From: Lee Mathias [redacted]
Sent: Monday, November 16, 2026 11:29 AM
To: Zulema Higgins <zhiggins@cityofsebastopol.gov>; Mary Gourley <mgourley@cityofsebastopol.gov>; Phill Carter <pcarter@cityofsebastopol.gov>; Stephen Zollman <szollman@cityofsebastopol.gov>; Neysa Hinton <NHinton@cityofsebastopol.gov>; Sandra Maurer <smaurer@cityofsebastopol.gov>; Jill McLewis <jmclewis@cityofsebastopol.gov>
Cc: Ian Hoff [redacted]; [redacted]
Subject: Agenda item 17: GCP a fine choice - just nothing new

Hi Zulema,

Please post the attached for the city council meeting on November 17.

Thanks,

Lee

[redacted]

Agenda Item 17: GCP is a fine choice – just nothing new

GCP could be Clear Source with a different name. During the interview they used the same language Clear Source used. They focused on Federal Allocation rules as the gold standard and stated that proposition 218 was based on those rules. **There is no language in Proposition 218 or the related court decisions to support that statement.**

GCP included copies of various models they have done for cities to allocate overhead costs for purposes not including an Enterprise model which is what is called for here. **At no time did they provide one example of a city where they did a cost allocation for a water and wastewater enterprise such as ours**. They did offer assurances that they had done many cost allocation models for many cities.

The models they included in their proposal are functionally identical to Clear Source. The methodology is similar, even including the mysterious 2nd allocation and the complex language describing their model and methods.

Such a model remains costly overkill for a small city that could simply place all direct costs into the budget/actuals for the enterprise funds leaving relatively simple allocation calculations for shared services such as the use of the Accounting system.

Sebastopol continues to try to do everything a large city must do – instead of taking advantage of the fact that a smaller city has simpler finances.