirmed that things installed 30 to 40 years ago are failing and needing to be replaced.

Overtime. Director Saunders stated that quarterly reports provided information to track overtime. With these reports the Board could pinpoint what and when overtime was needed. He emphasized the need for an Asset Management Program to track when it is time to replace infrastructure as opposed to continuing to apply a band-aid.

Capital Expenses and Operational Costs. Director Thornbrough commented there should not be any capital expenses included in the operations budget. Mr. Nelson explained that related capital expenses are summarized at the end of each department budget.

Legal Counsel Costs. Cherie Carlyon commented that the budgeted of \$200,000 for legal counsel was excessive and the amount for the new audit should be a little bit higher. Mr. Nelson acknowledged that the Board may want to reduce the budgeted amount for legal services and indicated he may increase the amount for the new audit.

Additional Board Input. Mr. Nelson invited Board members to send additional input on the Budget to Board President Michael Saunders. Director Saunders indicated he would pass on any additional comments from the Board to the General Manager. \

Convening of Finance Committee Meeting. Mr. Miller stated he would like to convene a meeting of the current Finance Committee as soon as possible to review the draft Budget line by line and bring questions back to the Staff through the Board liaison. Director Saunders stated he would like to provide the new Finance Committee members, Marilyn Boehner and Andy Fisher, with a primer on the Brown Act before the meeting.

Rate Study. Mr. Nelson stated he had forgotten to include the cost for a rate study and will add that to the draft Budget.

5. **NEXT MEETING DATE AND ADJOURNMENT** – Next Regular Meeting is June 8, 2021, at 2:00 P.M.

MOTIONED BY DIRECTOR THORNBROUGH TO ADJOURN. SECONDED BY DIRECTOR MACDONALD.

The motion passed by acclamation. The meeting was adjourned at 4:28 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 via teleconference, please contact Jeff Nelson 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 on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on May 26, 2021.



May 26, 2021

Jeff Nelson, PE, Interim General Manager

Date