

DRAFT FINANCE COMMITTEE MEETING MINUTES

Meeting Date & Time: May 1, 2019, at 2:00 PM

Location: GDPUD Boardroom

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

Committee Member Absent: Rick Gillespie

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

Staff Present: Steve Palmer (General Manager), Christina Cross (Management Analyst)

Consultant Present: None

1. Call to Order, Pledge of Allegiance

Meeting called to order

2. Public Forum

Cherie Carlyon requested that she be provided written documentation regarding the District's financial policies and procedures.

No other comments or questions were received.

3. Consent Calendar - Approval of Minutes April 24, 2019

This item was tabled.

4. New Business

A. Review and Comment on Draft Proposed Fiscal Year 2019-20 Operating Budget

Steve Palmer, GDPUD General Manager, provided a slide presentation involving the proposed FY2019-20 budgets for

- 1) the GDPUD General Fund, and the*
- 2) ALT Zone Fund.*

Questions were asked and discussions ensued regarding the following budget line and transfer items:

General Fund Revenues: *Line Items 3010 (Water Sales – Res), 3020 (Water Sales – Com), 3040 (Water Sales – Irr), and 4020 (Interest).*

General Fund Expenses: *Line Items 5010 (Super & Labor), 5016 (Payroll Taxes), 5017(Standby), 5018 (Insurance H & L), 5020 (Insurance Workman's Comp), 5036 (Legal), 5038 (Mat. & Supp), 5039 (Materials Other), 5041 (Staff Development), 5042 (Travel), 5046 (Vehicle Maintenance), and 5084 (Government Regulation).*

Transfers from the General Fund to SRF Fund 29 and Capital Reserve Fund 43.

ALT Zone Fund Revenues and Expenses: *Considerable discussion revolved about Line Item 3192 (Zone Charges). Questions were asked and responses given to the levying of charges for those residents in Auburn Lake Trails who relied on individual septic systems for the disposal of waste versus those residents who were reliant on a linked common disposal system. Specifically, it was expressed by some Committee members that an*

equal charge for the two levels of service was resulting in a subsidy being generated, i.e., those residents with individual septic systems were paying for expenses such as budget Line Item 5080 (Outside Services) for which they received no benefits. Mr. Palmer indicated that District legal counsel had opined that, since the disposal of waste within Auburn Lake Trails was subject to a single Regional Water Quality Control Board permit, the distribution of costs as currently administered was appropriate. Some Committee members retorted that an existing agreement between the District and the Auburn Lake Trails Property Owners Association, as well as the California Constitution, seemed to contrary to this interpretation.

*At the conclusion of discussions regarding the General Fund and ALT Zone Fund, the Committee entertained motions making the following **recommendations to the GDPUD Board of Directors regarding the proposed FY2019-20 budget:***

- 1) Motion was made and seconded that (A) General Fund (10) projected revenues per Line Item 3010 (Water Sales- Res) be increased from \$2,757,375 to \$2,900,000, and (B) a transfer from the General Fund to the unrestricted Capital Reserve Fund 43 be increased from \$992,825 to \$1,492,825. Motion was approved as follows:
Ayes: Thomas Crawford, Mitch MacDonald, Sierra Nyokka, Ken Pauley
Noes: Steve Miller, Don Waltz*
- 2) Motion was made and seconded to accept General Fund (10) expenses as submitted to the Committee. Motion was unanimously approved.*
- 3) Motion was made and seconded to accept ALT Zone Fund (40) revenues and expenses as submitted to the Committee. Motion was unanimously approved.*

B. Review and Comment on Proposed Updated Five-Year Capital Improvement Plan

The General Manager showed slides and described individual projects comprising a proposed 5-year capital improvement plan. Mr. Palmer responded to many questions regarding these projects. The following projects generated the most questions and discussion:

- 1) Reservoir and Stream Gauging Improvements (Project No. 911)*
- 2) Treated Water Line Replacement/Rehab (Project No. 922)*
- 3) Main Canal Reliability (Project No. 924)*
- 4) North Fork American River Pumping Plant Evaluation*
- 5) Automated Meter Reading and Meter Replacement Project*
- 6) Upcountry Ditch Reliability*
- 7) District Office Parking Lot Rehabilitation*

*The Committee completed discussions and motions were made to make the following **recommendations to the GDPUD Board concerning the 5-year Capital Improvement Plan (CIP) proposed for FY2019-20:***

- 1) *Motion was made and seconded to reconsider funding for the North Fork American River Pumping Plant Evaluation in FY2020-21. Motion was approved as follows:
Ayes: Mitch MacDonald, Steve Miller, Sierra Nyokka, Ken Pauley
Noes: Thomas Crawford and Don Waltz*
- 2) *Motion was made and seconded to begin the Automated Meter Reading and Meter Replacement Project in FY2019-20 rather than as proposed in FY2020-21. The motion was unanimously approved.*
- 3) *Motion was made and seconded to begin the Upcountry Ditch Reliability project in FY2019-20 rather than as proposed in FY2020-21. The motion was unanimously approved.*
- 4) *Motion was made and seconded that the 5-year CIP for the District Office Parking Lot Rehabilitation project should include money for a regular maintenance project (such as crack sealing and seal coating). The motion was unanimously approved.*
- 5) *Motion was made and seconded to accept all remaining 5-year CIP projects as they were submitted to the Committee. The motion was unanimously approved.*

C. Discuss and Establish Finance Committee Regular Meeting Day and Time

The Committee discussed alternative meeting dates and times. A decision was reached to continue with meetings held on the 3rd Thursday of each month at 2:00 PM. However, it was also determined that meetings dates could deviate from this reoccurring date and time when Committee members are unable to meet as regularly scheduled.

5. Next meeting & adjourn

It was decided that the next Committee meeting is to be held May 29, 2019, at 2pm at the Georgetown Divide Public Utility District office, 6425 Main St., Georgetown, CA 95634. The meeting was then adjourned.