



MINUTES

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

SPECIAL MEETING OF THE FINANCE COMMITTEE

**THURSDAY, December 2, 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 MARILYN BOEHNKE TO ADOPT AGENDA. SECONDED BY ANDY FISHER 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 – MEETING OF OCTOBER 28, 2021

Marilyn Boehnke mentioned the misspelling of her name under adoption of Agenda, and stated the listing of the two Board liaisons under committee members should be removed

since they are technically not Finance Committee members. Under approval of minutes, it reads approval of October 5th when it should be October 28th.

MOTIONED BY STEVE MILLER TO APPROVE THE MINUTES OF OCTOBER 28, 2021 AS CORRECTED. SECONDED BY MARILYN BOEHNKE. THE MOTIONED PASSED.

5. FINANCE COMMITTEE MEMBER COMMITTEE COMMENTS AND REPORTS

Andy Fisher commented on the quality work of the maintenance staff. After a loss of water pressure, he discovered a main break in the neighbor's pasture. The GDPUD staff was already on site. They worked over night in almost freezing conditions and they had water the next morning. He asked the General Manager to pass on to the staff who worked so hard how much it is appreciated.

Steve Miller said he attended the Strategic Planning Workshop and thought it was really good. There were approximately 20 citizens present who were engaged and involved. The workshop was well received by those who attended. The staff did a really good job of putting it together. He heard several favorable comments from those in attendance.

Mike MacDonald commented he counted 16 from the community present at the workshop. He tried to get people from Auburn Lake Trails to attend. He didn't get help from the ALT community because at their Board meeting the night before, they felt they are not the GDPUD public information arm of the water district. The President of the ALT Board gave some advice as how to promote the next meeting. He later reached back out about a townhall meeting at ALT exclusively for information dealing directly with ALT residents. Chairman Miller and Director Saunders and General Manager Coyan are invited to attend. They will field questions regarding water meters, water restrictions, maybe golf course questions on irrigation, and so forth. It is still in the early planning stage. Chairman Miller said he will be there.

6. NEW BUSINESS

A. Review First Quarter Budget to Actuals

Steve Miller asked General Manager Coyan if there was anything he'd like to direct to the committee. The General Manager stated he changed how the reporting is done on the checks. At the end of the normal check run there is a vendor purchasing report which totals for each vendor how much we've spent for the current fiscal year. This allows us to quickly see where the costs lay and how much we've paid a contractor. On all the contracts, there is a do not exceed level and this report makes it easy to track on the current contracts. The report is on page 25,

The General Manager stated when we started the fiscal year in the middle of summer, that is our busy time which puts us in a deficit going forward, each month we get closer to breaking even which should be reached by the end of January. Then we have the summer push getting irrigation going again which costs money as well. Our expenses are seasonal due to irrigation and projects going on such as paving at ALT which can't be done until the temperature warms up which will be late spring/early summer—that's a Capital Improvement cost.

Chairman Miller asked if there is a noticeable impact from the inflation we are experiencing. The General Manager said for vehicle operations we are high, and that's not going to correct itself. There are areas where we will go over budget (not specifically due to inflation). On page 39 of the Budget Report you can see the percent used was 36% and the target was 33%. If we can maintain the 3% overage for the total budget

going into the end of June we will be doing well. The hope is we can bring it down and be right on budget.

Chairman Miller said we can anticipate an increase in the cost of steel which will affect any pipes or water tanks we may need to put in. This probably will not affect us in the short term, but will in the future.

Mike Thornbrough stated we're looking pretty good. We have 64% remaining, the report is from October.

Marilyn Boehnke had a question under the water fund (page 11) department 0000 on the variant there are a lot of negative numbers when there is no period activity, no fiscal activity. The General Manager explained on fiscal activity, the current total budget shows the amount of money we will receive for water sales for residential— at \$2.1 million, we have received \$643,000. The unfavorable variance is the difference, what we anticipate we will be received before the end of the year. That's true with irrigation water. Some of these are not up to date because we do bi-monthly billing. We're way down on penalties; then installation fees, material charge, miscellaneous revenue and deferred comp. those items didn't have a budgeted amount associated with them.

Marilyn Boehnke (bottom of page 13 and top of page 14) shows 100% remaining in everything but the total is 63% remaining. The General Manager said it refers to Capital Improvement Projects and the water fund deficit.

Mitch MacDonald asked about paving at ALT. The General Manager said it refers to road repairs. The CIP budget has \$100,000 for those repairs. The actual cost will depend on what we get back on proposals we have out and the current cost of asphalt. The timing depends on weather conditions.

Andy Fisher asked about the line item for insurance account 5034 (page 38), we're 82% into the budget. Is that because of the cycle in which insurance is paid or is it something abnormal? The General Manager said it is an annual charge. Andy Fisher asked if the District insurance has been affected liked home owners with regard to fire insurance. The General Manager said no, we're covered by JPIA.

Mitch MacDonald asked if we got a refund from lower health care cost from JPIA? The General Manager said we will be getting a refund. President Saunders has that information and will report on it at the regular December Board meeting.

Chairman Miller asked if we were able to salvage anything from the teardown of the Sweetwater Plant. General Manager Coyan said we were not able to salvage anything due to the asbestos and the project is complete.

B. Discussion Introduction to CalPERS Unfunded Liability

Chairman Miller asked if all committee members were sent the link to the CalPERS material. General Manager Coyan no because this discussion was just an introduction and brief overview of what the Unfunded Liability is and the CalPERS. Thee 8 hours of video is a much deeper discussion.

Chairman Miller learned from the first video the Unfunded Liability is being reduced based on CalPERS returns on investments. He asked if anyone was interested in getting the link to the information—he'd forward the information to them.

Mitch MacDonald indicated they would have a difficult time raising rates as they should. In this part of the business cycle, they've done all they could with quotative easing to keep the stock market up and their charter isn't just maintaining high employment, it's keeping the economy going at all cost. If they quit the tapering which means increasing

interest rates, they'll kill the stock market and the economy. Andy Fisher said he'd like the link to the CalPERS videos. Chairman Miller said he'd forward it to him.

General Manager Coyan said there are financial companies where you pay them and then you pay your unfunded liability off. By paying them a certain amount, they invest it to make a profit then they pay CalPERS going forward. He is not familiar with details on how it works.

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 would fall during holidays, the next meeting was scheduled for Thursday January 27, 2022 at 3:30 PM.

The meeting adjourned at 4:40 PM.



Carol Arquette, Interim Clerk



Date