

**AGENDA**  
**REGULAR MEETING OF**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS**  
**AND**  
**JOINT SPECIAL MEETING OF**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT FINANCE COMMITTEE**  
  
**6425 MAIN STREET, GEORGETOWN, CALIFORNIA 95634**  
  
**TUESDAY, FEBRUARY 12, 2019**  
**2:00 P.M.**

**MISSION STATEMENT**

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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**

**2. ADOPTION OF AGENDA**

- 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. The Board will hear communications on matters not on the agenda, but no action will be taken. 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.

**4. PROCLAMATIONS AND PRESENTATIONS**

- 5. CONSENT CALENDAR** – Any member of the public may contact a Board member prior to the meeting to request that an item be pulled from the Consent Calendar.

**A. Approval of Minutes**

1. Regular Meeting of December 11, 2018
2. Special Meeting of January 8, 2019
3. Regular Meeting of January 8, 2019

**B. Financial Reports**

1. Statement of Cash Balances
2. Month-End Cash Disbursements Report

**C. Accept Water Conservation, Supply Reliability, and Environmental Protection Project and Direct Filing of the Notice of Completion**

Possible Board Action: Adopt Resolution 2019-10.

**D. Remove Cynthia Garcia and Michael Saunders from Finance Committee**

Possible Board Action: Adopt Resolution 2019-11.

**E. Approve Expense Reimbursement for Directors to Attend CSDA California Environmental Quality Act Training**

Possible Board Action: Adopt Resolution 2019-12.

**6. INFORMATIONAL ITEMS**

- A. Board Reports
- B. General Manager's Report
- C. Operation Manager's Report
- D. ALT Treatment Plant Update

**7. NEW BUSINESS**

**A. Award Construction Contract for Recoating Garden Park Water Storage Tank to Olympus and Associates in the Amount of \$114,565**

Possible Board Action: Adopt Resolution 2019-15.

**B. Approve Amendment No. 1 to the Professional Services Agreement with NEXGEN Utility Management in the Amount of \$77,880 for Construction Management Services for Fifty-Three (53) Additional Working Days at the Auburn Lake Trails Water Treatment Plant Construction Project**

Possible Board Action: Adopt Resolution 2019-13.

**C. Receive and File FY 2017-18 Audited Financial Statements**

Possible Board Action: Receive and File.

**D. Adopt a Resolution Freezing the 2019 Treated and Untreated Water Rates at the 2018 Rates, and Provide Direction on a Review of the Capital Replacement Program**

Possible Board Action: Adopt Resolution 2019-14 and Provide Direction.

8. **BOARD MEMBER COMMENTS, REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS AND REQUESTS FOR INFORMATION OR RESEARCH TO BE COMPLETED BY STAFF** – Opportunity for Board members to discuss matters of interest to them and provide input for future meetings as well as report on their District-related meeting attendance.
9. **NEXT MEETING DATE AND ADJOURNMENT** – Next Regular Meeting is March 12, 2019, at 2:00 P.M. at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, California 95634.

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, please contact Steve Palmer 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 February 8, 2019.



Steven Palmer, PE, General Manager



Date

**CONFORMED AGENDA – DRAFT**

**REGULAR MEETING**

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

**TUESDAY, DECEMBER 11, 2018  
2:00 P.M.**

**MISSION STATEMENT**

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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**

*The meeting was called to order at 2:00 P.M. Director Halpin led in the Pledge of Allegiance.*

*Directors Present: David Halpin, Jesse Hanschild, Lon Uso, David Souza, Dane Wadle.*

*Staff Present: General Manager Steven Palmer; Operations Manager Darrell Creeks; Board Assistant Diana Michaelson. Legal Counsel: Kerry Fuller, Churchwell White, LLP.*

**2. ADOPTION OF AGENDA**

***Motion by Director Wadle to adopt the agenda. Second by Director Souza.***

***Public Comment:*** *Stephen Dowd and Cherie Carlyon commented regarding the timing of the seating of elected directors.*

***Vote: The motion passed unanimously.***

**3. BOARD REORGANIZATION**

**A. Adoption of Resolution 2018-55** Accepting and Declaring the Results from the El Dorado Registrar of Voters for the November 6, 2018 Election of the Georgetown Divide Public Utility District Board of Directors.

**Possible Board Action:** Adopt Resolution 2018-55.

***Motion by Director Halpin to adopt Resolution 2018-55. Second by Director Wadle.***

**Public Comment:** *There was no public comment.*

**Vote:** *The motion passed unanimously.*

**B. Oath of Office of Elected Directors, Administered by Legal Counsel**

- ❖ **Cynthia Garcia**
- ❖ **Michael Saunders**
- ❖ **David Souza**

*The Oath of Office was administered to the newly elected directors by Kerry Fuller of Churchwell White. After signing their Certificates of Election and Oath of Office, the new directors were seated.*

**C. Election of Officers for Calendar Year 2019 (President, Vice-President, and Treasurer)**

***Dave Souza nominated Dane Wadle as President. Dave Halpin seconded the nomination.***

*Michael Saunders commented that he would like to see either the President or Vice-President positions held by a continuing Board member and the other held by a newly elected Board member to provide different perspectives. Cindy Garcia concurred.*

***Roll call vote was taken, and the vote was as follows:***

***Garcia: Aye***  
***Halpin: Aye***  
***Saunders: Aye***  
***Souza: Aye***  
***Wadle: Aye***

***The motion carried unanimously.***

***Cindy Garcia then nominated Michael Saunders as Vice-President. There was no second.***

***Dave Souza then nominated Dave Halpin as Vice-President. Dane Wadle seconded the nomination.***

*Cindy**Mr. Saunders stated that he would be fine with meetings being run by old members as long as agenda items put on by new members would not be removed.*  
*Ms. Garcia commented that she would like to see the offices of President and Vice-President shared between a continuing member and a new member previous and new Board members, further noting that both she and Director Saunders have experience in running meetings.*

***There were two motions on the floor. A roll call vote was taken for the first motion nominating Michael Saunders for Vice-President, and the vote was as follows:***

**Garcia:** Aye  
**Halpin:** No  
**Saunders:** Aye  
**Souza:** No  
**Wadle:** No

**The motion failed.**

**A roll call vote was taken for the second motion nominating Dave Halpin as Vice-President, and the vote was as follows:**

**Garcia:** No  
**Halpin:** Aye  
**Saunders:** No  
**Souza:** Aye  
**Wadle:** Aye

**The motion carried.**

**Dave Souza then nominated Michael Saunders as Treasurer. The nomination was seconded by Dave Halpin.**

**A roll call vote was taken, and the vote was as follows:**

**Garcia:** Aye  
**Halpin:** Aye  
**Saunders:** Aye  
**Souza:** Aye  
**Wadle:** Aye

**The motion carried unanimously.**

*The new officers are:*

- *President: Dane Wadle*
- *Vice-President: Dave Halpin*
- *Treasurer: Michael Saunders*

#### **D. Presentation of Commendations to Outgoing Directors for Distinguished Service to the District**

*The General Manager presented resolutions to outgoing Directors Jesse Hanschild and Lon Uso.*

*Nick Chiappe from Senator Ted Gaines' office presented resolutions from Senator Gaines and Assemblyman Frank Bigelow to Directors Hanschild and Uso.*

- 4. 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. The Board will hear communications on matters not on the agenda,

but no action will be taken. 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.

*Steven Proe expressed desire for all Board members to act together.*

*Cherie Carlyon distributed a handout (included as Attachment 1 to these Minutes) and asked if the Board would look at the VTD contract at the next meeting. She further commented regarding transparency and Public Records Request response time. She also requested that the Board freeze the water rates.*

*Susan Rayburn asked legal counsel what source of parliamentary authority is used at the meetings. Ms. Fuller responded that a modified version of Rosenthal's Rules guide the meetings.*

*Unidentified member of the audience commented regarding irrigation water rates.*

*Maria Capraun read a statement, which is included with these Minutes as Attachment 2.*

*Dr. Richard Boylan of Diamond Springs urged the Board to recommit to public service.*

*Carolyn O'Conner commented regarding transparency.*

*Stephen Dowd asked the Board to cut the water rates in half.*

*Phyllis Polito commented that the community sent a message with the election and asked that the Board listen to the community.*

*Karen Bartholomew asked that 1000 cubic feet (of treated water) could be provided in the base rate.*

## **5. PROCLAMATIONS AND PRESENTATIONS**

### **A. Brown Act Training – Churchwell White, LLP**

*Kerry Fuller, of Churchwell White, presented Brown Act training for the Board. A handout was provided to Board members at the close of the training and was made available to the public. A copy of the handout is included as Attachment 3 to these Minutes.*

## **6. CONSENT CALENDAR**

*Before taking up the Consent Calendar, Director Wadle made the following comments. 1) Consent items are generally administrative items that are non-controversial and can be moved on a one voice vote to help expedite the meetings. 2) Because the agenda is posted 72 hours in advance of regular meetings, anyone in the public may contact a Board member to request that an item be pulled from consent. He asked how the other Board members felt about it. Director Halpin agreed, and no one disagreed.*

***Motion by Director Halpin to approve the Consent Calendar. Second by Director Souza.***

**Discussion:** Director Garcia asked to pull item 6.C. First Quarter Budget Comparison.

**Director Halpin amended his motion to remove Item 6.C. from the Consent Calendar. Director Souza seconded the amended motion.**

**Vote: The motion passed unanimously.**

Ms. Carlyon requested that Items 6.B.1 and B.2 also be pulled. There was some discussion.

**Director Halpin amended his motion to remove Items 6.B.1, 6.B.2, and 6.C. from the Consent Calendar. Director Souza seconded the amended motion.**

**Vote: The motion to approve Item 6.A. passed unanimously.**

#### **A. Approval of Minutes**

1. Regular Meeting of October 9, 2018
2. Regular Meeting of November 13, 2018

#### **B. Financial Reports**

1. Statement of Cash Balances

*Mr. Palmer introduced the two items.*

*Director Garcia commented on Item 6.B.1. She noted there is no information about what the amounts were spent on and that they are grouped by fund, but within the fund there is no additional information on what the funds are spent on.*

*Ms. Carlyon also spoke on 6.B.1. regarding the payroll entry. Kristen West, Finance Consultant, explained the report. Mr. Proe questioned where the numbers come from. Ms. West responded that they come from the General Ledger.*

*Director Garcia asked if the payroll is listed as gross or net. Ms. West responded that it is net.*

2. Month-End Cash Disbursements Report

*Director Garcia asked if the District is providing 1099s for Churchwell White. Ms. West responded that the tax forms are provided. Director Garcia then asked if the accounting software used by the District accounts for the different timeframes when payroll and tax forms are based on calendar year and the District is operating on a fiscal year. Ms. West responded that the accounting is on an accrual basis.*

*Ms. Carlyon asked for information on specific checks.*

**Motion by Director Souza to approve Items 6.B.1 and 6.B.2. Second by Director Saunders.**

**Vote: The motion passed unanimously.**



## C. First Quarter Budget Comparison

**Possible Board Action:** Receive and file.

*Mr. Palmer presented the staff report.*

*Director Saunders asked if this budget includes the rate increase. Mr. Palmer responded that it does.*

*Director Garcia commented that wastewater operating fund revenues look high and should be watched. She then asked for definitions of current actuals and year to date (YTD) actuals. Mr. Palmer said that YTD refers to July through September, and current refers to the month of September.*

**Public Comment:** *There was no public comment.*

**Motion by Director Souza to accept Item 6.C. Second by Director Garcia.**

**Vote:** *The motion passed unanimously.*

## 7. INFORMATIONAL ITEMS

### A. President's Report

*Director Wadle reported that there are scholarships available for training provided by California Special Districts Association. He encouraged Board members and staff to take advantage of scholarships and training opportunities.*

### B. Board Reports

*Director Saunders reported on the recent Town Hall community meeting. He provided a list of questions that came up at the meeting. The General Manager will provide answers to Director Saunders prior to the next Town Hall meeting. The list is included as Attachment 4 to these Minutes. Directors Garcia and Saunders plan to hold these community meetings every month and report back to the full Board at Regular Board Meetings. If other Directors want to participate, they will swap out from one month to another so that there are never more than two Directors at the meeting, and all Directors who want to participate will be able to do so. The purpose of the meetings is to get community input and bring that input to the Board with the idea to promote transparency and open communication between the Board and the public. He then thanked the community for its support, noting that he had personally thanked departing Directors Uso and Hanschild for their public service.*

*He also reported that he and Director Garcia attended the LAFCO (Local Agency Formation Commission) ethics training and would provide their certificates to the General Manager.*

*Director Garcia reported that the ethics training was thorough and professional. She noted that the Town Halls that she and Director Saunders would be hosting will be at various locations throughout the District. These meetings will be recorded and posted on You Tube.*

*She also thanked the community for its support and noted that she had also thanked outgoing Directors Uso and Hanschild for their service to the District.*

### **C. General Manager's Report**

*Mr. Palmer reported that construction is complete for the Water Conservation, Supply Reliability, and Environmental Protection Project funded by CABY. The Treated Water Line Replacement and Main Canal Reliability Projects are moving forward rapidly. The Wastewater Fee Review public workshop will be held on January 16 at 6:00 PM in Auburn Lake Trails at the Barn Loft. He then noted that he is working with Mathis Consulting Group to schedule another goal setting workshop for the Board in February.*

### **D. Operation Manager's Report**

*Operations Manager Darrell Creeks reported that operations are going well. The treatment plants are making good water, and everything is in compliance. The lake level is coming up, and currently at 77%. All crews have been busy. Irrigation crews have been spending all their time cleaning canals and grizzlies. Distribution didn't have very many breaks last month – three service leaks and one water main on Sliger Mine Road. Turning to the Zone, he reported that inspections have been completed for the year.*

### **E. ALT Treatment Plant Update**

*Engineering Consultant George Sanders reported on November activities at the ALT Water Treatment Plant. Substantial completion is still expected in January, and water delivery expected by March. Now that we are in the final stages of completion, the schedule will be evaluated continually. Director Saunders asked what projects are coming up. Mr. Sanders said finishing up electrical, continuing to work on the SCADA component, having the filters operational, and working with PSOMAS to get the tracer study started are the big items on his radar.*

### **F. Finance Committee Report**

*Committee Chair Rick Gillespie reported that the Finance Committee did not meet in November due to the Thanksgiving holiday. The Committee is looking for two new members. Interested applicants should send a letter and résumé to the Board President.*

## **8. NEW BUSINESS**

### **A. Appointment of Representative to Joint Powers Insurance Agency**

**Possible Board Action:** Adopt Resolution 2018-58.

*Mr. Palmer presented the staff report. The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA), which is governed by the Board of Directors, composed of one representative from each Member. As a Member of the ACWA JPIA Board, the GDPUD Board of Directors must appoint one of its Directors as a representative to JPIA. In addition, it must appoint at*

least one alternate who must be an officer, member, or employee of the GDPUD Board.

**Public Comment:** There was no public comment.

**Motion by Director Garcia to adopt Resolution 2018-58 appointing Dave Souza as representative to ACWA JPIA and Mike Saunders as alternate. Second by Director Halpin.**

**Vote:**

**Garcia: Aye**  
**Halpin: Aye**  
**Saunders: Aye**  
**Souza: Aye**  
**Wadle: Aye**

**The motion passed unanimously.**

## **B. Nomination of General Manager to Serve on ACWA Region 3 Board**

**Possible Board Action:** Adopt Resolution 2018-59.

Mr. Palmer presented the staff report. The Association of California Water Agencies (ACWA) is a statewide coalition of more than 430 public water agencies. ACWA is governed by a 37-member Board of Directors. The membership is divided into ten regions, each with a 7-member governing board. GDPUD belongs to Region 3, which has an opening. The GM is interested in becoming a Region 3 Board Member. He has the requisite experience, and the District would receive the benefits of a larger role and increased representation in state water issues, as well as input into ACWA related issues that concern the District. Adoption of Resolution 2018-59 would support the nomination of the GM and include him in a pool of applicants seeking the ACWA Region 3 Board position.

Ms. Garcia inquired about an attachment referenced in Mr. Palmer's application that was not included. Directors Halpin, Saunders, and Garcia spoke in favor of nominating the GM to the ACWA Region 3 Board of Directors.

**Public Comment:** Ms. Carlyon clarified that this is just a nomination and not an appointment. There was some discussion relating to where the meetings are held; in the past they've been held in either Northern California, Central California, or Southern California.

**Motion by Director Halpin to adopt Resolution 2018-59. Second by Director Garcia.**

**Vote:**

**Garcia: Aye**  
**Halpin: Aye**  
**Saunders: Aye**

**Souza:** Aye  
**Wadle:** Aye

*The motion passed unanimously.*

### C. Approval of Contract Agreement with PACE Supply

**Possible Board Action:** Adopt Resolution 2018-60.

*Mr. Creeks presented the staff report. The District needs parts on the shelf, enabling repairs to be made the same day. In accordance with the District's Procurement Policy and Procedures, a request for bids was issued on October 12, 2018. Three bids were received and were opened on November 9, 2018. Comparing prices for equal parts it was determined that PACE Supply was the vendor with the lowest total bid amount. The total costs for the parts and supplies is expected to be less than \$65,000 for the rest of this fiscal year. According to the District's Procurement Policy and Procedures, purchases over \$45,000 require Board authorization.*

*Director Garcia had some questions regarding the bid analysis process and the length of the contract.*

**Public Comment:** *Ms. Carlyon asked why a resolution is required. Mr. Creeks explained that it is because expenditures of more than \$45,000 require Board approval.*

**Motion by Director Halpin to adopt Resolution 2018-60. Second by Director Saunders.**

**Vote:**

**Garcia:** Aye  
**Halpin:** Aye  
**Saunders:** Aye  
**Souza:** Aye  
**Wadle:** Aye

*The motion passed unanimously.*

### 9. BOARD MEMBER COMMENTS, REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS AND REQUESTS FOR INFORMATION OR RESEARCH TO BE COMPLETED BY STAFF – Opportunity for Board members to discuss matters of interest to them and provide input for future meetings as well as report on their District-related meeting attendance.

*Director Saunders asked that a discussion regarding rates be put on the agenda at the soonest possible. He also asked for a discussion on the "road map" of items on the yearly calendar, as well as further discussion on the District's reserve policy.*

*Director Garcia reiterated Mr. Saunders' request for a discussion on rates as soon as possible. She proposed that the mission statement on the agenda be revised. She also*

*asked that the structure, volunteerism, and function of the Finance Committee be discussed. In the future, she would like to see a discussion about using more ad hoc committees.*

*Director Wadle then took comments from the public. Responding to some questions from the floor, the General Manager explained the process of how the agenda is set.*

*Ms. Polito reminded the Directors that the Board works for the public and that the recent election sent a message that the issue of rates should be a priority for the Board.*

*Mr. Proe inquired about the duties and powers of Board Officers. Mr. Palmer said that the policies would be posted to the GDPUD website.*

**10. NEXT MEETING DATE AND ADJOURNMENT** – Next Regular Meeting is January 8, 2019, at 2:00 P.M. at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, California 95634.

*The Board adjourned at 4:53 P.M.*

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, please contact Steve Palmer 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 December 7, 2018.

\_\_\_\_\_  
Steven Palmer, PE, General Manager

\_\_\_\_\_  
Date

GDPUD'S contract with VTD

8-8-17 contract amount \$ 89,100 FY17/18 (\$88,257 total was paid to VTD in FY17/18)  
1-9-18 contract increase \$ 53,760 for a temp Admin Aide, which wasn't hired per Steve Palmer.  
total contract \$142,860 FY17/18

11-13-18 contract increase \$ 50,000 FY18/19  
total contract \$192,860

Christina's report to the board stated the ending total to be \$201,960, which is \$9,100 over the board approvals.

My question is why the \$53,760 is included in the contract, when it was never used.

What is the \$9,100 amount?

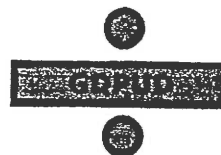
Why are we still spending \$140 a hour for a VTD Supervising Manager to train someone for a whole year. The Management anylyst should be trained by now.

Why can't you hire an independent CPA to do the required financial duties? The last CPA was paid \$75 per hour. Why are you continuing to pay \$140 per hour?

VTD'S E and O insurance expired on 1-1-18 when the 1-9-18 contract increase was approved.

No insurance certificate was included in the 11-13-18 contract increase, as the liability insurance expired on 5-1-18.

REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF November 13, 2018  
AGENDA ITEM NO. 5D



AGENDA SECTION: CONSENT

SUBJECT: Amended Professional Services Agreement with Vavrinek,  
Trine, Day & Co., LLP

PREPARED BY: Christina Cross, Management Analyst *CC*

APPROVED BY: Steven Palmer, PE, General Manager *SP*

**BACKGROUND**

On August 8, 2017, Georgetown Divide Public Utility District ("District") contracted for finance management professional services with Vavrinek, Trine, Day & Co., LLP ("VTD"). The current scope of services includes financial and accounting oversight. The current amended agreement was for a total amount of \$151,960 for the term ending June 30, 2018. By reducing the number of hours used by VTD that contract term is only just now being reached. An amended agreement is required to extend the term and increase the amount.

**DISCUSSION**

The District is currently underway with our annual audit working closely with VTD staff. Additional work is needed from VTD to continue providing financial and accounting oversight through the end of Fiscal Year 2018/2019. VTD employs professional staff trained at all experience levels and currently has availability to meet the District's needs. District Staff currently estimates that VTD support will be needed 8-10 hours per week on average for the remainder of Fiscal Year 2018/2019. Based on VTD billing rates and the Fiscal Year 2018/2019 budget, an amended professional services agreement has been prepared for an additional \$50,000, with a total not to exceed amount of \$201,960.

**FISCAL IMPACT**

The Fiscal Year 2018/2019 budget includes an estimate of \$50,000 from Account 10-5080-5600 for finance and accounting services and a budget adjustment is not needed at this time.

**CEQA ASSESSMENT**

Not a CEQA project.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) adopt the attached Resolution authorizing the General Manager to execute the Amended Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP.

Georgetown Divide PUD Board members,

December 11, 2018

I am a former Board member, and long time meeting attendee. Chuck Geru was GM at my first meeting, then Marie Davis, Henry White, Wendell Wall and now my first meeting with Steve Palmer.

I have not been a happy camper with prior Board member statements to the public on social media sites and I am amazed at the lack of understanding of the District. The public has been left with lack of ability to actually see and understand the District's finances. The Board is elected to represent the PUBLIC in the oversight of the District's finances. You provide the GM with an approved budget to carry out the District's mission statement. The public has spoken based on the election results that they are not happy.

The recently approved Organizational Chart shows a change from Public to Customers at the top of the chart. The District Board members are elected by the Public and not just the customers. This is a Public Utility District and receives funds from the collection of the Public's property taxes not just the customers. Yet, not one of the Board members questioned this.

The one thing that is important to the Public at Large from this District is FIRE PROTECTION. That is the only service that every tax payers relies on and expects through fire hydrants and ditch system. You increased the cost of raw water and lost customers that could be helping save us from fire danger. You should have used more tax revenue for raw water. And you unfairly altered raw water costs but I am only going to address treated water due to time.

As I had told the Board, I was going to review the recent rate increase with a fine tooth comb. Well, the comb found a lot of knots.

The recent RCAC Report used to justify the new rate imposed by the Board on its customers used false information to over inflate the needed revenue for Capital Replacement Program. I understand the need for additional revenue to run the District but not falsely created information to justify a want for cash. It would seem that Staff decided on a figure and worked the documents to justify it.

Nowhere in the report is this CRP revenue dedicated to CIP, these funds are being placed in to fund 10, the General Water Fund, which is one of the capital funds. In the RCAC report Exhibit 2T and 3T you state NET CASH FLOW (Contribution to Reserves). Yet, there was no guarantee that any of the revenue would be used for CRP found in the report or resolution. As of today you should have collected over one million in the Capital Replacement revenue for items listed in the report. No increase to any of the reserve funds for capital improves are found in your financial reports. While projects may be done at this time there is no guarantee CIP work will continue and the revenue will not just be dedicated to staffing, due to over hiring. Creating the need for another 218.

The finance committee was original set up to assist the Board over these issues and work at the Boards direction but it was turned over to the GM cutting out a double check of the District's finances.

As I stated, there is a justifiable need to additional revenue but not as it was presented. All of which I have just said it a failing of the prior Board, not the General Manager. No oversight in financial issues.

In reviewing the rate increase I found the RCAC Report adjusted dates and original costs of some items on the asset list used for the CRP. Then, using an inflation calculation to increase the final cost to replace items, while costs do increase over time, creating false value is not legal.

On the Capital Replacement list items that are no longer service or have already been replaced on list were still being used.

The Budget shows water revenue for 2017 of \$2,753,457.25 on Exhibit 2T and \$2,676,332.82 on Exhibit 3T. The new rate did not start until 2018 and you show a full year of revenue for 2017. Not to mention the difference in revenue with no explanation.

The RCAC Report under Capital Replacement Program - Treated Water Exhibit 1T.  
Estimated Historic Costs – The gray is original cost. This report was hard to read and understand.

1992 Lake Walton Plant Replacement was never done but original cost was \$7,681,481. Walton Lake WTP was put into service around 1975 but did have a facility expansion in 1992, the cost was \$554,786.28. The total amount shown in the 2015 asset list for the Walton Lake Treatment Plant was \$3,332,741.38. Stating a 7.6 million original cost then using an inflation rate for 25 years is presenting false information to the public. Amount for CRP revenue for this asset is \$154,431 as listed in the report.

0500 - Lake Walton WTP						
1	Lake Walton (Fac. Replacement)	1992	\$7,681,481	C	\$7,557,444	25
1	Raw Water System (1)	1974	\$600,560	C	\$208,744	40

1974 all Water Tanks are listed as being placed into service. This is false. Just Pilot Hill Tank was installed in 1992 not 1974, is still on the list and was removed from rolls in 2015 by Board action, at value of \$360,230. Using a replacement cost of \$730,006. Revenue to be collected yearly is \$135,648 for all tanks.

T & D TREATED WATER 0500 (2)						
1	Angul Comp Tank (0.5 MG)	1974	\$776,602	C	\$325,777	
1	Clear Resene Tank (0.25 MG)	1974	\$308,301	C	\$182,588	
1	Pilot Hill Tank (0.67 MG)	1974	\$730,006	C	\$304,230	
1	Clear Ridge Resed Tank (0.05 MG)	1974	\$83,182	C	\$38,543	
1	Hoodlaka Hill Tank (0.05 MG)	1974	\$83,182	C	\$50,593	
1	Sporth Dry Diggins Tank (0.2 MG)	1971	\$310,541	C	\$122,547	

1	Long Oak Mine Tank (0.1 MG)	1974	\$405,581	C	\$191,466	
1	Carson Park Tank (0.2 MG)	1974	\$310,681	C	\$133,311	
1	Walkey Tank (0.21 MG)	1974	\$352,388	C	\$159,428	
1	Plymouth Hill Reservoir (0.05 MG)	1974	\$81,182	C	\$36,509	

1974 all pipelines are listed as being installed and placed into service in the District, every inch at a cost of \$15,553,972. The District did not have these assets in service at the time stated. Some areas of pipe were installed as late as 1998. Furthermore, there is no document that can justify that in 1974, 15 1/2 million dollars was invested into the District. No revenue source or invoice. As listed in the RCAC report on 5 lines totaling amount to be collect for CRP of \$653,880 per year. Half the amount shown for needed revenue to be collected in the report each year for CRP.



Item	Year	Value	Category	Rate	Value
1 4-inch Pipes (42,130 AC, 50,771 PVC [I])	1974	\$3,457,537	C	\$1,441,027	43
1 6-inch Pipelines (175,142 AC, 3,981 DI, 235,569 PVC [I])	1974	\$19,908,624	C	\$8,351,482	43
1 8-inch Pipes (42,068 AC, 85,384 PVC [I])	1974	\$7,382,796	C	\$3,101,201	43
1 10-inch Pipelines (35,684 AC, 10,359 PVC [I])	1974	\$2,951,109	C	\$1,237,960	43
1 12-inch Pipelines (42,348 AC [I])	1974	\$3,388,480	C	\$1,421,432	43

1987 all values including fire hydrants are listed as being put into service in the District at a value of \$3,682,140. CRP to be collected, \$120,809 per year.

Item	Year	Value	Category	Rate	Value
38 Pressure Reducing Valves	1987	\$2,455	M	\$93,275	30
172 Air Relief Valves	1987	\$719	M	\$121,870	30
422 Isolation Valves	1987	\$2,201	M	\$95,818	30
247 Other Valves	1987	\$2,910	M	\$488,818	30
581 Firehydrants	1987	\$9,273	M	\$1,901,958	30
20 Pressure Reducing Valves	2017	\$5,500	C	\$102,500	0

The report is stating all pipes were put into service in 1974 and all valves and fire hydrants were installed in 1987. Piping, valves and fire Hydrants are put in at the same time for those of you that are not familiar with the water distribution system.

There are many more errors within the report. What I have presented adds up to \$1,064,768 in CRP revenue. While there is value in each of the items describe it is not at the value of original costs at the time listed and presented within the RCAC report. This could have been avoided with common sense and more questions from the Board. Did anyone review this report before presenting it to be published? A general review of some items does not show you the errors due to the small print. The print for the ratepayers must be magnified to read it. I spotted these errors once I used a magnify glass. No one learned anything from Mechenburg? Or did they?

I double check to see if my finding were valid with Howard Jarvis taxpayers. Their response was:

*"Thank you for your inquiry regarding the use of inflated assets to justify a higher than necessary water rate increase. If I understand your email, you believe the District artificially inflated the value of assets that have a limited useful life to justify increasing current rates more than necessary to fund the future replacement of those assets. You asked if this is legal.*

*Article 13D, section 6(b)(1) of the California Constitution provides that "the fee or charge shall not exceed the funds required to provide the property related service." A fee based on artificially inflated future replacement costs would obviously exceed the "funds required" and would therefore be illegal. "*

You have all the pieces to redo this horribly done rate increase. To solve this issue all you needed to do is include Depreciation in your budget as you should and it would be resolved. You are presently wasting District funds over a lawsuit on this one issue. Fix it and save the Public's money. No one needs another Leow suit, \$500,000 plus for something that could have been settled for \$30,000.

The Public relies on you, the Board elected by the Public to oversee the Finances and General Manager, not just rubber stamp anything presented to you. It is your responsibility to read the packet prior to the meeting and not just open it at the meeting. If you have a question and not enough documentation, be

brave, ask management to provide you with more clear information to make an informed opinion to vote in the Public's best interest. There is nothing wrong in not understanding the information that is presented by the staff and asking a question to clarify it. What is best for the Public is what is best for the District and not always best for the GM.

Transparency needs to be an action not just a word.

The present structure of this Board is hopeful to oversee the Public's District with integrity and honesty. Just a little guidance and training to your GM will improve this District immensely.

Maria Capraun

**Firm**

Churchwell White LLP is a law firm with deep roots in California. Based in the state's capital, we have a particular focus on sound public policy. Our lawyers and lobbyists work in the areas of government relations, regulatory matters, public law, political issues, ethics and conflicts of interest, real estate and land use, environmental and natural resources, water, litigation and more.

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**Churchwell White** LLP

# The Ralph M. Brown Act

## Meeting Laws Pocket Guide

GDPUD Board Mtg. of 2/12/2019  
AGENDA ITEM 5.A.1.  
December 11, 2018 Minutes  
Attach 3, Pg. 1 of 4

**Churchwell White** LLP

### Contents

- What is the Brown Act? . . . . . 2
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## What is the Brown Act?

The Ralph M. Brown Act ("Act"), set forth in California Government Code ("GC") §§ 54950 through 54963, requires that meetings of public bodies be "open and public." The goal of the Act is to increase government transparency.

### *Violations of the Act*

Violations may result in an invalidation of the action.

Individual members of the legislative body who violate the Act may be charged with a misdemeanor if: (1) the member intends to deprive the public of information, and (2) the public is entitled to that information. (GC §§ 54950.1, 54959)

### *Key Terms*

**Local Public Agency** – includes counties, cities, schools, and special districts

**Legislative Body** – a local agency's governing body (e.g., city council) and "covered boards" (permanent and temporary boards, commissions, task forces, or other advisory bodies created by the local agency)

**Quorum** – the number of members needed to take valid action (usually a majority of members of the legislative body or other group covered under the Act)

**Regular Meeting** – meetings at the dates, times, and location set by resolution, by-law, or other formal action by the legislative body

**Special Meeting** – meetings called by the presiding officer or majority of the legislative body to discuss specific items on the agenda

**Emergency Meeting** – meetings called by the majority of the legislative body during an emergency (crippling activity, strikes, public health, public safety impairments)

**Dire Emergency Meeting** – meetings called by the majority of the legislative body during a dire emergency (crippling disasters, terrorism, public health or safety threats)

**Adjourned Meeting** – regular or special meetings adjourned or re-adjourned to a time and place specified in the order of adjournment

**Closed Session** – private sessions held during meetings for limited purposes

## Who is Covered by the Brown Act?

### *Covered*

Local public agencies (GC § 54951)

Legislative bodies and covered boards of local public agencies (GC § 54952)

Standing committees of a covered board, regardless of number of members (GC § 54952)

Governing bodies of any private organization meeting certain requirements (GC § 54952)

### *Not Covered*

Ad hoc advisory committees with less than a quorum of the covered board (GC § 54952)

Most other non-profit corporations

All other government agencies (e.g., state agencies) are covered under the Bagley-Keene Open Meeting Act (GC §§ 11120-11132)

## What is a Meeting? (GC § 54952.2)

Any gathering of a majority of the members of a legislative body at the same time and location (including those who are teleconferencing in) to hear, discuss, deliberate, or take action on any matter under the local public agency's jurisdiction (Example: 3 of 5 councilmembers meet to discuss an ordinance)

### **Serial Meeting**

#### *Definition*

A series of individual contacts, which results in information regarding members' thoughts on agency matters communicated to a quorum of legislative body members, is a meeting. Serial meetings are prohibited.

#### *Examples*

(1) Daisy Chain Meeting: "A" talks to "B" who talks to "C," who then talks to "D."

(2) Spoke and Wheel Meeting: A third person "X" is at the center of the communication. The members never talk to each other; they all talk individually to "X."

## What are NOT Meetings? (GC §§ 54952.2, 54953.1)

Briefings regarding public agency business, if the content is informative and does not involve communicating the position or comments of any other legislative body member

Conversations between legislative body members not regarding public agency business

Conferences open to the public involving issues of interest to the legislative body

Other public meetings (e.g., an organization hosts an open and publicized meeting on a topic of local community concern)

Meetings of other bodies of the public agency (e.g., councilmembers attending a planning commission meeting)

Social or ceremonial occasions

Public meetings of a public agency's standing committee, if the legislative body members, who are not members of the standing committee, attend only as observers

Legislative body members may testify in private before a grand jury

## Rules for Public Meeting

### Meetings Must

Be open and public.(including teleconferenced meetings) (GC § 54953)

Comply with the Americans with Disabilities Act (GC § 54953.2)

Permit the public to audio or video record the meeting (GC § 54953.5)

Permit broadcasting of the meeting (GC § 54953.6)

Permit criticism of public policies, procedures, programs, or services, and the legislative body's acts (GC § 54954.3)

Permit public testimony and inspection (GC § 54954.3)

Pertain only to agenda items (GC § 54954.2)

### Meetings Must Not

Be held in any facility with discriminatory policies (GC § 54961)

Require the public to give personal information, answer questions, or fulfill any condition to participate in meetings (GC § 54953.3)

### The Legislative Body May

Prohibit public recordings or broadcasts if the noise, illumination, or obstruction of view is persistently disruptive (GC §§ 54953.5-54953.6)

Set reasonable limits on public testimony (GC § 54954.3)

Clear the meeting room, except for press or news media, if individuals willfully interrupt the meeting in a way that order cannot be restored by removing the disruptive individuals (GC § 54957.9)

## Agenda Requirements (GC § 54954.2)

### Basic Requirements

Brief description of items to be discussed

Time and location of meeting

Procedure for obtaining disability-related modifications or accommodations

## Notice Requirements

### Basic Requirements

Provide agenda to all whom request it and in an appropriate format

Mail when posted or when distributed to majority of the legislative body

Post in location freely accessible to public and on agency's website

### Generally (GC § 54953)

No secret ballots

Publicly report all actions, votes, and abstentions

### Regular (GC §§ 54954-54954.2) Notice: 72 hrs. before

Must hold in public agency's jurisdiction, with exceptions

### Special (GC § 54945) Notice: 24 hrs. before

No business may be considered except that for which the meeting is called

Closed session permitted

Cannot use for discussion of salaries, salary schedules, compensation through fringe benefits, or local agency executive

Must hold in public agency's jurisdiction, with exceptions

**Emergency (GC §§ 54954, 54954.2, 54956.5)** *Notice: 1 hr. before*

Closed session requires 2/3 vote of body, unanimous if less than 2/3 of body is present

Certain reports required at future meetings

Hold elsewhere if unsafe to meet at set location

**Dire Emergency** *Notice: depends\**

\*When members are notified or ASAP if phones are down

Requirements are the same as those under "Emergency"

**Continued (GC § 54955.1)** *Notice: none\*\**

\*\*For items continued from prior meeting set not more than 5 days prior to date action taken on item

**Adjourned (GC § 54955)**

*Notice Requirement*

Post order of adjournment at place meeting was held within 24 hours of the time of adjournment

**Teleconference (GC § 54953)**

*Notice Requirement*

Post agenda at all teleconference locations

Notice and agenda must identify teleconference location

Must conduct in manner which protects statutory and constitutional rights of parties or public appearing before the legislative body

Votes taken by roll call

Requires quorum of the legislative body to be in public agency jurisdiction

**Closed Session (GC §§ 54954.5, 54956.7-54957.2, 54957.6-54957.8, 54957.10)**

*Notice Requirement*

Requires agenda notice, pre-closed session announcement, and post-closed session report of action taken

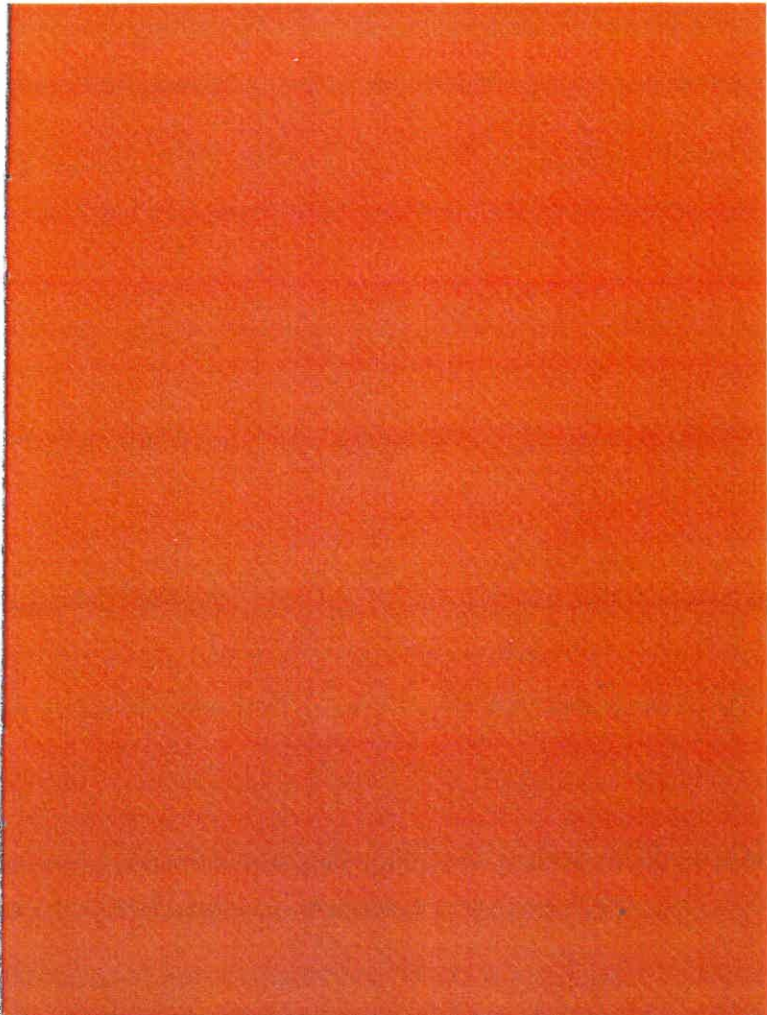
May only hold closed session on a particular topic if Act explicitly permits it

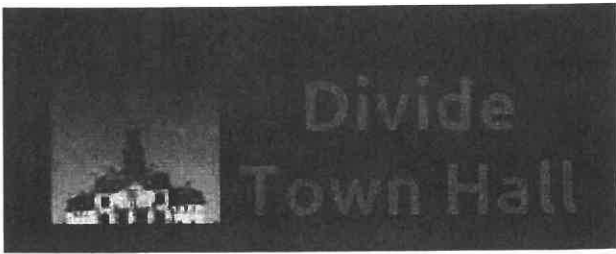
May only hold on a particular topic if explicitly permitted

Act provides safe-harbor language for 17 closed session items, to be used in legislative body agendas

Closed sessions on employment matters include additional notice and hearing rules

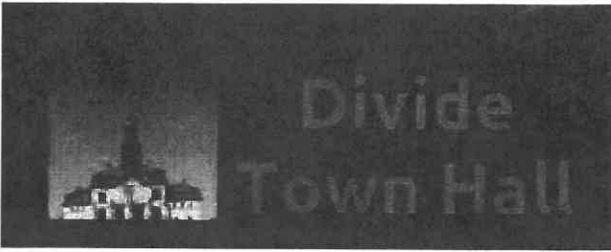
Confidential information acquired in closed session cannot be disclosed unless the legislative body authorizes disclosure of the information





## Community Questions - November 2018

1. When will the new ALT drinking water treatment plant be finished and in use?
2. Why does the water district need to hire an engineer if the general manager is a professional engineer?
3. What are you going to do to run the district better?
4. What does 218 stand for?
5. What benefits does the community get from the 218 rate increases and the ALT plant?
6. How many people can be on the finance committee?
7. Why lease the land that the ALT drinking water treatment plant sits on?
8. What kind of state requirements are on our irrigation water? How much water has to go down the American River for fish?
9. What can be done to keep irrigation water on the divide since it benefits all in the area?
10. Has it been determined that the 218 on irrigation water was legal?
11. How do we preserve irrigation water for customers who gave up their minors inches?
12. Why am I not getting the irrigation volume that I'm paying for? Why isn't there enough pressure in my irrigation pipe?
13. Why isn't there a search feature on the water district website?
14. Why hasn't the in accurate billing with the rate change ever been credited back to the customers?
15. Can certain positions within the district have salary caps?
16. Do you have a plan for developing good job descriptions? Can we trim some positions or combine skill sets?
17. To what degree does the board get involved in hiring?
18. Does the GM bring back hire/positions to the board for oversight and approval?
19. Why were the customers taken off the org chart?



20. Why re-create documents and policies? Why not use policy that is similar to other similar sized water district?
21. Can Training be done online to save travel expenses?
22. How can board members talk to community without brown after violations?
23. Why doesn't the board consist of folks from different areas or districts?
24. Can the community ask to have a topic placed on the agenda?
25. Is there a Facebook Page set up to share community input and feedback from water district staff?
26. Can't correspondence be added to the board packets?



**CONFORMED AGENDA - DRAFT**

**SPECIAL MEETING**

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

***Special Notation:***

***Director David Halpin will participate in this meeting from a satellite location via telephone. The Public may participate in all Open Session portions of this meeting from this location. The specifics of his location, while participating in the meeting, are as follows:***

***140 Valam Drive, Van Wert, Ohio 45891***

**TUESDAY, JANUARY 8, 2019  
1:00 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.
- 

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

*The meeting was called to order at 1:00 P.M.*

*Directors Present: Cynthia Garcia, Michael Saunders, David Souza, Dane Wadle.*

*Staff Present: General Manager Steven Palmer; Operations Manager Darrell Creeks; Board Assistant Diana Michaelson. Legal Counsel: Barbara Brenner, Churchwell White, LLP.*

**2. ADOPTION OF AGENDA**

***Motion by Director Garcia to adopt the agenda. Second by Director Saunders.***

***Public Comment: There was no public comment.***

***Vote: The motion passed unanimously.***

- 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.

*Maria Capraun spoke regarding a document relating to the closed session item, dated 2000 and signed by Hank White and Phil Wright, that she claimed was not given to prior Board members. She handed the document to Ms. Brenner. It is included as **Attachment 1** to these Minutes.*

*The Board adjourned to closed session at 1:03 P.M.*

#### **4. ADJOURN TO CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL**

**A. Existing Litigation** – Pursuant to Paragraph (1) of Subdivision (d) of Government Code Section 54956.9: Jean Lee Choo Leow v. Georgetown Divide Public Utility District.

*Director Halpin joined the closed session discussion by telephone after item 4.A.*

**B. Existing Litigation** – Pursuant to Paragraph (1) of Subdivision (d) of Section 54956.9: Georgetown Divide Taxpayers Association v. Georgetown Divide Public Utility District.

*The Board returned to open session at 2:22 P.M. and reported that no reportable action was taken during the special closed session meeting.*

#### **5. NEXT MEETING DATE AND ADJOURNMENT** – Next Regular Meeting is January 8, 2019, at 2:00 P.M. at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, California 95634.

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, please contact Steve Palmer 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 January 4, 2019.

---

Steven Palmer, PE, General Manager

---

Date

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF EL DORADO  
ADR/CASE MANAGEMENT DEPARTMENT

JEAN LEE CHOO LEOW, )  
 ) Case No. PC20100019  
Plaintiff(s) )  
vs. ) **DISPUTE RESOLUTION CONFERENCE**  
 ) **REPORT**  
GEORGETOWN DIVIDE, )  
 )  
Defendant(s) )

AGREEMENT

The parties agree:

1. All statements made during the Dispute Resolution Conference and any documents produced in the course of the conference are confidential.
2. All parties agree that any Settlement will be enforceable. The parties agree that the above referenced case is:

**SETTLED** A Notice to file Dismissal and/or Order to Show Cause will be set for 45 days from the date of this Report, or in cases of a Conditional Settlement as Set forth in Rule 3.1385, C.R.C. a "Conditional Dismissal".

**PARTIALLY SETTLED** (explain below)  
 **NOT SETTLED**

3. The substance of any Agreement reached is as follows:

*Defendant to pay plaintiff a total of \$30,000  
within 60 days of today's date. (see pg 3)  
Jean L. Choo Leow  
to receive, although part*

Plaintiff

Defendant

Plaintiff

Defendant

*Fred Deane*  
Attorney for Plaintiff

*GOING M. J. WSB*  
Attorney for Defendant

Attorney for Plaintiff

Attorney for Defendant

Date: Jan 27 2011

COMPLIANCE WITH CRC 201-203.5 IS REQUIRED. DO NOT WRITE ON THE BACK SIDE OF THIS FORM.

3

- ② Plaintiff will execute an easement for 20' across and above existing pipeline subject to approval by GDPUD Board.
- ③ Defendant will pay for cost of survey, legal description and deed of easement for Plaintiff's signature.
- ④ This agreement may be enforced by any party pursuant to CCP § 1061, subject to #6
- ⑤ Each party will bear their own fees & costs herein.
- ⑥ Settlement funds subject to approval by board of GDPUD.
- ⑦ Defendant GDPUD shall pay \$26,350.00 of settlement
- ⑧ Defendant KASL shall pay \$3,650.00 of settlement.
- ⑨ Settlement does not extend to P.S. Contractor and is contingent upon said defendant's agreement to waive fees & costs upon dismissal of action. If said defendant so waives, entire action against all defendants to be dismissed.

**CONFORMED AGENDA – DRAFT**

**REGULAR MEETING**

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

***Special Notation:***

***Director David Halpin will participate in this meeting from a satellite location via telephone. The Public may participate in all Open Session portions of this meeting from this location. The specifics of his location, while participating in the meeting, are as follows:  
140 Valam Drive, Van Wert, Ohio 45891***

**TUESDAY, JANUARY 8, 2019  
2:00 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.
- 

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

*The meeting was called to order at 2:22 P.M.*

*Directors Present: Cynthia Garcia, David Halpin (via telephone), Michael Saunders, David Souza, Dane Wadle.*

*The Pledge of Allegiance was led by Director Saunders.*

*Staff Present: General Manager Steven Palmer; Operations Manager Darrell Creeks; Board Assistant Diana Michaelson. Legal Counsel: Barbara Brenner, Churchwell White, LLP.*

**2. ADOPTION OF AGENDA**

***Motion by Director Saunders to adopt the agenda. Second by Director Garcia.***

***Public Comment: There was no public comment.***

***Roll call vote was taken, and the vote was as follows:***

***Garcia: Aye***

***Halpin: Aye***

***Saunders: Aye***

**Souza: Aye**

**Wadle: Aye**

***The motion passed unanimously.***

- 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. The Board will hear communications on matters not on the agenda, but no action will be taken. 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 timeframe.

*A handout was provided by an unidentified person. It is included as **Attachment 1** to these Minutes.*

*Dennis Smith requested an update on the opportunity that was presented to the Board about 20 years ago regarding the installation of floating toilets at Stumpy Meadows. The General Manager stated that he would have the Operations Manager follow up.*

*Cherie Carlyon spoke regarding the FY 2017-2018 budget and submitted a document to the Board which is included as **Attachment 2** to these minutes.*

*Stephen Dowd commented regarding fire hydrants and fire insurance rates in Auburn Lake Trails. He also commented regarding a comment made by Director Souza at a meeting in Coloma last spring.*

#### **4. PROCLAMATIONS AND PRESENTATIONS**

*There were no proclamations or presentations.*

- 5. CONSENT CALENDAR** – Any member of the public may contact a Board member prior to the meeting to request that an item be pulled from the Consent Calendar.

*Director Wadle stated that he had received a request to pull Item 5.B from Consent. The item was pulled.*

*Director Garcia asked that all items be pulled from consent.*

#### **A. Approval of Minutes**

1. Regular Meeting of December 11, 2018

*Director Saunders stated that Item 3.C. should be corrected to show that the roll call vote for President was 3-2. Director Wadle stated that the Minutes accurately reflect the action at the Board meeting. Director Garcia vehemently disagreed stating that because the recording was not on the website, it couldn't be verified. Diana Michaelson said that she would listen to the recording to verify.*

*Director Garcia referred to Item 3.C. stating that there was a discussion about agendas being developed, presented, and topics being added, and that it was mentioned that the President controls the agenda. Director Wadle noted that the discussion is included in the Minutes on Page 9, Item 9. He read from the Minutes noting that the Minutes did reflect that discussion. Director Garcia disagreed.*

*Director Garcia requested that Item 8.B. reflect her comment regarding an attachment to the General Manager's application to ACWA.*

*Director Garcia turned to Item 8.C. asking that the discussion be documented where she asked for clarification on why staff was doing a contract and not just a purchase as well as other questions regarding pricing of parts.*

## **B. Financial Reports**

1. Statement of Cash Balances
2. Month-End Cash Disbursements Report

*The General Manager presented the staff report.*

*Director Garcia requested that the Wells Fargo account be included.*

*Director Garcia commented about the Water Fund beginning and ending fund balance. She asked that descriptions be put back in the Month-end Disbursements Report and then asked about specific checks.*

*Director Wadle requested that these types of questions be addressed outside the meeting rather than take up meeting time.*

**Public Comment:** *Ms. Carlyon asked that the descriptions be put back in. She then requested that the agenda be posted early.*

*Steven Proe commented regarding the posting of agendas.*

**Motion by Director Souza to accept the Financial Reports. Second by Director Garcia.**

**Vote:**

**Garcia: Aye**  
**Halpin: Aye**  
**Saunders: Aye**  
**Souza: Aye**  
**Wadle: Aye**

***The motion passed unanimously.***

## **C. AB 1600 Development Impact Fee Annual Report**

**Possible Board Action:** Adopt Resolution 2019-01.

*The General Manager presented the staff report.*

*Director Saunders commented that the report shows the money set apart for the District's Capital Improvement Plan and that the funds will be used for infrastructure.*

*Director Garcia commented regarding the Stantec report and exhibits. There was some discussion. Ms. Garcia requested that whenever a document is referenced, that it be included in the packet.*

**Public Comment:** *Mr. Proe commented regarding information in the CASL Report from several years ago.*

*Ms. Carlyon commented regarding Capital Reserves.*

**Motion by Director Garcia to adopt Resolution 2019-01. Second by Director Saunders.**

**Vote:**

**Garcia: Aye**  
**Halpin: Aye**  
**Saunders: Aye**  
**Souza: Aye**  
**Wadle: Aye**

**The motion passed unanimously.**

#### **D. Assessment Districts Closeout**

**Possible Board Action:** Adopt the following Resolutions: 2019-02, 2019-03, 2019-04, 2019-05, 2019-06, and 2019-07.

*The General Manager presented the staff report.*

*Director Garcia had questions regarding the remaining monies in the accounts.*

*Director Saunders commented regarding Spanish Dry Diggins Water Improvement District.*

**Public Comment:** *Ms. Carlyon, Mr. Proe, and Bill Johnson commented regarding remaining funds.*

**Motion by Director Souza to adopt Resolutions 2019-02, 2019-03, 2019-04, 2019-05, 2019-06, and 2019-07. Second by Director Garcia.**

**Vote:**

**Garcia: Aye**  
**Halpin: Aye**  
**Saunders: Aye**  
**Souza: Aye**  
**Wadle: Aye**



***The motion passed unanimously.***

#### **E. Change of Bank Signatory Authority**

**Possible Board Action:** Adopt Resolution 2019-08.

*The General Manager presented the staff report.*

*Director Garcia commented regarding obligations and expectations of signers.*

**Public Comment:** *There was no public comment.*

**Motion by Director Garcia to table the item until the next Regular Meeting to allow time for Director Garcia to get her questions answered regarding expectations of her as a Board member. Second by Director Saunders.**

**Vote:**

**Garcia: Aye**  
**Halpin: No**  
**Saunders: Aye**  
**Souza: No**  
**Wadle: No**

***The motion failed.***

**Motion by Director Saunders to adopt Resolution 2019-08 without Director Garcia as a signatory. Second by Director Souza.**

**Vote:**

**Garcia: Aye**  
**Halpin: Aye**  
**Saunders: Aye**  
**Souza: Aye**  
**Wadle: Aye**

***The motion passed unanimously.***

### **6. INFORMATIONAL ITEMS**

#### **A. Board Reports**

*Director Garcia announced that she and Director Saunders would host a Town Hall meeting on January 12 at the Garden Valley Grange Hall from 1:00 to 4:00 P.M. She then reported that she will be attending the CSDA Gold Country Finances for Special Districts workshop. She also reported that she has signed the Form 700 and that she submitted a signatory page to El Dorado Savings Bank.*

*Director Saunders gave a short talk regarding civility. He then reported that he had turned in his Form 700.*

*Director Wadle reported that he would be attending the CSDA workshop on January 30 in his capacity as a CSDA employee. He further noted that there are numerous scholarships available for Board members and staff to attend different CSDA events and encourage Directors and staff to take advantage of the scholarships while the money is available.*

## **B. General Manager's Report**

*Mr. Palmer provided updates on various projects in the District and listed upcoming items for future Board meetings.*

*Directors Garcia and Saunders asked for clarification on some of the projects.*

*Director Wadle asked about the new website. Mr. Palmer reported that the website is up. He then recognized Management Analyst Christina Cross for her hard work in bringing this project to fruition.*

*Ms. Carlyon commented regarding the audit process.*

*Someone in the audience spoke against the need for a communications consultant.*

*Mr. Proe commented regarding the website and the CABY project.*

## **C. Operation Manager's Report**

*Operations Manager Darrell Creeks reported that Stumpy is at 80% and should fill quickly. Everything else is going well.*

*Director Garcia commented regarding the ALT Zone report and labor details. She also inquired regarding meter replacement.*

*Mr. Johnson commented regarding crews and trucks.*

*Someone in the audience inquired about GPS on the trucks.*

*Karen Bartholomew inquired regarding the source of funds to pay for new meters.*

## **D. ALT Treatment Plant Update**

*Engineering Consultant George Sanders gave a brief status report of the work done at the plant in December and provided a slide show of recent photos. He reported on the status of the latest payments from the State Water Board.*

*Director Saunders inquired about touring the facility. Mr. Sanders stated that he is always available to take any Board member around the plant upon request.*

## **E. Finance Committee Report**

*Finance Committee Chair Rick Gillespie reported that there had been a lot of community participation and discussion at the recent special Finance Committee meeting. Minutes for the October 31 and June 5 meetings were approved and will be*

on the District website. Thomas Crawford will be the temporary Vice Chair. Director Saunders, the Board liaison, will prepare the Minutes until there are new members. A few resumes have been submitted from interested persons. Mr. Gillespie responded to a question from the audience regarding deadline for submission of resumes stating that there is no deadline, and resumes are accepted on an on-going basis.

Director Wadle noted that he had submitted five or six questions to be posed to applicants for the General Manager, Director Saunders, and Mr. Gillespie to review and comment on.

Mr. Gillespie responded to a question from the audience regarding minimum qualifications stating that the Committee is interested in hearing what applicants think they can bring that would help the District.

## 7. NEW BUSINESS

### A. Nomination of GDPUD Representative to Local Agency Formation Commission (LAFCO)

**Possible Board Action:** Adopt Resolution 2019-09.

Mr. Palmer presented the staff report. Director Wadle thanked him for bringing this to the Board saying that it is an important and powerful regional body and that commissioners represent all the special districts in El Dorado County. Director Garcia commented that it is a good opportunity and that the smaller districts are underrepresented. Director Saunders commented that the commission deals with water, fire, sewer and other issues.

**Public Comment:** Ms. Carlyon wondered if GDPUD had ever had representation on LAFCO.

**Motion by Director Garcia to nominate Director Sanders as a candidate to LAFCO.**

Director Wadle commented that he would lean more toward nominating Director Souza, due to his experience on the Fire Board and his knowledge of the players. Director Souza acknowledged that he knows all the LAFCO players well and that it is very important to be on LAFCO.

Director Halpin agreed that it's a very important position and that Director Souza is the best qualified candidate, and although he could support either nomination, Director Souza might have a leg up due to his experience.

Director Saunders noted that Director Souza is already a representative to ACWA.

**Second by Director Halpin.**

**Vote:**

**Garcia: Aye**

**Halpin: Aye**

**Saunders:** Aye  
**Souza:** Aye  
**Wadle:** Aye

***The motion passed unanimously.***

**B. Discuss and Provide Direction on Freezing Treated and Irrigation Water Rates at the Calendar Year 2018 Rates.**

**Possible Board Action:** Provide direction on freezing treated and irrigation water rates at the Calendar Year 2018 Rates.

*Mr. Palmer presented the staff report. He provided a brief background on the process used by the District to update its treated and irrigation water rates, summarizing the three main reasons this process was begun as 1) lack of resources, 2) more legal requirements, and 3) the need to comply with state mandates. He further noted that the 15-month process included two public workshops and seven meetings of either the Board or the Finance Committee and summarized each of those meetings. His presentation included detailed information about the new rates and how freezing the rates would affect the District's ability to operate and to provide water to its customers. He stated that loss of revenue resulting from freezing the rates would result in reduced funding for capital replacements, reduced maintenance, the inability to meet operating responsibilities, increased cost of capital replacement, and Grand Jury scrutiny. His report concluded with staff's recommendation that the Board not take action to freeze rates and to allow the already adopted rate increase to take effect.*

*At 4:48 P.M. Director Wadle called a short break. The Board returned at 4:56 P.M.*

*Mr. Gillespie reported on the Special Finance Committee meeting that was held on January 11 as it relates to the rate freeze issue. Referring to the slide which graphically depicted the loss of revenue over the period 2018 through 2022, he noted that once you get on the slippery slope, it continues, and the Committee was concerned that once the rates freeze, it's hard to get them back up again. He made the point that the new rates were the result of the RCAC study and actually lower than what was recommended by RCAC. He said that the Finance Committee had voted 2-1 to recommend not freezing the rates.*

*As Finance Committee liaison, Director Saunders reported on public input at the Finance Committee meeting. The general consensus from the public was that increased irrigation rates would result in less water being used, which would have the two-fold effect of reducing revenue to the District and increased fire risk from dry fields. Many felt that rates have been raised too much.*

*Director Souza asked if these people had offered any suggestions. Director Saunders said that the suggestions were basically that there should be an independent CPA audit or forensic audit and that the rates should be frozen.*

*Director Garcia asked the General Manager why the information presented did not include 2018 actuals. Mr. Palmer responded that the numbers were not available at*

*the time his report was prepared and were only available now, and he then provided the 2018 actuals. Director Garcia then explained and provided a handout that was prepared by a member of the public (**Attachment 3** to these Minutes). She continued, noting that the voters in the recent election sent a resounding message that they expected the Board to take another look at the rates, concluding that the Board should freeze the rates and take another look to see how much they could be lowered.*

*Director Wadle inquired regarding the impacts noticed by staff when rates were previously not keeping up with the costs of the District.*

*Staff spoke to the issue. There followed some discussion among Board members about the fiduciary responsibility of Board members, addressing problems in the now rather than leaving them to some future Board to deal with, and the desire for a more detailed look at the impacts of reducing revenue as well as the data that led to new rates.*

*Director Wadle asked Ms. Brenner to provide a brief overview of the current law suit. There was some discussion within the Board regarding whether to wait until the current law suit is settled before deciding whether to freeze rates. Some from the audience added their perspective as well and spoke to how the new rates affect irrigation use.*

*There was more Board discussion around freezing the rates for no more than one year while staff and Finance Committee look at other options. One of the issues is that irrigation customers need to know what the rates are before they decide how many miners inches to request before the March 1 deadline.*

**Public Comment:** *A number of people from the audience spoke, including Steve Proe, Cherie Carlyon, Karen Bartholomew, Phyllis Polito, Mike Thornbrough, and several unidentified persons, reiterating previous comments and questioning the validity of the information provided to RCAC in arriving at the recommended rates. A handout recommending a rate freeze was provided. It is included as **Attachment 4** to these Minutes.*

*Director Wadle brought the discussion back to the Board for further comments.*

*Director Souza commented that if a forensic report needs to be done to satisfy the people, find a way to do it.*

*Director Halpin commented that the Board could direct staff to revisit the improvement plan and reiterated his view that the Board should hold off taking any action on the rates until after the court decision.*

*Director Garcia said she would like staff and the Finance Committee see what it would cost to do a forensic audit and to look at the method of calculation that produced the new rates and have them bring back options for adjusting the rates. She later spoke to providing relief to customers before the court case is decided.*

*Director Wadle commented that this is what has been done in the past, analyzing and reanalyzing data, and that is why it took 14 years to get the treatment plant built. The rate study was based on good information, reasonable, and honest.*

*Director Saunders agreed that the rate study was valid, but the irrigation side needs adjustment to help alleviate what is being lost on that side.*

***Motion by Director Garcia to temporarily freeze the rate increase direct the General Manager and his staff, along with assistance of the Finance Committee, and possibly an ad hoc community committee to evaluate and review and make recommendations on the method of calculation for the rate increase and possibly provide options for rate adjustments.***

*Director Saunders requested an amendment to the motion to add a time limit to the freeze.*

***Director Garcia amended the motion to add “not to exceed 12 months.”***

***Seconded by Director Saunders with the amendment.***

*There was some discussion among Board members. Director Garcia withdrew her motion and made a new motion.*

***Motion by Director Garcia to temporarily freeze the rate increases for no more than 12 months and direct the General Manager, his staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit and to bring back recommendations to the Board for possible rate adjustments. Seconded by Director Saunders.***

***Vote:***

***Garcia: Aye  
Halpin: Aye  
Saunders: Aye  
Souza: Aye  
Wadle: No***

***The motion passed 4-1.***

- 8. BOARD MEMBER COMMENTS, REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS AND REQUESTS FOR INFORMATION OR RESEARCH TO BE COMPLETED BY STAFF – Opportunity for Board members to discuss matters of interest to them and provide input for future meetings as well as report on their District-related meeting attendance.**

*Director Saunders requested the following:*

- 1. Any Board member interested in attending a Finance Committee meeting send an email to himself and the General Manager.*
- 2. Staff provide a draft agenda to Board members 10-12 days in advance of the meeting.*

3. *Staff inform Board members if an item they requested is not going to appear on the agenda.*

*He requested that the next agenda, or one soon after, include discussion of*

1. *Which reports to include in the Financial Reports.*
2. *Whether check disbursements could be reviewed at the Finance Committee rather than at Board meetings.*

*Director Garcia asked that rather than cash flow and checks on the monthly report, show all transactions for the month with descriptions before the Board meeting, the way it was shown in August. She then asked what the process is to determine what gets on the agenda. Director Wadle explained what considerations go into creating the agenda. She asked that draft agendas be provided to Board members sooner.*

*She requested that the next agenda include discussion of*

1. *Finance Committee.*
2. *Billing dates.*

9. **NEXT MEETING DATE AND ADJOURNMENT** – The next Regular Meeting will be February 12, 2019, at 2:00 P.M. at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, California 95634.

*The meeting adjourned at 6:48 P.M.*

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, please contact Steve Palmer 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 January 4, 2019.

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Steven Palmer, PE, General Manager

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Date

Please make this part of The Record.

GDPUD Board Mtg. of 02/12/2019  
AGENDA ITEM 5.A.3.  
January 8 Regular Meeting  
Attachment 1, Page 1 of 1

GDPUD Board of Directors, Regular Meeting January 8, 2019, 2pm

For your information:

Legal Fees FY 2017-2018 paid to Churchwell- White, the District's Attorneys

Month	Date Rec.	Amount	Date Paid	Accum. Total
Jul 17	08-10-17	\$11,565.64	08-16-17	\$ 11,565.64
Aug 17	09-26-17	\$ 7,059.39	09-26-17	\$ 18,625.03
Sep 17	10-19-17	\$11,685.93	11-09-17	\$ 30,310.96
Oct 17	11-22-17	\$23,109.20	12-12-17	\$ 53,420.16
Nov 17	12-14-17	\$15,540.99	12-20-17	\$ 68,961.15
Dec 17	01-22-18	\$17,138.72	02-13-18	\$ 86,099.87
Jan 18	02-14-18	\$24,033.18	03-14-18	\$110,133.05 over budget as of 3-14-18
Feb 18	03-19-18	\$21,090.95	03-27-18	\$131,224.00
Mar 18	04-13-18	\$11,437.06	05-21-18	\$142,661.06
Apr 18	05-21-18	\$ 8,986.09	06-06-18	\$151,647.15
May 18	06-15-18	\$18,237.96	07-10-18	\$169,885.11
Jun 18	07-12-18	\$16,417.95	07-19-18	\$186,303.06

The annual FY17/18 legal budget was \$110,000.

In addition, there was \$14,080.45 for the Leow case, for a total of \$200,383.51 in legal fees. The legal account was over budget \$90,383.51. There were 48 other accounts that were also over budget for the year.

On January 9th, 2018, I specifically asked the board if the GM could go over budget and I was told emphatically no, he could not. As you can see, the legal account exceeded budget on 3-14-18. No budget amendment has been requested of the board.

So, my question to the board is: Why did we pay VTD \$90,000.00 last year to provide accounting and financial services including "assist in preparation of budget amendments," when it appears these services were not rendered? Adherence to the budget is one of the Board's primary responsibilities to the voters of the district. I hope that this new board starts paying closer attention.

Thank You, Cherie Carlyon



Comparison of Base Rate and Commodity Charge with Reported Revenue from the 2017 RCAC Report.

Base rate /Bi-monthly	Bi-Monthly Usage	Bi-Monthly Base Rate	# Active Accounts	Bi-Monthly Revenue	Annual Revenue
5/8"		\$58.81	3,117	\$ 183,311	\$ 1,099,865
3/4"		\$58.81	421	\$ 24,759	\$ 148,554
1"		\$58.81	198	\$ 11,644	\$ 69,866
1 1/2"		\$196.04	28	\$ 5,489	\$ 32,935
2"		\$313.66	10	\$ 3,137	\$ 18,820
		\$980.18	4	\$ 3,921	\$ 23,524
<b>Total Base Rate Revenue</b>			<b>3,778</b>	<b>\$ 232,261</b>	<b>\$ 1,393,564</b>
<b>Commodity Charge</b>		<b>Commodity Charge</b>	<b>Unit</b>	<b>Bi-Monthly Revenue</b>	<b>Annual Revenue</b>
<b>Total Commodity Charges</b>	<b>10,944,096</b>	<b>\$ 0.0255</b>		<b>\$ 279,074</b>	<b>\$ 1,674,447</b>
<b>Total Revenue</b>				<b>\$ 511,335</b>	<b>\$ 3,068,010</b>
<b>Total Estimated Annual Revenue shown in the 2017 RCAC Exhibit 3T Report</b>	<b>\$ 2,672,332</b>	<b>\$ 2,838,742</b>	<b>\$3,010,238</b>	<b>\$ 3,176,352</b>	<b>\$ 3,335,081</b>

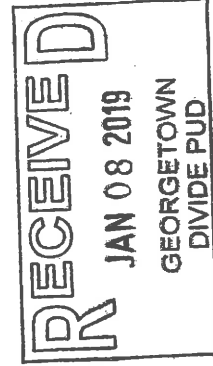
Facts shown in RCAC Report

Customers 3778  
 Charge per cubic foot 0.0255

Volume of water treated in acre feet 1708  
 Water Loss for treated -200

**Volume of Treated Water Sold 1508**  
 1508 acre feet converted to Cubic Feet 65,664,574  
 Bi-Monthly Usage 10,944,096

Revenue Reported in Exhibit 3T \$2,672,332  
 Total Revenue from Commodity & Base Rate \$ 3,068,010  
**Amount of Revenue Under Reported \$395,678**



# Were the numbers used for the 2018 Rate Hike Accurate?

A Temporary Rate Freeze will give us the time to find out.

GDPUD Board Mtg. of 02/12/2019  
AGENDA ITEM 5.A.3.  
January 8 Regular Meeting  
Attachment 3, Page 1 of 1

Some obvious problems are:

1. The Capital Replacement Program (CRP) shows 2017 water revenue of \$2,753,457.25 when the new rate hike did not take effect until 2018. The FY17-18 budget shows the water revenue at \$1,839,000.
2. Lake Walton water treatment plant started service in 1975 and cost \$7,681,481. It had a facility expansion in 1992 that cost \$554,786.28. The total amount shown in the 2015 asset list was \$3,332,741.38. CRP used the inflated value of \$7,681,448, and then used this inflated value over 25 years to achieve an annual reserve requirement of \$154,431. Lake Walton water treatment plant will not be replaced; it will be repaired and maintained, not replaced.
3. The Capital Replacement Program shows all water tanks being placed into service in a 1974 which is incorrect. The Pilot Hill tank was installed in 1992 and it was removed in 2015 by Board Action at a value of \$360,230. The Capital Replacement Program shows a replacement value of \$730,006 calculated over a 40-year lifespan is \$18,023. This translates to an annual reserve requirement for a tank the district no longer owns.
4. At the time the rate study was completed in December 2017, The Auburn Lake Trails Water Treatment Plant was not-operational. The automated meter reading and meter replacement project equipment had not yet been purchased. Therefore, the \$12,728,909 and \$1,745,800 for the replacement projects should not be included in the rate study. Customers should not be charged to replace equipment that was not yet providing service to their properties [per article 13D section 6(b)(1) of the California constitution - the fee or charge shall not exceed the funds required to provide the property related service.] *NOTE – In December 2017, the District had expended \$2,410,219 on the new plant and was using the old Auburn Lake Trails Water Treatment Plant to meet water demands, but the old plant cost was not included in the rate study.*
5. The Capital Replacement Program shows all pipe lines being installed in 1974 at a cost of \$15,553,972. The District did not have these assets in-service in 1974. Some pipes were installed as late as 1998, and there is no documentation (invoices or source of funds) that support in 1974 the District invested \$15,553,972 into its pipelines.
6. The Capital Replacement Program shows that all the valves, including fire hydrants, were put into service in 1987, at a cost of \$ \$3,682,140. The Program further shows that all pipes were put into service in 1974, however, valves and fire hydrants are put in at the same time. Inaccurate dates and calculated lifespans raise the annual revenue amounts required.
7. The total assets for items listed in 1974 in the Capital Replacement Program were \$25 million. Where is the proof for that number of items and that cost from 1974?

**Are we being overcharged? We want proof that we are not!**

A Volunteer Citizens' Audit Committee, or an Outside Auditor, should examine the records and tell us.

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 5.B.1.**



**AGENDA SECTION: CONSENT CALENDAR**

**SUBJECT: CASH BALANCES – DECEMBER 2018**

**PREPARED BY:** Christina Cross, Management Analyst

**APPROVED BY:** Steven Palmer, PE, General Manager

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**BACKGROUND**

The Cash Balances Report details the District's cash position as of the month end to demonstrate transparency and accountability of relevant financial data from which prudent fiscal decisions and policies are made. The Cash Balances Report is unlike a quarterly budget to actual report; its purpose is to report on ending cash balances and the related sources and uses of cash during the period.

**DISCUSSION**

The Cash Balance Report as of month ending December 31, 2018 shows the District's cash balances total \$9,410,106.58

Cash is held with the following institutions in the amounts of:

El Dorado Savings Bank - Checking	\$ 68,104.08
El Dorado Savings Bank - Savings	2,252,950.60
Local Agency Investment Fund (LAIF)	7,089,051.90
	<u>\$ 9,410,106.58</u>

Restricted cash balances are monies held in trust for a specific purpose, and are not monies available for District use. The Wells Fargo Debt Service Fund is SRF Fiscal Agent cash account that is restricted for payments on the Walton Lake loan with the State Water Resources Control Board (SWRCB) through Wells Fargo Bank. This debt service fund is required by the SWRCB.

Restricted Cash:

Wells Fargo Debt Service Fund	\$ 39,683.87
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Georgetown Divide Public Utility District  
Statement of Cash Flow

For Period December 1, 2018 through December 31, 2018

Fund Description	Beginning Balance	Cash In Cash Receipts	Accounts Payable	Payroll	Journal Entries	Ending Cash Balance
08 - SMUD Fund	195,257.80	0	0	0	0	195,257.80
09 - CABY Grant	(379,712.34)	0	(3,198.40)	0	0	(382,910.74)
10 - Water Fund	2,220,064.31	123,884.71	(132,366.36)	(225,351.07)	(1,615.96)	1,984,615.63
12 - Retiree Fund	476,235.43	3,784.48	(7,864.11)	0	0	472,155.80
14 - Stewart Mine Water Project Fund	33,969.79	0	0	0	0	33,969.79
17 - Water Development Fund	409,970.85	0	0	0	0	409,970.85
19 - STUMPY MDWS Emergency Fund	1,060,134.01	0	0	0	0	1,060,134.01
20 - ALT Fund	728,828.18	335,123.00	(258,332.03)	0	0	805,619.15
24 - Capital Replacement Fund	665,014.17	0	0	0	0	665,014.17
25 - Bayne Rd bond Fund	45,872.84	0	0	0	0	45,872.84
29 - State Revolving Fund	(17,111.01)	0	(2,296.95)	0	0	(19,407.96)
30 - Hydro Fund	682,253.45	1,917.45	(67.07)	0	0	684,103.83
35 - Restricted Pipeline Fund	(90,530.11)	0	0	0	0	(90,530.11)
37 - Garden Valley Maintenance Fund	72,985.20	0	0	0	0	72,985.20
39 - Cap Facility Charges ORD 2007-01	1,628,632.89	9,200.00	0	(697.88)	0	1,637,135.01
40 - Zone Fund	1,025,717.43	10,159.70	(30,225.45)	(12,166.47)	1,615.96	995,101.17
41 - CDS M&O Fund	39,783.17	0	0	0	0	39,783.17
42 - CDS Reserve Expansion Fund	171,501.58	0	0	0	0	171,501.58
43 - New Capital Reserve	467,116.13	0	0	0	0	467,116.13
51 - Kelsey North WAD 1989-1	114,050.06	0	0	0	0	114,050.06
52 - Kelsey South WAD 1989-4	55,996.32	0	0	0	0	55,996.32
53 - Pilot Hill North WAD 1989-2	(7,480.80)	0	0	0	0	(7,480.80)
54 - Pilot Hill South WAD 1989-3	53.68	0	0	0	0	53.68
<b>Total Distributed Cash -----&gt;</b>	<b>9,598,603.03</b>	<b>484,069.34</b>	<b>(434,350.37)</b>	<b>(238,215.42)</b>	<b>0</b>	<b>9,410,106.58</b>

Cash in Eldorado Savings and LAIF

1000 - El Dorado Savings Bank General Checking	68,104.08
1010 - El Dorado Savings Bank Collections	2,252,950.60
1022 - LAIF	7,089,051.90
<b>Total Cash -----&gt;</b>	<b>9,410,106.58</b>



Grand Total of all Bank Accounts -----> 434,350.37 .00 434,350.37  
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GDPUD Board Mtg. of 2/12/2019  
AGENDA ITEM 5.B.1.  
Attachment 2  
Page 2 of 2

# **AGENDA ITEM 5.B.2**

**Month End Cash Disbursements Report**

Date...: Feb 6, 2019  
 Time...: 12:26 pm  
 Run by.: Hannah Schnetz

Georgetown Divide PUD  
 BOARD CHECK REVIEW

GDPUD Board Mtg. of 2/12/2019  
 AGENDA ITEM 5.B.2.  
 Page 1 of 6

Page: 1  
 List: BOAR  
 ID #: PYDMPH

Check#	Check Date	Vend#	Vendor Name	Description	Check Amount
029553	01/16/19	AFL01	AMERICAN FAMILY LIFE INS	Insurance - H&L	1495.68
Sub-Total:(1)					1495.68
Sub-Count: 1					
029554	01/16/19	ICM02	ICMA-R.T.-457 (ee)	Payroll withholding-ICMA	1386.08
Sub-Total:(1)					1386.08
Sub-Count: 1					
029555	01/16/19	IU001	IUOE, LOCAL 39	Union Dues Payable-LOCAL 1	346.19
Sub-Total:(1)					346.19
Sub-Count: 1					
029556	01/16/19	IU002	PEU LOCAL #1	UNION DUES-LOCAL 1	232.39
Sub-Total:(1)					232.39
Sub-Count: 1					
029557	01/16/19	ACW01	ACWA/JPIA	WORKERS COMPENSATION 10/01/18-12/31/18	824.81
029557	01/16/19	ACW01	ACWA/JPIA	WORKERS COMPENSATION 10/01/18-12/31/18	2854.60
029557	01/16/19	ACW01	ACWA/JPIA	WORKERS COMPENSATION 10/01/18-12/31/18	1125.46
029557	01/16/19	ACW01	ACWA/JPIA	WORKERS COMPENSATION 10/01/18-12/31/18	2169.66
029557	01/16/19	ACW01	ACWA/JPIA	WORKERS COMPENSATION 10/01/18-12/31/18	321.62
029557	01/16/19	ACW01	ACWA/JPIA	WORKERS COMPENSATION 10/01/18-12/31/18	249.32
029557	01/16/19	ACW01	ACWA/JPIA	WORKERS COMPENSATION 10/01/18-12/31/18	425.79
Sub-Total:(1)					7971.26
Sub-Count: 7					
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	EMPLOYEE HEALTH INSURANCE PREMIUMS FEBRUARY 2019	3604.81
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	EMPLOYEE HEALTH INSURANCE PREMIUMS FEBRUARY 2019	7419.28
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	EMPLOYEE HEALTH INSURANCE PREMIUMS FEBRUARY 2019	5564.54
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	EMPLOYEE HEALTH INSURANCE PREMIUMS FEBRUARY 2019	9389.24
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	EMPLOYEE HEALTH INSURANCE PREMIUMS FEBRUARY 2019	1848.95
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	EMPLOYEE HEALTH INSURANCE PREMIUMS FEBRUARY 2019	9813.18
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	EMPLOYEE HEALTH INSURANCE PREMIUMS FEBRUARY 2019	1793.45
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	██████████ SPECIAL PROJECT ALLOCATIONS FEB 2019	100.29
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	██████████ SPECIAL PROJECT ALLOCATIONS FEB 2019	100.29
029558	01/16/19	ACW05	ACWA/JPIA HEALTH	RETIREE HEALTH INSURANCE PREMIUMS FEBRUARY 2019	6377.33
Sub-Total:(1)					46011.36
Sub-Count: 10					
029559	01/16/19	ADT01	ADT SECURITY SERVICES	SECURITY SERVICE 1/20/19-2/19/19 8180 BALDERSTON	42.08
Sub-Total:(1)					42.08
Sub-Count: 1					
029560	01/16/19	ADT01	ADT SECURITY SERVICES	SECURITY SERVICE 01/21/19-02/20/19 6425 MAIN ST	161.46
Sub-Total:(1)					161.46
Sub-Count: 1					
029561	01/16/19	ALL01	ALLEN KRAUSE	Misc. Vehicle Maintenance & Repairs	21.44
029561	01/16/19	ALL01	ALLEN KRAUSE	Misc. Vehicle Maintenance & Repairs	21.45
Sub-Total:(1)					42.89
Sub-Count: 2					
029562	01/16/19	BEA01	BUTTE EQUIPMENT RENTALS	PO#017954:3/4 AB ROCK 12/18/18, 12/21/18, 12/27/18	187.50
029562	01/16/19	BEA01	BUTTE EQUIPMENT RENTALS	PO#017954:3/4 AB ROCK 12/18/18, 12/21/18, 12/27/18	187.50
Sub-Total:(1)					375.00
Sub-Count: 2					
029563	01/16/19	BJP01	BJ PEST CONTROL	STERILIZE YARD 1/7/19	360.00
Sub-Total:(1)					360.00
Sub-Count: 1					
029564	01/16/19	CAR09	CARNAHAN COMPUTER SERVICE	NOT PREPAID:2 HRS LABOR-REPLACE CABLE;INST PRINTER	200.00
Sub-Total:(1)					200.00
Sub-Count: 1					
029565	01/16/19	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
029565	01/16/19	CLS01	CLS LABS	LT2ESWTR RAW BACT	78.40
029565	01/16/19	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10



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029565	01/16/19	CLS01	CLS LABS	ALT TREATMENT PLANT SPECIAL SAMPLES	784.00
029565	01/16/19	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
029565	01/16/19	CLS01	CLS LABS	LT2ESWTR RAW BACT	78.40
029565	01/16/19	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
Sub-Total:(1)					1117.20
Sub-Count: 7					
029566	01/16/19	COO07	COOL COMMUNITY ASSOCIATION INC	02/16/19 PUBLIC WORKSHOP: RENTAL FEE	240.00
029566	01/16/19	COO07	COO07	Ck# 029566 Reversed	-240.00
029566	01/16/19	COO07	COOL COMMUNITY ASSOCIATION INC	2/16/19 PUBLIC WORKSHOP: SECURITY CLEANING DEPOSIT	240.00
029566	01/16/19	COO07	COO07	Ck# 029566 Reversed	-240.00
Sub-Total:(1)					.00
Sub-Count: 4					
029567	01/16/19	CSD01	GOLD COUNTRY REGIONAL CHAPTER	ANNUAL GOLD COUNTRY REGIONAL CHAPTER DUES 2018-19	25.00
Sub-Total:(1)					25.00
Sub-Count: 1					
029568	01/16/19	ELD16	EL DORADO DISPOSAL SERVICE	Utilities-GARBAGE 6425 MAIN ST 12/01-12/31/18	112.13
029568	01/16/19	ELD16	EL DORADO DISPOSAL SERVICE	Utilities-GARBAGE 3650 SWEETWATER TR 12/1-12/31/18	112.13
029568	01/16/19	ELD16	EL DORADO DISPOSAL SERVICE	Utilities-GARBAGE 8180 BALDERSTON 12/01-12/31/18	112.13
Sub-Total:(1)					336.39
Sub-Count: 3					
029569	01/16/19	GRA01	GRAINGER, INC.	PO#017956: PORTABLE BAND SAW BLADES	35.79
029569	01/16/19	GRA01	GRAINGER, INC.	PO#017956: PORTABLE BAND SAW BLADES	35.80
029569	01/16/19	GRA01	GRAINGER, INC.	PO#017956: PORTABLE BAND SAW BLADES	35.80
Sub-Total:(1)					107.39
Sub-Count: 3					
029570	01/16/19	HAN09	HANSFORD ECONOMIC CONSULTING	WASTEWATER RATE STUDY DECEMBER 2018	926.25
Sub-Total:(1)					926.25
Sub-Count: 1					
029571	01/16/19	HAR03	HARRIS INDUSTRIAL GASES	6 MONTH LEASE 12/2018-06/2019	48.00
Sub-Total:(1)					48.00
Sub-Count: 1					
029572	01/16/19	HOL02	HOLDREGE & KULL	PROFESSIONAL SERVICES THROUGH 12/29/18	2000.00
Sub-Total:(1)					2000.00
Sub-Count: 1					
029573	01/16/19	MJT01	MJT ENTERPRISES, INC.	DIANA M. 12/24/18-12/30/18	196.00
029573	01/16/19	MJT01	MJT ENTERPRISES, INC.	MINDEE R. 12/24/18-12/30/18	494.78
Sub-Total:(1)					690.78
Sub-Count: 2					
029574	01/16/19	MUR04	MURCHIE'S SMOG & REPAIR	SMOG CHECK UNIT #33	56.75
029574	01/16/19	MUR04	MURCHIE'S SMOG & REPAIR	SMOG CHECK UNIT #30	56.75
Sub-Total:(1)					113.50
Sub-Count: 2					
029575	01/16/19	NBS01	NBS	KELSEY NORTH ADMIN FEES 1/1/19-3/31/19	699.75
029575	01/16/19	NBS01	NBS	STEWART MINE ADMIN FEES 1/1/19-3/31/19	349.88
Sub-Total:(1)					1049.63
Sub-Count: 2					
029576	01/16/19	NTU01	NTU TECHNOLOGIES, INC.	PO#017945:PRO PAC 9890 55 GAL DRUMS;WALTON 3/ALT 5	7255.25
Sub-Total:(1)					7255.25
Sub-Count: 1					
029577	01/16/19	TEI01	A. TEICHERT & SON, INC	PO#017954: 3/4" AB-2 ROCK - YARD	256.66
029577	01/16/19	TEI01	A. TEICHERT & SON, INC	PO#017954: 3/4" AB-2 ROCK - YARD	253.32
029577	01/16/19	TEI01	A. TEICHERT & SON, INC	PO#017954: 3/4" AB-2 ROCK - YARD	254.77
Sub-Total:(1)					764.75
Sub-Count: 3					

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029578	01/16/19	THA01	THATCHER COMPANY OF CALIFORNIA	PO#017946: SODA ASH & CHLORINE 8180 BALDERSTON RD	2046.37
029578	01/16/19	THA01	THATCHER COMPANY OF CALIFORNIA	DEPOSIT REFUND: 10 DRUMS 8180 BALDERSTON RD	-400.00
029578	01/16/19	THA01	THATCHER COMPANY OF CALIFORNIA	PO#017946: SODA ASH & CHLORINE 3650 SWEETWATER TR	2021.37
029578	01/16/19	THA01	THATCHER COMPANY OF CALIFORNIA	DEPOSIT REFUND: 4 DRUMS 3650 SWEETWATER TR	-160.00
Sub-Total:(1)					3507.74
Sub-Count: 4					
029579	01/16/19	UNI06	UNITEDHEALTHCARE INSURANCE CO	PREPAID HEALTH INSURANCE [REDACTED] 2/1/19-2/28/19	156.75
Sub-Total:(1)					156.75
Sub-Count: 1					
029580	01/16/19	UNI07	UNITEDHEALTHCARE CLAIM DIVISIO	PREPAID HEALTH INSURANCE [REDACTED] 2/1-2/28/19	167.07
Sub-Total:(1)					167.07
Sub-Count: 1					
029581	01/16/19	WAL03	JACOB WALSH	D2 RENEWAL REIMBURSEMENT FOR CERTIFICATION COST	80.00
Sub-Total:(1)					80.00
Sub-Count: 1					
029582	01/16/19	WEL02	WELLS FARGO BANK, NA	WALTON LAKE ANNUAL RESERVE FEBRUARY 2019	2296.95
Sub-Total:(1)					2296.95
Sub-Count: 1					
029583	01/16/19	\S008	[REDACTED]	MQ CUSTOMER REFUND FOR [REDACTED]	10.00
Sub-Total:(1)					10.00
Sub-Count: 1					
029584	01/16/19	COO07	COOL COMMUNITY ASSOCIATION INC	02/16/19 RENTAL FEE: PUBLIC WORKSHOP	240.00
Sub-Total:(1)					240.00
Sub-Count: 1					
029585	01/16/19	COO07	COOL COMMUNITY ASSOCIATION INC	2/16/19 SECURITY CLEANING DEPOSIT: PUBLIC WORKSHOP	240.00
Sub-Total:(1)					240.00
Sub-Count: 1					
029586	01/30/19	ICM02	ICMA-R.T.-457 (ee)	Payroll withholding-ICMA	1386.08
Sub-Total:(1)					1386.08
Sub-Count: 1					
029587	01/30/19	IU001	IUOE, LOCAL 39	Union Dues Payable-LOCAL39	347.75
Sub-Total:(1)					347.75
Sub-Count: 1					
029588	01/30/19	IU002	PEU LOCAL #1	UNION DUES-LOCAL 1	239.99
Sub-Total:(1)					239.99
Sub-Count: 1					
029589	01/31/19	AAR01	AARP MEDICARERX SAVER PLUS, PD	AARP MEDICARE [REDACTED] FEBRUARY 2019	33.10
Sub-Total:(1)					33.10
Sub-Count: 1					
029590	01/31/19	ANS01	ANSWERING SPECIALISTS INC	JANUARY 2019 ANSWERING SERVICE	79.95
Sub-Total:(1)					79.95
Sub-Count: 1					
029591	01/31/19	ATT02	AT&T	Utilities-PHONE 530-333-4356 918 9 01/14-02/13/19	240.07
029591	01/31/19	ATT02	AT&T	Utilities-PHONE 530-333-4356 918 9 01/14-02/13/19	360.12
029591	01/31/19	ATT02	AT&T	Utilities-PHONE 530-333-4356 918 9 01/14-02/13/19	360.12
029591	01/31/19	ATT02	AT&T	Utilities-PHONE 530-333-9442 243 7 01/14-02/13/19	134.48
029591	01/31/19	ATT02	AT&T	Utilities-PHONE 530-333-1119 106 5 01/14-02/13/19	169.04
029591	01/31/19	ATT02	AT&T	Utilities-PHONE 530-885-6287 473 6 01/14-02/13/19	164.13
029591	01/31/19	ATT02	AT&T	Utilities-PHONE 234-343-7252 777 4 01/14-02/13/19	67.07
029591	01/31/19	ATT02	AT&T	Utilities-PHONE 234-371-7957 823 9 01/14-02/13/19	67.07
Sub-Total:(1)					1562.10
Sub-Count: 8					

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029592	01/31/19	BLU01	ANTHEM BLUE CROSS	PREPAID HEALTH INSURANCE	298.35
029592	01/31/19	BLU01	ANTHEM BLUE CROSS	PREPAID HEALTH INSURANCE	298.35
029592	01/31/19	BLU01	ANTHEM BLUE CROSS	PREPAID HEALTH INSURANCE	234.81
029592	01/31/19	BLU01	ANTHEM BLUE CROSS	PREPAID HEALTH INSURANCE	298.35
Sub-Total:(1)					1129.86
Sub-Count: 4					
029593	01/31/19	BLU07	BLUE SHIELD OF CALIFORNIA	PREPAID HEALTH INSURANCE	896.00
029593	01/31/19	BLU07	BLUE SHIELD OF CALIFORNIA	PREPAID HEALTH INSURANCE	810.00
Sub-Total:(1)					1706.00
Sub-Count: 2					
029594	01/31/19	BOS01	BOSCO CONSTRUCTORS, INC	CABY GRANT FUNDED	313200.00
029594	01/31/19	BOS01	BOSCO CONSTRUCTORS, INC	CAPITAL FACILITY CHARGE DISTRICT FUNDED	104400.00
Sub-Total:(1)					417600.00
Sub-Count: 2					
029595	01/31/19	CAL16	CALTRONICS BUSINESS SYSTEMS CO	KONICA COPIER CONTRACT 12/14/18-01/13/19	591.38
Sub-Total:(1)					591.38
Sub-Count: 1					
029596	01/31/19	CEI01	CEIRANTE, MARTIN	REIMB FOR T4 TREATMENT OPERATOR CERT RENEWAL 2019	105.00
Sub-Total:(1)					105.00
Sub-Count: 1					
029597	01/31/19	CHU02	CHURCHWELL WHITE, LLP		4310.58
029597	01/31/19	CHU02	CHURCHWELL WHITE, LLP		1150.00
029597	01/31/19	CHU02	CHURCHWELL WHITE, LLP		111.60
029597	01/31/19	CHU02	CHURCHWELL WHITE, LLP		1300.00
029597	01/31/19	CHU02	CHURCHWELL WHITE, LLP		525.00
029597	01/31/19	CHU02	CHURCHWELL WHITE, LLP		2824.85
029597	01/31/19	CHU02	CHURCHWELL WHITE, LLP		372.00
Sub-Total:(1)					10594.03
Sub-Count: 7					
029598	01/31/19	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
029598	01/31/19	CLS01	CLS LABS	TITLE 22 ANNUAL RAW WATER MONITORING	858.48
029598	01/31/19	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
029598	01/31/19	CLS01	CLS LABS	QUARTERLY 1,2,3-TCP PWS MONITORING	158.76
029598	01/31/19	CLS01	CLS LABS	LT2ESWTR RAW BACT	78.40
Sub-Total:(1)					1183.84
Sub-Count: 5					
029599	01/31/19	COS01	COSTCO	2019 MEMBERSHIP RENEWAL	60.00
Sub-Total:(1)					60.00
Sub-Count: 1					
029600	01/31/19	CWS01	CORBIN WILLITS SYS. INC.	MONTHLY CHARGE FOR FEBRUARY 2019	573.20
Sub-Total:(1)					573.20
Sub-Count: 1					
029601	01/31/19	DEL05	DELAGE LANDEN, INC	KONICA COPIER CONTRACT 01/01-01/31/19	228.20
029601	01/31/19	DEL05	DELAGE LANDEN, INC	FORMAX FOLDING CONTRACT 01/01-01/31/19	185.65
Sub-Total:(1)					413.85
Sub-Count: 2					
029602	01/31/19	DIG01	DIGITAL DEPLOYMENT INC	STREAMLINE MONTHLY MEMBER FEE JANUARY 2019	300.00
Sub-Total:(1)					300.00
Sub-Count: 1					
029603	01/31/19	EDC01	EL DORADO COUNTY TRANSPORTATIO	UTILITY RIGHT OF WAY ENCROACHMENT PERMIT 2019	118.00
Sub-Total:(1)					118.00
Sub-Count: 1					
029604	01/31/19	ELL02	ALEXIS ELLIOTT	FUEL REIMB 4 NEW TRUCK#32 DURING TRANSPORT 1/17/19	10.07
Sub-Total:(1)					10.07
Sub-Count: 1					

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029605	01/31/19	GEO02	GEORGETOWN GAZETTE	PUBLIC NOTICE:FINANCE COMMITTEE OPNING,PUB:1/10/19	82.70
029605	01/31/19	GEO02	GEORGETOWN GAZETTE	NTC TO BIDDERS;GARDEN PARK TANK RECOAT PUB:1/17/19	80.35
Sub-Total:(1)					163.05
Sub-Count: 2					
029606	01/31/19	MAT02	MATHISGROUP	DR.MATHIS-WORKSHOP PREP BOD MEMBRS CONSULT 1/25/19	3000.00
Sub-Total:(1)					3000.00
Sub-Count: 1					
029607	01/31/19	MED01	MEDICAL EYE SERVICES	VISION INSURANCE FEBRUARY 2019	21.86
029607	01/31/19	MED01	MEDICAL EYE SERVICES	VISION INSURANCE FEBRUARY 2019	49.97
029607	01/31/19	MED01	MEDICAL EYE SERVICES	VISION INSURANCE FEBRUARY 2019	18.74
029607	01/31/19	MED01	MEDICAL EYE SERVICES	VISION INSURANCE FEBRUARY 2019	49.98
029607	01/31/19	MED01	MEDICAL EYE SERVICES	VISION INSURANCE FEBRUARY 2019	28.11
029607	01/31/19	MED01	MEDICAL EYE SERVICES	VISION INSURANCE FEBRUARY 2019	185.49
029607	01/31/19	MED01	MEDICAL EYE SERVICES	VISION INSURANCE FEBRUARY 2019	18.74
Sub-Total:(1)					372.89
Sub-Count: 7					
029608	01/31/19	MOB01	MOBILE MINI, LLC-CA	STORAGE RENTAL 1/23/19-2/19/19	197.79
Sub-Total:(1)					197.79
Sub-Count: 1					
029609	01/31/19	MOU02	MOUNTAIN DEMOCRAT	NTC TO BIDDERS:GARDEN PARK TANK RECOAT PUB:1/14/19	88.88
Sub-Total:(1)					88.88
Sub-Count: 1					
029610	01/31/19	MYE01	Myers and Sons	CONTRACTOR'S APPLICATION #21 PERIOD: 11/1-11/30/18	231233.85
Sub-Total:(1)					231233.85
Sub-Count: 1					
029611	01/31/19	NEX00	NEXGEN	2017 PROFESSIONAL SERVICE AGREEMENT	39360.00
Sub-Total:(1)					39360.00
Sub-Count: 1					
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	9644745072-5	48.38
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	1383483826-3	50.16
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	8019291332-7	33.12
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	9592050405-7	36.26
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	7269328928-1	19.71
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	9103062795-3	273.32
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	0800178691-5	45.89
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	2102211877-8	132.70
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	7804325001-4	10.89
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	2060545213-3 75% OFFICE	628.20
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	2060545213-3 25% OFFICE	209.40
029612	01/31/19	PAC02	PACIFIC GAS & ELECTRIC	6228064022-8	881.24
Sub-Total:(1)					2369.27
Sub-Count: 12					
029613	01/31/19	POW01	POWERNET GLOBAL COMM.	Utilities-LONG DISTANCE 12/19/18-01/19/19	187.58
Sub-Total:(1)					187.58
Sub-Count: 1					
029614	01/31/19	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE FEBRUARY 2019	136.03
029614	01/31/19	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE FEBRUARY 2019	310.93
029614	01/31/19	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE FEBRUARY 2019	116.60
029614	01/31/19	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE FEBRUARY 2019	310.94
029614	01/31/19	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE FEBRUARY 2019	174.90
029614	01/31/19	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE FEBRUARY 2019	1924.27
029614	01/31/19	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE FEBRUARY 2019	116.60
Sub-Total:(1)					3090.27
Sub-Count: 7					
029615	01/31/19	PRO04	PAUL FUNK	CLEANING SERVICES FOR JANUARY 2019	265.00
Sub-Total:(1)					265.00
Sub-Count: 1					
029616	01/31/19	SIE10	SIERRA SAFETY	PO#017955: GLOVES FOR SAFETY	77.68
029616	01/31/19	SIE10	SIERRA SAFETY	PO#017955: GLOVES FOR SAFETY	77.68

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029616	01/31/19	SIE10	SIERRA SAFETY	PO#017955: GLOVES FOR SAFETY	77.68
Sub-Total:(1)					233.04
Sub-Count: 3					
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#25 SNOW CAT REPAIRS	80.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#25 SNOW CAT REPAIRS	80.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#25 SNOW CAT REPAIRS	80.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#25 SNOW CAT REPAIRS	80.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#17 91 GMC DUMP TEST & REPAIR	120.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#17 91 GMC DUMP TEST & REPAIR	120.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#17 91 GMC DUMP TEST & REPAIR	120.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#22 DOZER TEST & REPAIR	120.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#22 DOZER TEST & REPAIR	120.00
029617	01/31/19	SIE12	MICHAEL S. SALLAC	#22 DOZER TEST & REPAIR	120.00
Sub-Total:(1)					1040.00
Sub-Count: 10					
029618	01/31/19	SWR01	SWRCB ACCOUNTING OFFICE	ANNUAL PERMIT FEE 1/1/19-12/31/19 ALT WTP	484.00
Sub-Total:(1)					484.00
Sub-Count: 1					
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY COSTCO		85.75
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY COSTCO		80.43
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY AMAZON - PRINTER INK		35.94
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY AMAZON - PRINTER		96.51
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY MICROSOFT		16.00
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY MICROSOFT		16.00
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY MICROSOFT		84.00
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY TRACTOR SUPPLY CO., AUBURN CA		107.23
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY GFOA - GOVMNT FINANCE OFFICERS ASSC.		420.00
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY SOUTHWEST AIRLINES - C. CROSS		222.96
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY DRI CRASHPLAN COMPUTER BACKUP		2.49
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY STAMPS.COM		15.99
029619	01/31/19	USB05	U.S. BANK CORPORATE PAYMENT SY STAMPS.COM		200.00
Sub-Total:(1)					1383.30
Sub-Count: 13					
029620	01/31/19	VAV01	VAVRINEK, TRINE, DAY & CO., LL INCREASE	Change Order Issued 02/01/19	13167.50
Sub-Total:(1)					13167.50
Sub-Count: 1					
029621	01/31/19	VAV01	VAVRINEK, TRINE, DAY & CO., LL INCREASE	Change Order Issued 02/01/19	13802.50
Sub-Total:(1)					13802.50
Sub-Count: 1					
029622	01/31/19	VER01	VERIZON WIRELESS	530-333-3494	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-333-3760	62.53
029622	01/31/19	VER01	VERIZON WIRELESS	530-333-3872	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-333-3940	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-333-3978	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-333-7608	26.70
029622	01/31/19	VER01	VERIZON WIRELESS	530-957-3814	38.01
029622	01/31/19	VER01	VERIZON WIRELESS	530-957-4413	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-957-5427	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-957-5471	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-957-5472	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-957-5492	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-957-8086	53.38
029622	01/31/19	VER01	VERIZON WIRELESS	530-957-8155	53.38
Sub-Total:(1)					714.42
Sub-Count: 14					
029623	01/31/19	WAL02	WALKER'S OFFICE SUPPLY	Misc. Office Supplies	169.98
029623	01/31/19	WAL02	WALKER'S OFFICE SUPPLY	Misc. Office Supplies	70.65
029623	01/31/19	WAL02	WALKER'S OFFICE SUPPLY	Misc. Office Supplies	60.89
029623	01/31/19	WAL02	WALKER'S OFFICE SUPPLY	Misc. Office Supplies	27.36
Sub-Total:(1)					328.88
Sub-Count: 4					
029624	01/31/19	YOU01	YOUNGDAHL CONSULTING GROUP, IN	PROFESSIONAL SERVICES THROUGH 12/31/18	960.00
Sub-Total:(1)					960.00
Sub-Count: 1					
Grn-Total:					830233.46
Ttl-Count: 196					

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 5.C.**



**AGENDA SECTION: CONSENT CALENDAR**

**SUBJECT: NOTICE OF COMPLETION FOR THE WATER CONSERVATION,  
SUPPLY RELIABILITY, AND ENVIRONMENTAL PROTECTION  
PROJECT**

**PREPARED BY:** George Sanders, Engineering Consultant

**APPROVED BY:** Steven Palmer, PE, General Manager

Two handwritten signatures in blue ink are present. One signature is positioned above the "APPROVED BY" line, and the other is positioned below it, overlapping the name "Steven Palmer".

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**BACKGROUND**

On May 7, 2018, the Georgetown Divide Public Utility District (the "District") Board of Directors ("Board") authorized the award of a contract with Bosco Constructors, Inc., for the Water Conservation, Supply Reliability, and Environmental Protection Project. This project is funded through a grant agreement with the Nevada Irrigation District ("NID"), which designated the District as a Local Project Sponsor to receive Cosumnes American Bear Yuba ("CABY") Integrated Regional Water Management ("IRWM") grant funding in the amount not to exceed \$860,894, with a local match of \$286,965.

This project consists of gunite lining of approximately 10,750 lineal feet ("LF") of different sections of the ditch system that delivers water to both the raw water customers (5200 LF) and the Auburn Lake Trails Water Treatment Plant (5300 LF) (the "Project").

The Notice to Proceed was issued on June 13, 2018. The Notice specified that no work associated with grading, gunite lining and pipe placement was to occur during the irrigation season (May 1 to September 30), with work to be completed on or before December 10, 2018.

**DISCUSSION**

Bosco completed the work on December 5, 2018. The Board needs to formally accept the work as complete and direct staff to file the Notice of Completion for the Water Conservation, Supply Reliability and Environmental Protection Project with the El Dorado County Recorder. Filing a Notice of Completion is formal notice that the Project is complete and shortens the deadlines for contractors, subcontractors, and material suppliers to file liens and stop payment notices.

Since the execution of the grant agreement, the District has submitted to NID the required environmental documentation and quarterly reports and invoices. The 2018 4<sup>th</sup> Quarter Report was filed on January 22, 2019. A draft Project Completion Report is due to NID on February 15, 2019, for submittal to the Department of Water Resources on April 30, 2019.

**FISCAL IMPACT**

The total contract amount is \$937,300, with 75% funding from the CABY grant. A change order in the amount of \$2,040 was approved on January 22, 2019, increasing the project cost to

\$939,340. The change order is related to an increase in the quantity of gunite material by four (4) cubic yards.

**SUMMARY OF CONTRACTOR PAYMENTS AND RETENTION**

<b>Contractor Invoices</b>	<b>Date of Invoice</b>	<b>Amount of Invoice</b>	<b>10% Retention</b>	<b>Payment Amount</b>
Contractor Payment Application No. 1	11/2/2018	475,340	47,534	427,806
Contractor Payment Application No. 2	1/7/2019	464,000	46,400	417,600
<b>TOTALS</b>		<b>939,340</b>	<b>93,934</b>	<b>845,406</b>

The retention amount of \$93,934 is scheduled for release 30 (thirty) days after the filing of this Notice of Completion.

The current total capital project budget is \$1,218,502. Project expenditures are listed below:

<b>Project Task Categories</b>	<b>Budget</b>	<b>Expenditures</b>		
		<i>Local Match</i>	<i>Grant</i>	<i>Total</i>
Project Administration (69% Grant)	63,000	26,306	0	26,306
Land Purchase (N/A)	0	0	0	0
Planning/Design (100% Grant)	124,472	0	103,497	103,497
Construction (75% Grant)	1,031,030	240,263	721,010	961,273
<b>Totals</b>	<b>1,218,502</b>	<b>266,569</b>	<b>824,507</b>	<b>1,091,076</b>

Project expenditures are within budget and a budget adjustment is not required.

**CEQA ASSESSMENT**

A Notice of Exemption was filed on October 19, 2016, at the California State Clearinghouse, and On October 24, 2016 with El Dorado County. The Project is Categorically Exempt pursuant to CEQA Guidelines Section 15301, Existing Facilities. The Project is limited to maintenance of existing facilities and does not involve an expansion of use.

**RECOMMENDED ACTION**

Staff recommends the Board adopt the attached Resolution accepting the completion of the Project and directing staff to execute and file a Notice of Completion with the El Dorado County Recorder.

**ATTACHMENTS**

1. Resolution 2019-10
2. Notice of Completion

**RESOLUTION NO. 2019-10**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**ACCEPTING COMPLETION AND DIRECTING THE FILING OF**  
**NOTICE OF COMPLETION FOR THE WATER CONSERVATION, SUPPLY**  
**RELIABILITY AND ENVIRONMENTAL PROTECTION PROJECT**

**WHEREAS**, on March 7, 2018, the Georgetown Divide Public Utility District (District) entered into a contract with Bosco Constructors, Inc., a California corporation, with its primary office located at 21353 Mayall Street, Chatsworth, California 91311 (Contractor) for the Water Conservation, Supply Reliability, and Environmental Protection Project consisting of gunite lining of approximately 10,500 lineal feet of different sections of an existing raw water ditch system; and

**WHEREAS**, the Notice to Proceed was issued to the Contractor on June 13, 2018, and specified that no work associated with grading, gunite lining, and pipe placement was to occur during the irrigation season, with work to be completed on or before December 10, 2018; and

**WHEREAS**, the work of improvement was completed on December 5, 2018.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT:**

1. Acceptance of the completion of said work be and is hereby made and ordered.
2. The General Manager is directed to execute and file with the County Recorder-Clerk of the County of El Dorado, State of California, Notice of Completion thereof, as required by law.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twelfth day of February 2019, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

---

Dane Wadle, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT



*Attest:*

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

### **CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-10 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this twelfth day of February 2019.

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Recording requested by:  
**Georgetown Divide Public Utility District**

And when recorded mail this document to:  
**Georgetown Divide Public Utility District**  
**P.O. Box 4240**  
**Georgetown, CA. 95634**

For recorder's use

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### NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

1. The undersigned is an owner of an interest of estate in the hereinafter described real property, the nature of which interest or estate is fee.
2. The full name and address of the undersigned owner is:  
**Georgetown Divide Public Utility District**  
**PO Box 4240**  
**6425 Main Street**  
**Georgetown, California 95634**
3. The name and address of the direct contractor for the work of improvement described herein is:  
**Bosco Constructors Inc.**  
**21353 Mayall Street**  
**Chatsworth, CA 91311**
4. This notice is given for completion of the work of improvement described herein.
5. The work of improvement was accepted as completed upon the herein described property on February 12, 2019; below is a general description of the work of improvement completed:  
**Water Conservation, Supply Reliability, and Environmental Protection Project**  
**The project consisted of the gunite lining of approximately 10,500 lineal feet of an existing raw water ditch system.**
6. The real property herein referred to is situated in the unincorporated area of the County of El Dorado, State of California, and is described as follows:  
**The project is located in northwestern El Dorado County, within the communities of Kelsey, Georgetown, and Greenwood.**
7. There is no street address associated with his project as it runs through various parcels within the district boundaries.

I declare, under penalty of perjury under the laws of the State of California, that the foregoing is true and correct.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Steven Palmer, P.E.  
Clerk and ex officio Secretary, Board of Directors  
Georgetown Divide Public Utility District

VERIFICATION

I, Steven Palmer, state:

I am the General Manger, Clerk, and ex officio Secretary of the Owner identified in the foregoing Notice of Completion. I have read said Notice of Completion and know the contents thereof; the same is true of my knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on: \_\_\_\_\_, at Georgetown, California

\_\_\_\_\_  
Steven Palmer, P.E.  
Clerk and ex officio Secretary, Board of Directors  
Georgetown Divide Public Utility District

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 5.D.**

**GDPUD**

**AGENDA SECTION: CONSENT**

**SUBJECT: REMOVING DIRECTORS GARCIA AND SAUNDERS FROM THE  
FINANCE COMMITTEE**

**PREPARED BY:** Diana Michaelson, Board Assistant *dmi*

**APPROVED BY:** Steven Palmer, PE, General Manager *SP*

**BACKGROUND**

The Georgetown Divide Public Utility District ("GDPUD") Board of Directors ("Board") memorialized the membership, duties, responsibilities, and other matters pertaining to the Finance Committee ("Committee") through Resolution 2017-252018-14 (**Attachment 1**). The Finance Committee is advisory in nature, reporting and responsible to the Board.

**DISCUSSION**

Cynthia Garcia served on the Committee from October 1, 2017 to September 11, 2018 and Michael Saunders served on the Committee from March 14, 2018 to November 5, 2018. Both were elected to the Board on November 6, 2018. To avoid a conflict of interest, Board members do not serve on the Committee. Because no action has been taken to formally remove Directors Garcia and Saunders from the Committee, it is appropriate for the Board to take such action now by approving Resolution 2019-11 (**Attachment 2**).

**FISCAL IMPACT**

This action has no fiscal impact.

**CEQA ASSESSMENT**

This is not a CEQA Project.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District adopt the attached Resolution removing Directors Garcia and Saunders from the GDPUD Finance Committee.

**ALTERNATIVES**

(a) Request substantive changes to the Resolution for staff to implement; (b) Reject the Resolution.

**ATTACHMENTS**

1. Resolution 2017-252018-14 memorializing matters pertaining to the Finance Committee

2. Resolution 2019-11 removing Directors Garcia and Saunders from the Committee

**RESOLUTION NO. 2018-14**

**OF THE BOARD OF DIRECTORS OF THE  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
PROVIDING ROLE AND RESPONSIBILITIES OF THE FINANCE COMMITTEE**

**WHEREAS**, the Georgetown Divide Public Utility District (“District”) Board of Directors (“Board”) previously memorialized the membership, duties, responsibilities, and other matters pertaining to the Finance Committee through Resolution 2017-25; and

**WHEREAS**, the Board seeks to rescind and replace Resolution 2017-25 to modify the role and responsibilities of the Finance Committee; and

**WHEREAS**, the Finance Committee will assist the Board in the review of financial information of the District and make recommendations to the Board for actions related to the District’s finances and budgeting; and

**WHEREAS**, the Board finds it to be in the best interest of the public to establish the Finance Committee’s role as set forth herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:**

SECTION 1: Resolution 2017-25 is hereby rescinded and replaced with this Resolution 2018-11 and shall be of no further force or effect following the Board’s adoption of this Resolution 2018-11.

SECTION 2. The Finance Committee ("Committee") shall be created as follows:

1. **Membership; Quorum.** The Committee shall be composed of no fewer than three (3) and no more than seven (7) members. A quorum shall consist of a simple majority of the total number of members currently appointed to the Committee.
2. **Selection of Committee Members.** The policy for selecting Committee members is shown in "*Exhibit A.*" which is attached hereto and incorporated herein by reference as if set forth in full.
3. **Role of the Committee.** The primary role of the Committee is to provide recommendations to the Board of Directors (“Board”) in response to proposals made by staff on matters related to the District’s finances. It shall be the responsibility of the Committee to:
  - a. Review annual operating budget proposed by staff and make recommendations to the Board.
  - b. Review long-range strategic financial planning proposed by staff and make recommendations to the Board.

- c. Review the audited annual financial statements and make recommendations to the Board.
  - d. Monitor District financial reports and investments and make any recommendations to the Board as requested by the Board.
  - e. Present all Committee identified financial goals and proposals to the Board for approval.
4. **Meetings.** The Committee shall meet at least quarterly, and more often if needed or requested by the Board. Meetings shall be held at the District's offices. The Rules of Operating Procedure are shown in "*Exhibit B.*" which is attached hereto and incorporated herein by reference as if set forth in full.
  5. **Terms.** The terms of the office shall be two (2) years. Committee members may be re-appointed to subsequent terms.
  6. **Vacancies.** Any vacancies shall be filled for the unexpired term by the Board of Directors.
  7. **Removal.** All Committee members serve at the will of the Board, and any member may be removed by an affirmative vote of three (3) members of the Board. There shall be no requirement to show cause for removal.
  8. **Officers.** The Committee shall designate from among its members a Chair, Vice- Chair, and Secretary. The Chair shall preside over the meetings, and in the Chair's absence the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the remaining members, if a quorum exists, shall select from among themselves a person to preside over the meeting. The Secretary (or another member if the Secretary is absent) shall prepare agendas and minutes of every meeting and shall be responsible for transmitting the agenda and the final copy of all minutes to the General Manager or designee. Items needing Board action shall be transmitted as soon as possible to the General Manager or designee for inclusion on the next available Board agenda.
  9. **Advisory Nature of the Committee.** The Committee is advisory in nature and shall report and be responsible to the Board of Directors. The Committee and its members have no authority to set policy, expend funds, or make obligations on behalf of the Board and/or the District.
  10. **Board Reports.** The Committee shall report on its activities to the Board at least quarterly, and more often if needed or requested by the Board. The Board Report can be either oral or written and shall include a description of the activities of the committee for the preceding period and any on-going or outstanding activities or tasks. Committee meeting minutes can be used to satisfy this requirement.
  11. **Board Liaison and Staff Support.** The Committee shall have the following Board and/or staff members to assist it with its work from time to time as may be necessary or

desired by the Committee and/or the Board: Board Treasurer who will serve as the Board Liaison, and a Staff Liaison designated by the General Manager. The Board Liaison and Staff Liaison shall (a) not be regular or ex officio members of the Committee; (b) not have the right to vote; and (c) not be counted for purposes of determining the presence of a quorum.

SECTION 3. This Resolution shall take effect immediately upon adoption. This Resolution shall remain in full force and effect until rescinded by a subsequent Resolution of the Board of Directors.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utilities District at a meeting of said Board held on the 13th day of March, 2018, by the following vote:

AYES: Halpin, Hanschild, Souza, Uso, Wadle

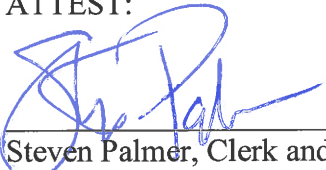
NOES:

ABSENT/ABSTAIN:

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Londres Uso, President  
Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:




---

Steven Palmer, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2018-14 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 13<sup>th</sup> day of March, 2018.



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Steven Palmer, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT



## **EXHIBIT A**

### **Policy for Selecting Finance Committee**

- 1) Publish in a newspaper of general circulation in the District a notice of vacancy on the Committee and a desire to fill said vacancy.
- 2) The Board President will interview all applicants and return to the Board with recommendations for Committee appointment. All applicants will be eligible for the Board to appoint.
- 3) Alternatively, the Board President may elect to appoint a selection committee made up of two Board Members to interview applicants which will return to the Board with recommendation for Committee appointment. All applicants will be eligible for the Board to appoint.
- 4) The Committee will be made up of no less than three and no more than seven members.
- 5) The Board will confirm the selections by resolution.

## EXHIBIT B

### Finance Committee of the Georgetown Divide Public Utility District Rules of Operating Procedure

#### MEETINGS

- a) At any meeting of the Committee, the majority of the members currently appointed shall constitute a quorum for purposes of conducting business or meetings. Unless otherwise posted, a majority vote of those present and voting shall be sufficient to adopt any motion.
- b) All meetings of the Committee shall be open and public, and all persons shall be permitted to attend any meeting of the committee as provided by Government Code Section 54950 *et seq.*
- c) All meetings of the Committee shall be held in the GDPUD offices at 6425 Main Street, Georgetown, California 95634, unless there is a special need to hold a meeting at a different location.
- d) The proceedings of all meetings of the Committee shall be conducted in accordance with Robert's Rules of Order.
- e) Each Committee shall determine the order of business for the conduct of its meetings.
- f) Any meeting may be adjourned to a time and place stated in the Order of Adjournment. Less than a quorum may so adjourn from time to time. If all members are absent, the Secretary may declare the meeting adjourned to a stated time and place and shall cause such notice to be given in the same manner as for special meetings.
- g) Special meetings may be called at any time at the direction of the chairperson or by a majority of a Committee. Twenty-four hours advance written notice of special meetings shall be provided by the chairperson stating the time, place, and business to be transacted. The public shall be notified through the District's regular communications and procedures, in accordance with the Brown Act.
- h) At least 72 hours before a regular Committee meeting, the legislative body of the District, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall be filed with the Staff Liaison for posting outside the District offices.

- i) The Committee shall maintain meeting minutes, including a complete record of all transactions, findings, and determinations and present a full statement to the Board of Directors upon request. A signed copy of meeting minutes shall be filed with the Staff Liaison.
- j) The Board Liaison to the Committee shall be the Board Treasurer.
- k) The duties of the Board Liaison include presenting relevant data to the Board and arranging for the presentation of important progress on projects to the Board by the Committee chairperson.
- l) The Board Liaison's role will be advisory to the Committee, but the process is meant to be staff driven.
- m) The Board Liaison will not have a vote on the Committee.

**RESOLUTION NO. 2019-11**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**RECOGNIZING CYNTHIA GARCIA AND MICHAEL SAUNDERS FOR THEIR**  
**SERVICE AND REMOVING THEM FROM THE FINANCE COMMITTEE**

**WHEREAS**, the Georgetown Divide Public Utility District Board of Directors (“Board”) memorialized the membership, duties, responsibilities, and other matters pertaining to the Finance Committee through Resolution ~~2017-25~~2018-14; and

**WHEREAS**, Cynthia Garcia served on the Finance Committee from October 1, 2017 to September 11, 2018 and Michael Saunders served on the Finance Committee from March 14, 2018 to November 5, 2018; and

**WHEREAS**, both Cynthia Garcia and Michael Saunders were elected to the Board on November 6, 2018; and

**WHEREAS**, because the Finance Committee is advisory in nature and shall report and be responsible to the Board, it would be a conflict of interest for a Board member to serve as a Finance Committee member; and

**WHEREAS**, no action has previously been taken to formally remove Directors Garcia and Saunders from the Finance Committee.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT** Cynthia Garcia and Michael Saunders are hereby removed from the Finance Committee.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twelfth day of February 2019, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

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Dane Wadle, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Attest:*

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

### **CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-11 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this twelfth day of February 2019.

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 5.E.



AGENDA SECTION: CONSENT

SUBJECT: APPROVE EXPENSE REIMBURSEMENT FOR DIRECTOR(S)  
TO ATTEND CSDA CEQA TRAINING

PREPARED BY: Diana Michaelson, Board Assistant *dm*

APPROVED BY: Steven Palmer, PE, General Manager *SP*

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**BACKGROUND**

In the past, Georgetown Divide Public Utility District ("District" or "GDPUD") Directors and the General Manager have participated in training offered by the California Special Districts Association ("CSDA") to keep abreast of topics of concern to special districts. CSDA promotes good governance and improved core local services through professional development, advocacy, and other services for all types of independent special districts.

**DISCUSSION**

CSDA will present a workshop in Sacramento on March 6 entitled CEQA 101: A Step-by-Step Approach. Information about the workshop is included as **Attachment 1**.

In accordance with Board adopted District policy, training attendance and travel by Directors is paid on a reimbursement basis. Directors must pay for their own registration fees, hotels, travel, and meals, then request reimbursement after attending the conference or workshop and reporting back to the full Board. Cash advances or use of District credit cards for these purposes is not permitted. District Policies 4025 and 4090 are included as **Attachment 2**.

Director Souza has expressed a desire to attend the workshop. If other Directors wish to attend, the resolution can be amended accordingly.

**FISCAL IMPACT**

Training for Staff and Directors is included in the FY 2018/2019 District Budget. The cost to attend this workshop is \$150, with lunch provided by CSDA. Mileage would be reimbursed at \$0.58 per mile. (See **Attachment 3**.)

**CEQA ASSESSMENT**

This is not a CEQA project.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District adopt the attached Resolution approving expense reimbursement for Director Souza to attend CEQA 101 Training in Sacramento on March 6, 2019.

**Approve Expense Reimbursement for Director Souza  
to Attend CSDA Training**

Board Meeting of February 12, 2019  
Agenda Item No. 5.E.

---

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District adopt the attached Resolution approving expense reimbursement for Director Souza to attend CEQA 101 Training in Sacramento on March 6, 2019.

**ALTERNATIVES**

Reject the Resolution.

**ATTACHMENTS**

1. Workshop Information
2. District Policies 4025 and 4090
3. 2019 IRS Reimbursement Rates
4. Resolution 2019-12



**California Special  
Districts Association**  
*Districts Stronger Together*

SIGN IN

CART

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## CEQA 101 & 201: Basics and Beyond

Presenters: Michelle Ouellette and Jennifer Lynch, Best Best & Krieger LLP

*Sign Up for One or Both Sessions!*

### CEQA 101: A Step-by-Step Approach

This workshop will provide a basic understanding of the California Environmental Quality Act (CEQA). Topics will include: an overview of the CEQA process; exemptions; analyzing impacts such as initial study, negative declarations, environmental impact reports; mitigation and alternatives; CEQA noticing and public review; and best practices.

### CEQA 201: Beyond the Basics

This workshop will dive deeper beyond the basics and include topics such as: tiering and streamlining; deeper cuts in air quality and GHGs; deeper cuts in LOS and VMT; litigation; and recent case law and legislation.

\$150 CSDA member (one session)

\$200 Non-member (one session)

\$225 CSDA member (both session)

\$340 Non-member (both sessions)

### AGENDA:

8:30 – 9:00 a.m. Registration

9:00 a.m. – 12:00 p.m. CEQA 101: A Step-by-Step Approach

12:00 - 1:00 p.m. Lunch (provided)

1:00 – 4:00 p.m. CEQA 201: Beyond the Basics

**When** 3/6/2019 9:00 AM - 4:00 PM

### Where

CSDA Training Center 1112 I

Street, Suite 250 Sacramento 95814

## Program Options

Wednesday, 06 March 2019

3/6/2019 9:00 AM

[Register for CEQA 101 Only](#)

## Sign In

**Username**

**Password**

**Keep  
me signed in**

SIGN IN

[Forgot username?](#) | [Forgot password?](#)

[Create a new account](#)



**CEQA 101: A Step-by-Step Approach**

This workshop will provide a basic understanding of the California Environmental Quality Act (CEQA). Topics will include: an overview of the CEQA process; exemptions; analyzing impacts such as initial study, negative declarations, environmental impact reports; mitigation and alternatives; CEQA noticing and public review; and best practices.

8:30 – 9:00 a.m. Registration

9:00 a.m. – 12:00 p.m. Workshop (Lunch Provided)

**Time** 9:00 AM - 4:00 PM

3/6/2019 9:00 AM

**[Register for CEQA 201 Only](#)**

**CEQA 201: Beyond the Basics**

This workshop will dive deeper beyond the basics and include topics such as: tiering and streamlining; deeper cuts in air quality and GHGs; deeper cuts in LOS and VMT; litigation; and recent case law and legislation.

1:00 – 4:00 p.m. Workshop (Lunch Provided)

**Time** 9:00 AM - 4:00 PM



1112 "I" Street, Suite 200  
Sacramento CA, 95814  
877.924.2732 | 916.442.7887



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LEADERSHIP FOUNDATION**



**DISTRICTS MAKE THE  
DIFFERENCE**



# Georgetown Divide Public Utility District | 2013 Policy Manual

GDPUD Board Mtg. of 2/12/2019  
AGENDA ITEM 5.E.  
Attachment 2  
Page 1 of 3

**POLICY TITLE:**           **Expenditure Reimbursement**

**POLICY NUMBER:**       **4025**

**4025.1** Purpose. The purpose of this policy is to prescribe the manner in which District employees and directors may be reimbursed for expenditures related to District business.

**4025.2** Scope. This policy applies to all employees and members of the Board of Directors and is intended to result in no personal gain or loss to an employee or director.

**4025.3** Implementation. Whenever District employees or directors desire to be reimbursed for out-of-pocket expenses for item(s) or service(s) appropriately relating to District business, they shall submit their requests on a reimbursement form approved by the General Manager. Included on the reimbursement form will be an explanation of the District-related purpose for the expenditure(s), and receipts evidencing each expense shall be attached.

**4025.4.1** General Manager will review and approve reimbursement requests. .  
Reimbursement requests by the General Manager will be reviewed and approved by the Board.

**4025.4.2** All expenses must be reasonable and necessary, and employees and Directors are encouraged to exercise prudence in all expenditures.

**4025.4.3** The most economical mode and class of transportation reasonably consistent with scheduling requirements will be used. In the event a more expensive class of transportation is used, the reimbursable amount will be limited to the cost of the most economical class of transportation available. Reimbursement for use of personal vehicles will be at the applicable IRS-approved rate.

**4025.4.4** Expenditures for food and lodging will be the same as the current State of California employee per diem guidelines.

**POLICY TITLE: Training, Education and Conferences**

**POLICY NUMBER: 4090**

**4090.1** Members of the Board of Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Hence, there is no limit as to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

**4090.1.1** "Junkets" (a tour or journey for pleasure at public expense), however, will not be permitted except for personal reasons, and are not reimbursable expenses.

**4090.2** It is the policy of the District to encourage Board development and excellence of performance by reimbursing actual expenses incurred for tuition, travel, lodging and meals as a result of training, educational courses, participation with professional organizations, and attendance at local, state and national conferences associated with the interests of the District. Cash advances or use of District credit cards for these purposes is not permitted.

**4090.2.1** The Clerk of the Board is responsible for making arrangements for Directors for conference and registration expenses, and for per diem. Per diem, when appropriate, shall include reimbursement of expenses for meals, lodging, and travel. All expenses for which reimbursement is requested by Directors, or which are billed to the District by Directors, shall be submitted to the Clerk of the Board, together with validated receipts in accordance with State law.

**4090.2.2** Attendance by Directors of seminars, workshops, courses, professional organization meetings, and conferences shall be approved by the Board of Directors prior to incurring any reimbursable costs.

**4090.2.3** Expenses to the District for Board of Directors' training, education and conferences should be kept to a minimum by utilizing recommendations for transportation and housing accommodations put forth by the Clerk of the Board and by:

**4090.2.3.1** Utilizing hotel(s) recommended by the event sponsor in order to obtain discounted rates unless there are less expensive accommodations in close proximity available.

**4090.2.3.2** Directors traveling together whenever feasible and economically beneficial. Provided the quorum is not involved.

**4090.2.3.3** Requesting reservations sufficiently in advance, when possible, to obtain discounted air fares and hotel rates.

**4090.3** A Director shall not attend a conference or training event for which there is an expense to the District if it occurs after the District has announced his/her pending resignation, or if it

# Georgetown Divide Public Utility District | 2013

## Policy Manual

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GDPUD Board Mtg. of 2/12/2019  
AGENDA ITEM 5.E.  
Attachment 2  
Page 3 of 3

occurs after an election in which it has been determined that the Director will not retain his/her seat on the Board. A Director shall not attend a conference or training event when it is apparent that there is no significant benefit to the District.

**4090.4** Upon returning from seminars, workshops, conferences, etc., where expenses are reimbursed by the District, Directors will either prepare a written report for distribution to the Board, or make a verbal report during the next regular meeting of the Board. Said report shall detail what was learned at the session(s) that will be of benefit to the District. Materials from the session(s) may be delivered to the District office to be included in the District library for the future use of other Directors and staff.



## IRS issues standard mileage rates for 2019

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IR-2018-251, December 14, 2018

WASHINGTON — The Internal Revenue Service today issued the 2019 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2019, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 58 cents per mile driven for business use, up 3.5 cents from the rate for 2018,
- 20 cents per mile driven for medical or moving purposes, up 2 cents from the rate for 2018, and
- 14 cents per mile driven in service of charitable organizations.

The business mileage rate increased 3.5 cents for business travel driven and 2 cents for medical and certain moving expense from the rates for 2018. The charitable rate is set by statute and remains unchanged.

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, except members of the Armed Forces on active duty moving under orders to a permanent change of station. For more details see Notice-2019-02.

The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously. These and other limitations are described in section 4.05 of Rev. Proc. 2010-51.

Notice 2019-02, posted today on IRS.gov, contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

**RESOLUTION NO. 2019-12**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**AUTHORIZING REIMBURSEMENT OF WORKSHOP AND TRAVEL-RELATED**  
**EXPENSES RELATED TO CALIFORNIA SPECIAL DISTRICTS ASSOCIATION**  
**CEQA 101 TRAINING WORKSHOP FOR DIRECTOR DAVE SOUZA**

**WHEREAS**, the California Special Districts Association (“CSDA”) CEQA Training Workshop is scheduled for March 6, 2019 in Sacramento, California; and

**WHEREAS**, the General Manager and Directors of the Georgetown Divide Public Utility District (“District”) have participated in training offered by CSDA to keep abreast of topics of concern to special districts; and

**WHEREAS**, CSDA promotes good governance and improved core local services through professional development, advocacy, and other services for all types of independent special districts; and

**WHEREAS**, in accordance with Board adopted District Policy, workshop attendance and travel by Directors is paid for on a reimbursement basis with workshop attendees providing a report to the Board of Directors on workshop activities; and

**WHEREAS**, Director Souza has indicated a desire to attend the CEQA 101: A Step-by-Step Approach training workshop; and

**WHEREAS**, training for Staff and Directors is included in the FY 2018/2019 Budget; and

**WHEREAS**, the cost to attend this workshop is \$150, with lunch provided by CSDA and mileage to be reimbursed at the 2019 IRS rate of \$0.58 per mile.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT** reimbursements for workshop and travel-related expenses for participation by Director Souza in the CSDA workshop CEQA 101: A Step-by-Step Approach are approved.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twelfth day of February 2019, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

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Dane Wadle, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Attest:*

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

**CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-12 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this twelfth day of February 2019.

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 6.B.**



**AGENDA SECTION: INFORMATIONAL ITEMS**

**SUBJECT: GENERAL MANAGER'S REPORT**

**PREPARED BY: Steven Palmer, PE, General Manager**

A blue handwritten signature, likely of Steven Palmer, is written over the printed name.

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A memo to the Board of Directors regarding issues raised in a recent social media post by Director Cynthia Garcia is attached.

**PROJECTS**

- Treated Water Line Replacement and Main Canal Reliability Projects
  - Design underway
- Automated Meter Reading and Meter Replacement Project
  - Reviewing finance application with State
- Irrigation Ordinance Update
  - First Workshop on September 20
  - Second Workshop on October 16
  - Staff working to update based on direction from Second Workshop
- Wastewater Fee Review
  - Public workshop was held on January 16

**ANNOUNCEMENTS**

General Manager has been appointed to the Association of California Water Agencies (ACWA) Region 3 Board

**UPCOMING BOARD ITEMS**

February

- Annual Board Goal Setting Workshop – February 16. A flyer is included with this report.

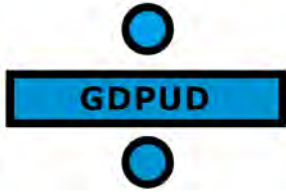
March

- Accounting/Finance Software Contract
- Mid-Year Budget Comparison
- Late Fee Policy Update
- Social Media Policy
- Approve Plans and Authorize Bid for Main Canal Reliability
- Update Leakage Consideration Policy
- Communications Professional Services Agreement



Future

- Board Policy Updates
- Personnel Manual
- Capital Facility Charge Update
- District Fee Update
- Irrigation Ordinance Update
- Approve Plans and Authorize Bid for Treated Water Line Replacement



## GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

P.O. Box 4240, Georgetown, CA 95634-4240  
(530) 333-4356 Fax: (530) 333-9442  
www.gd-pud.org

### **MEMORANDUM**

**DATE:** February 8, 2019  
**TO:** Board of Directors  
**FROM:** Steven Palmer, PE, General Manager  
**SUBJECT:** Director Garcia Facebook Post

---

As you know, the District's social media presence is limited to providing information to our customers. The District does not respond to posts that are made on social media. A recent Facebook post by Director Cynthia Garcia was brought to my attention (Attachment 1). The post outlines serious concerns about the professional integrity and ethics of me, my Staff, and the other Directors. For this reason, I am compelled to provide you with this response to those concerns.

The statements by Director Garcia and my responses are provided below in an outline format with facts and data that are available. Quotes from Director Garcia's post are in quotation marks and "*italics*."

I. *"I have found unauthorized spending, numerous budget excesses, lack of written policies, ALT wastewater overcharges, and a system that puts control of what is discussed at the Board meetings in the hands of only one person."*

A. *"unauthorized spending"*

There has been no unauthorized spending during my time as General Manager in Fiscal Years 2017/2018 and 2018/2019. All expenditures have been properly approved by the Board's adoption of a budget or the Board's adoption of a budget amendment. As specified in the Board adopted purchasing policy, contracts and agreements that exceed authority of the General Manager are approved by the Board. Additionally, all spending is performed with proper oversight. Every check is signed by both the General Manager and one Director, and all checks are presented in the Board packet for review at every monthly Board meeting. This is titled "Month-End Cash Disbursements Report," and is item 5.B.2 on the January 8, 2019 agenda and item 5.B.2 on the February 12, 2019 agenda. Electronic disbursements are limited to payroll related items such as salaries, wages, benefits, and retirement. Those disbursements are prepared by the Human Resources Manager and reviewed and approved by the General Manager. They are reported to the Board monthly in the Cash Balances report. Lastly, the February 12, 2019 Board meeting includes a presentation of the Fiscal Year 2017/2018 audited financial statements by the independent auditor, Lance, Soll & Lunghard CPAs (LSL) (Item 7.C).

There is nothing in the audited financial statements or letter of audit findings from LSL indicating that the District is engaged in unauthorized spending.

*B. "numerous budget excesses"*

The approved operating budget has not been exceeded during my time as your General Manager in Fiscal Years 2017/2018 and 2018/2019. Staff has reported to the Board on budget to actual revenues and expenses every quarter. The Fiscal Year 2018-2019 First Quarter Budget Review was presented to the Board on December 11, 2018 (Item 6.C.). That report stated that for the first quarter of Fiscal Year 2018-2019, the water operating fund expenditures are at 23.1% of the budgeted amount, and wastewater operating fund expenditures are at 14.4% of the budgeted amount. These amounts are at or less than we would anticipate for one quarter (25%) of the fiscal year. Likewise, actual revenues met budget expectations. Similar reports are presented to the Board for each quarter of the fiscal year. Any deviations from the annual budget are noted for the Board, and any necessary budget adjustments are requested from the Board at that time. The Fiscal Year 2018-2019 Second Quarter (ie. Mid-Year) Budget Review is anticipated to be presented to the Board at the March 12, 2019 meeting.

*C. "lack of written policies"*

The District has updated key policies that are the most critical for our success, including the Legislative Policy (January 9, 2018), Procurement Policy and Procedures (February 13, 2018 and October 9, 2018 Board meetings), Low Income Rate Assistance Policy (March 13, 2018), and the Reserve Policy (November 13, 2018 Board meeting). My monthly General Manager's report to the Board includes a list of several other policies prioritized for update over the next several months: Leakage Consideration, Late Fee, Social Media, and all Board policies. Further demonstrating the District's commitment is the adopted Board of Director Goals for Fiscal Year 2018/2019 which include Objective D-2 - Document daily routines for all employees, D-4 - Update and adopt Board policies, and F-2 - Update and adopt Board policies. The lack of written policies is something that myself and the Board have discussed many times since I was hired in 2017. The District was harmed greatly and a tremendous amount of institutional knowledge was lost when several key staff left around 2011 and 2012. The District did not attempt to fill several of those roles for over five years. From 2012 until I was hired, District staff relied on the knowledge of two employees and the written procedures and policies that existed in 2012. These procedures need to be updated and staff and the Board recognize the importance of having the proper policies and procedures in place.

*D. "ALT wastewater overcharges"*

While it is true that the District has accumulated a significant fund balance, this is not because the District has been overcharging. The District has been charging the rate that was adopted by the Board in 2008 (CDS) and 2012 (non-CDS). Assumptions were made during the development of rates in 2008 and 2012 and those assumptions did not pan out. This is not unusual as predicting the future is impossible. Agencies make an effort to predict the future, set a course, then make periodic adjustments to stay on course. This is an excellent example of why it is best practice to review rates every three to five years. It is clear that the Auburn Lake Trails (ALT) wastewater rates need to be reviewed and updated and work is already underway.

Work to review and update the ALT wastewater rates started in March 2018 after the District created the Water Resources Manager position and hired Adam Brown in February 2018. Water

Resources Manager Brown is managing the rate update and so far he has prepared the request for proposals, selected a consultant that was hired by the Board on August 14, 2018, presented a draft analysis to the finance committee on October 31, 2018, and held a public workshop on January 16, 2018. A draft will be presented to the Board for direction soon, with a goal to adopt the rates before Fiscal Year 2019/2020.

II. *“a system that puts control of what is discussed at the Board meetings in the hands of only one person.”*

*“what is currently hindering that path is the Board President’s total control of what topics may appear on the meeting’s Agendas. Although there seems to be no authorization to do so, he alone is choosing what topics are going to be discussed. Board members make requests for items to be discussed but those requests have been ignored.”*

The procedure to add items to the Board agenda, and the Board President’s duties are outlined in Board adopted Policy Number 4040, Policy Number 5020, and Policy Number 5060. It is the goal of staff and the principle of high performing organizations to present items to the Board with a complete and thorough staff report that provides sufficient information for Directors to make a decision. Staff time is required to provide the required analysis and items must be prioritized. Consequently, some items take longer to be brought back to the Board in a manner that will allow meaningful and constructive discussion.

III. *“After a review of the July 2017 to June 2018 fiscal year expenses was performed and compared to the Annual Budget, it was found that 48 accounts appear to have been overspent. The most visible is “Legal Expenses” which was over budget by \$90,383.”*

The fact that expenditures in some accounts exceed the estimate in the budget does not mean that the District has overspent. As long as the budget for each fund is not exceeded, then expenditures are within budget. It is normal for some accounts to be over or under the estimates in the adopted budget. The important budget numbers for the Board to watch are the total expenditures for each fund. The resolutions approving the annual budgets (Resolution 2017-08 and Resolution 2018-36) both state that “The General Manager may authorize the transfer of appropriations within and between departments so long as total appropriations are not increased within a fund.” Staff manages the budget so that the integrity of the overall budget by fund is maintained. As unanticipated items occur that would require additional appropriations from a fund, a budget amendment request is made to the Board. Additionally, after the first half of the fiscal year staff prepares a mid-year budget report that memorializes any General Manager authorized adjustments within and between departments. During Fiscal Year 2017/2018 this was done at the March 13, 2018 Board meeting; and it is planned for Fiscal Year 2018/2019 at the March 12, 2019 Board meeting as listed in my monthly General Manager’s report.

It is true that District legal expenses for Fiscal Year 2017/2018 were higher than budgeted. Staff was able to absorb this cost within the budget without requesting an additional funding appropriation. These expenses did not cause the District to be overbudget and the District completed Fiscal Year 2017/2018 within budget. This fact is documented in the Fiscal Year 2017-2018 Fourth Quarter Budget Review that was presented to the Board on November 13, 2018 (Item 7.C). Legal expenses are directly related to answering legal questions from the Board, supporting Staff in rate studies and employee bargaining unit negotiations, and responding to litigation.

The current Fiscal Year 2018/2019 First Quarter Budget Review that was presented to the Board at your meeting on December 11, 2018 (Item 6.C) shows that legal expenses are tracking in line with the budget estimate for this item (22.7% after one quarter of the fiscal year).

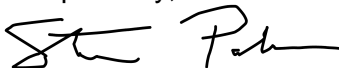
IV. *"I have seen enough evidence to confirm that the Rate Study was probably prepared with less than accurate information and some substantially inflated numbers...It will be only when we have a focused audit ... on just the 218 information that was provided to the company that did the Rate Study, that we have any hope of sorting this all out."*

As your General Manager I disagree with these statements regarding the rate study, however I will not discuss in detail due to current litigation. Regardless of this, Director Garcia made a motion and the Board acted on January 8, 2019 to "direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit." As directed by the Board, this scope is being presented for review as Item 7.D on the February 12, 2019 Board meeting.

The notions that the District is engaging in unauthorized spending, spending more than authorized by the budget, or artificially inflating rates are not accurate and directly challenge the professional integrity and ethics of the Board, staff, and myself. We all need to work together to dispel these myths. The Board, staff, and I have worked very hard to improve the budget oversight and financial reporting at the District. We have made significant positive improvements together over the last 23 months and we need to keep looking forward. One need only compare the annual budget, monthly financial reports, and staff report from 2016 to see the improvements. We are now tracking budgets and purchase orders in the District accounting software. Financial reports, cash disbursements, and fund balances are now reported accurately from District accounting software directly to the Board every month. Our work is not done, and there are other improvements that need to be made throughout the District. As your General Manager I am committed to seeing that they are implemented. To accomplish those improvements, I need the Boards help to stay focused on the future. I came across a quote attributed to Socrates that states this nicely, "the secret of change is to focus your energy not on fighting the old, but building the new."

Lastly, I want to let you all know that I committed to resolving questions and issues like the ones raised by Director Garcia with all of you. As always, I am available to meet with any of you in person or by phone to review and discuss District business; and I welcome the opportunity to provide you with information and hear your perspectives and thoughts on issues that we face.

Respectfully,



Steven Palmer, PE  
General Manager

Attachment 1 – Facebook Post by Director Cynthia Garcia

## GDPUD Director Garcia's Message –

It has become very apparent to me, even after only two months, that our water district (GDPUD) has some internal issues that without correction could seriously harm the District and continue to increase costs to the customers.

I have found unauthorized spending, numerous budget excesses, lack of written policies, ALT wastewater overcharges, and a system that puts the control of what is discussed at the Board Meetings in the hands of only one person. After a review of the July 2017 to June 2018 fiscal year expenses was performed and compared to the Annual Budget, it was found that 48 accounts appear to have been overspent. This excess spending was all done without Board approval. The most visible is "Legal Expenses" which was over budget by \$90,383. It seems no one from the previous Board of Directors was watching the purse strings of the District, much less keeping an eye on that Budget.

Even though I am now on the Board, I cannot get the answers I need to work toward identifying and rectifying what my 13 years of municipal drinking water management experience have alerted me to look into.

There seems to be a complete disconnect between the currently split Board, the General Manager, the District's Legal Advisor, and the Rate Payers. Since some of those in authority want to stand by and protect their past decisions, they seem to be out of touch with the financial problems they have unleashed on our customers.

The ground swell of outrage over this was expressed by the voters in November 2018 when they removed the former Board Chair and supported me in being their new representative and advocate. I take their

confidence very seriously and will resist attempts to isolate, intimidate, and discourage me from finding, and working to fix, GDPUD's many problems.

I have seen enough evidence to confirm that the Rate Study was probably prepared with less than accurate information and some substantially inflated numbers thereby creating a suggested rate increase that was faulty from the beginning. It will be only when we have a focused audit (not a Forensic Audit which looks for fraud) on just the 218 information that was provided to the company that did the Rate Study, that we have any hope of sorting this all out. We will then have an answer as to the validity of the Study and could move forward from there.

Unfortunately, what is currently hindering that path is the Board President's total control of what topics may appear on the meeting's Agendas. Although there seems to be no authorization for him to do so, he alone is choosing what topics are going to be discussed. Board members make requests for items to be discussed but those requests have been ignored.

Therefore, topics such as the lack of written policies, challenges to the District's financial integrity, and the sustainability of our operational structures are not being addressed.

Although this situation is very discouraging, I will not give up, and will continue to keep faith with those who put me in this office. Please feel free to contact me at (916) 494-9049, [cgarciag@gd-pud.org](mailto:cgarciag@gd-pud.org), or see my Facebook page: GDPUD Director Cynthia Garcia. Thank you.



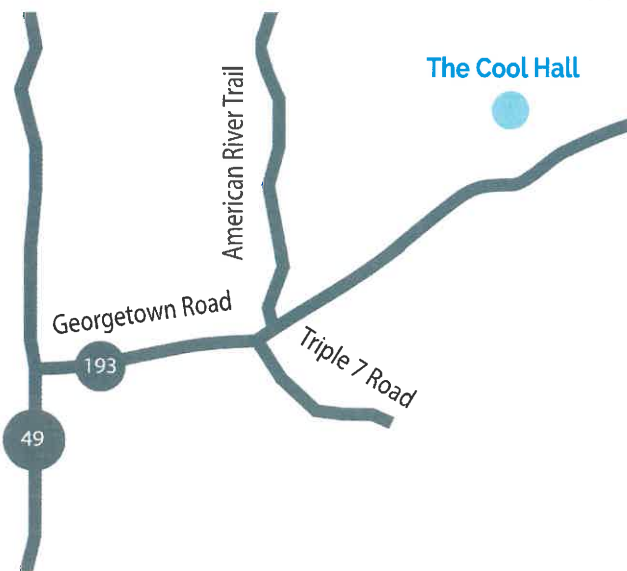
# Developing Our Future Together

The Georgetown Divide Public Utility District is responsible for balancing the immediate and long-term needs of Georgetown's water system to provide reliable and high quality water.

Join us for a special meeting of the Board of Directors to discuss District infrastructure and operational capacity, goals, and priorities.

*Resolving our issues together - Bringing our community together*

A detailed agenda will follow soon.



**Strategic Planning Session**  
**Saturday, February 16, 2019**  
**9:00 a.m. – 3:30 p.m.**

**The Cool Hall**  
**1701 CA-193**  
**Cool, Ca 95614**

# GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

## Operations **Manager's** Report for February 2019

Presented to the GDPUD Board of Directors by Darrell Creeks, Operations Manager

February 12, 2019, AGENDA ITEM #6.C.

### Water Production for the Month of

#### January

#### Auburn Lake Trails Water Treatment Plant

11.775 million gallons  
379,838 gallons/day average

#### Walton Lake Water Treatment Plant

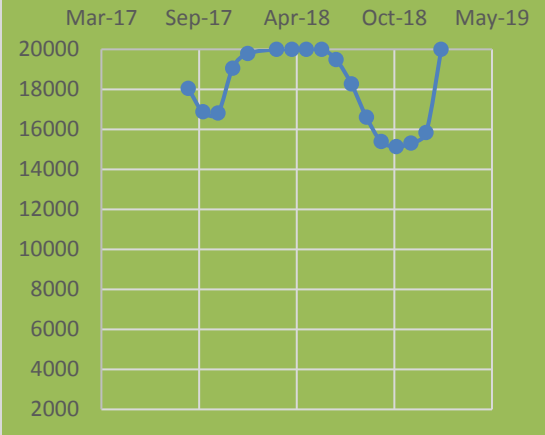
18.211 million gallons  
587,451 gallons/day average

### Water Quality Monitoring

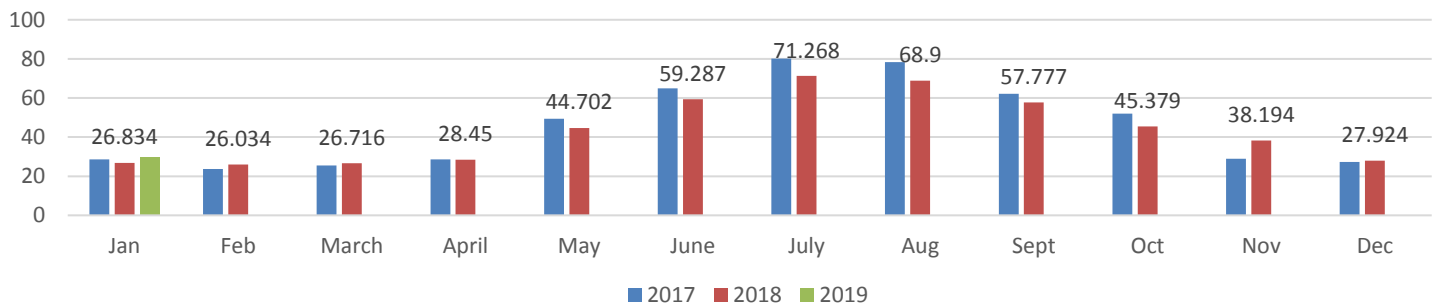
Monitoring has been completed and reports have been submitted to the State Water Resources Control Board.

- ✓ The treatment plants are in compliance with all drinking water standards, with the exception of the ALTWTP which is currently under a SWRCB Compliance Order. To comply with this Order, a new plant is under construction.
- ✓ Distribution system monitoring results showed all samples absent/negative of any bacteriological contamination and adequate levels of disinfection through the system.

### Stumpy Meadows Volume (Acre-FT)



### Chart Water Production (MG)



### Summary of Field Work Activities

#### Distribution Crew

- ✓ Repaired leaks: 8 service leaks
- ✓ Repair/replace meters: 7
- ✓ Installed new service: 0 treated
- ✓ Rebuilt two pressure reducing valves
- ✓ Performed Maintenance on Pressure Reducing Stations
- ✓ Pulled three meters
- ✓ Read meters
- ✓ Drained Garden Park Tank for inspection and refilled.
- ✓ Installed new sampling station

#### Maintenance Crew

They have spent a lot of time walking ditch and clearing debris from grizzlies and other areas due to wind and rain. Brush cutting and cleaning canals in bad areas.

### Georgetown Divide Public Utility District

6425 Main Street P.O. Box 4240, Georgetown, CA 95634 • (530) 333-4356 • [www.gd-pud.org](http://www.gd-pud.org)  
Steven Palmer, PE, General Manager • Darrell Creeks, Operations Manager



# GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

## Auburn Lake Trails Wastewater Management Zone Report for January 2019

Presented to the GDPUD Board of Directors by Darrell Creeks, Operations Manager

February 12, 2019, AGENDA ITEM #6.C.

### Auburn Lake Trails Wastewater Management Zone (Zone)

Zone activities are completed in accordance with California Regional Water Quality Control Board Central Valley Region, *Waste Discharge Requirements for Georgetown Divide Public Utility District Auburn Lake Trails On-Site Wastewater Disposal Zone* Order No. R5-2002-0031.



- **Community Disposal System (CDS) Lots - 137**
- **Individual Wastewater Disposal System Lots - 885**

#### Field Activities

- ✓ Routine Inspections: 113
- ✓ Special Inspections:
  - Escrow – 2
  - Homeowner – 2
  - Construction – 0
  - Plan Review – 0
  - Watertight Test – 0
- ✓ Construction:
  - New Wastewater System – 0
  - New Community Disposal System Tank – 0
  - New Pump Tank – 1 (Lot 677)

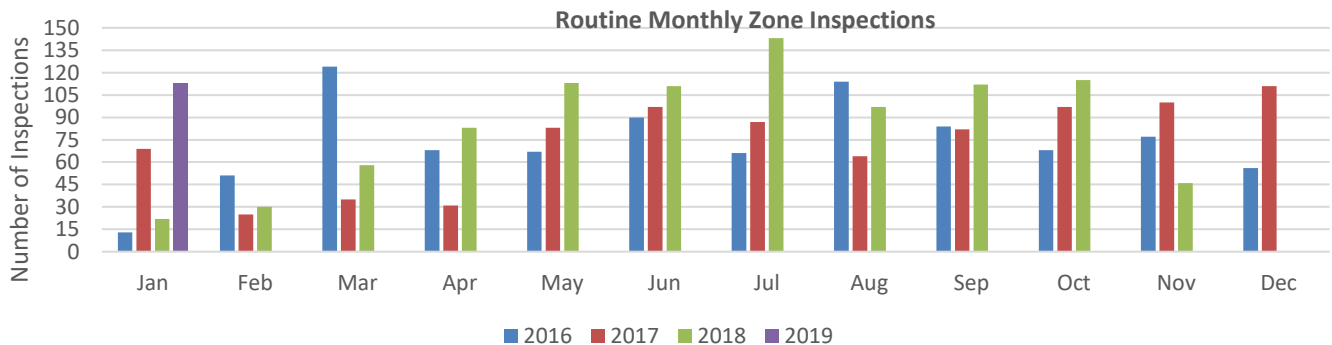
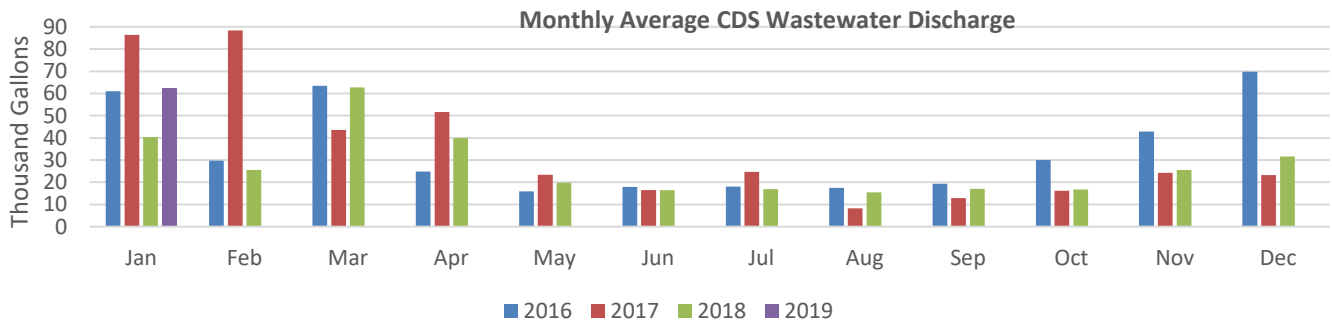
#### Wastewater Discharge

1.8096 million gallons  
62,400 gallons/day average

**Rainfall**  
10.0 inches

#### Reporting

The monthly Sanitary Sewer Overflow (SSO) – *No Spill Certification* was submitted electronically to California Integrated Water Quality System (CIWQS) on January 2, 2019. The *Annual Auburn Lake Trails Wastewater Management Zone Report* was submitted to the Central Valley Water Board on January 31, 2019.



**Georgetown Divide Public Utility District**

6425 Main Street P.O. Box 4240, Georgetown, CA 95634 • (530) 333-4356 • [www.gd-pud.org](http://www.gd-pud.org)  
Steven Palmer, PE, General Manager • Darrell Creeks, Operations Manager

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 6.D.**

**GDPUD**

**AGENDA SECTION: INFORMATIONAL ITEMS**

**SUBJECT: ALT WATER TREATMENT PLANT PROJECT UPDATE**

**PREPARED BY:** George Sanders, Engineering Consultant

**APPROVED BY:** Steven Palmer, PE, General Manager

---

**BACKGROUND**

This is a summary of the various work activities at the ALT Water Treatment Plant for the month of January. **Attachment 1** is an updated flyer that will be posted on the District's website and Facebook.

In addition to the construction work performed by Myers & Sons, the District is also under contract with NEXGEN for Construction Management, PSOMAS for Engineering Support during construction, Youngdahl Consulting Group for Material Testing, and Foothill Associates for CEQA compliance.

**Myers & Sons Construction**

Construction activities at the site, during the month of January, have taken place in several different areas.

**Filter Building** – This is the largest building at the site, approximately 5,500 SF. It is a metal building on a concrete slab with exterior footings. In addition to the Filters, this building is home to the Chemical Storage Room, Office and Lab, Air Compressor and Blower Room together with the Electrical Room. The Chlorine Contact Basin is below grade and under the center portion of this building.

Representatives from WesTech, the filter supplier, have returned to the site to supervise the placement and continued rinsing of the anthracite filter media in units 1,2 and 3. In addition they will coordinate with the electricians in the setup of the controls, testing of the various pump systems and provide operational training to District staff. This is estimated to be a 3-week process.

The major components of the fire sprinkler system are now in place. With the piping and valves in place the contractor is rinsing, pressure testing and installing the final controls in preparation for an inspection of the system by the Fire Marshall.

The continuous pump testing has started for the backwash pump and the three high lift service pumps. The testing of the high lift pumps has required that the Contractor install temporary piping for the pump discharge lines.

Raw Water Pump Station Building – This is a metal building on a concrete slab with exterior footings, consisting of approximately 1350 SF. In addition to the raw water pumps, this building contains a main electrical panel together with the pre-treatment chemical injection systems for polymer and chlorine.

Work activities during this reporting period have concentrated on the installation of the emergency shower system, minor electrical wiring and preparations for the continuous testing of the raw water pumps. This has required that the Contractor install a temporary line to provide raw water to the existing treatment plant.

Backwash Water Storage Tank – The clarifier at the existing plant has been retrofitted to serve as a storage tank for the backwash water from the filters.

Work activities during this reporting period have included the use of this tank during the backwash of the of the new filters.

Site Improvements – Site improvements consist or all areas outside of the buildings and tanks.

Work activities during this reporting period have included the relocation of the construction trailer to an area adjacent to the filter building together with minor earthwork associated with site drainage.

#### PSOMAS

This firm is under contract with the District to provide Engineering Support during construction. During this reporting period this firm conducted reviews of contractor submittals, requests for information (RFI) and added clarity to various construction related matters.

#### Youngdahl Consulting Group

This firm is under contract to provide material testing of soils and concrete. This firm has not performed any work activities during this reporting period.

#### Foothill Associates

This firm is under contract with the District to assist with CEQA compliance together with implementation of the Storm Water Pollution Prevention Plan (SWPPP). This firm has not performed any work activities during this reporting period.

#### SWPPP – Myers & Sons

Under the construction contract, Myers & Sons is responsible for the installation and maintenance of the storm water improvements together with the inspection and reporting of individual storm events. There were two qualifying rain events during the month of January.

#### NEXGEN

This firm is under contract with the District to provide Construction Management Services. NEXGEN is currently providing daily construction inspection at the site. Staff has proposed a contract amendment with NEXGEN to increase the budget by \$77,880. That amendment will require Board action and is the topic of another item on this agenda.

Budget

Project expenses since start of construction as compared to budget are summarized in the table below. At this point, projected expenditures are within the approved project budget.

Phase	Expended to Date	Budget
Construction	\$ 9,819,759	\$ 11,249,000
Construction Engineering, Construction Management, and Environmental	\$ 838,236	\$ 1,076,226
Total	\$10,657,995	\$ 12,325,226

Schedule

The District and Nexgen continue to work with the Contractor in the development of updates to the construction schedule. The current schedule identifies a project completion date the end of March 2019.

State SRF Payment Requests

The District has received twenty reimbursement payments from the State Revolving Loan Agreement for a total amount of \$ 9,050,240.

Claim #	Date of Payment	Amount	Claim #	Date of Payment	Amount
1	6/26/2017	1,157,141	11	4/18/2018	766,107
2	8/17/2017	439,850	12	5/22/2018	395,007
3	9/22/2017	68,457	13	6/14/2018	255,916
4	10/6/2017	540,675	14	8/16/2018	513,640
5	11/8/2017	497,125	15	9/24/2018	336,926
6	12/15/2017	550,310	16	10/17/2018	249,456
7	1/26/2018	1,047,320	17	12/07/2018	241,029
8	2/21/2018	218,722	18	12/7/2018	94,094
9	2/23/2018	350,650	19	1/2/2019	206,317
10	3/30/2018	891,256	20	1/15/2019	230,335

Claim 19, in the amount of \$206,269 was submitted on November 16, 2018. Claim 20, in the amount of \$231,234 was submitted on December 11, 2018. Claim 21, in the amount of \$136,935 is currently under review by the District.

Contract Change Orders

There were no Contract Change Orders processed during this reporting period. The total of all Contract Change Orders approved to date is \$128,054. The General Manager has authority to approve contract change orders up to a total amount of \$150,000. Once that amount is reached, every contract change order will require Board approval. Contract Change Orders are summarized as follows:

- Contract Change Order Number 1 resulted in a net increase in the contract amount by \$39,772. This Change Order was identified at the regular Board meeting in September 2017.
- Contract Change Order Number 2 resulted in a net decrease in the contract amount by <\$970.41>. This Change Order was identified at the regular Board meeting in October 2017.
- Contract Change Order Number 3, a no cost change order, increased the contract time by 17 days due to weather related days during the months of March, April, May and June of this year. This Change Order was identified at the regular Board meeting in November 2017.
- Contract Change Order Number 4 resulted in a net increase in the contract amount by \$12,184.00. This Change Order relates to the placement of additional backfill material in the sludge drying beds and was identified at the regular Board meeting in February 2018.
- Contract Change Order Number 5 resulted in a net increase in the contract amount by \$20,922. This change order relates to the addition and upgrade of miscellaneous pipe supports to meet current seismic requirements together with an upgrade of moisture resistant sheetrock in all rooms within the Filter Building. This Change Order was identified at the regular Board Meeting in June 2018.
- Contract Change Order Number 6 resulted in a net increase in the contract amount by \$50,282. This change order relates to additional moisture resistant coatings within the Filter Building together with additional asphalt paving around the filter building and the access road to the raw water pump station. This Change Order was identified at the regular Board Meeting in January 2019.

Information contained in this report will be supplemented with project-related photos. This concludes the ALT update for work activities during the month of January. Staff remains available to answer questions.

**ATTACHMENTS**

1. Project Update #21



**GDPUD**



**AUBURN LAKE TRAILS WATER TREATMENT PLANT**

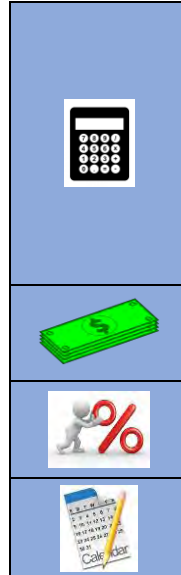
**PROJECT UPDATE**

**UPCOMING ACTIVITIES:**

- Filters – Testing of filter units
- Electrical – Filter Building
- SCADA System
- Landscaping & Fencing
- Operator Training

**COMPLETED ACTIVITIES:**

- Raw Water Siphon
- Filter Building
- Chlorine Contact Basin with Baffles
- Raw Water Pump Station
- Backwash Water Recovery Tank
- Site Paving



**CONTRACT UPDATE:**

Original Contract Amount:	\$ 10,249,000	
Contract Change Order #1:	\$ 39,772	
Contract Change Order #2:	(\$ 970)	
Contract Change Order #3:	No Cost	
Contract Change Order #4:	\$ 12,184	
Contract Change Order #5:	\$ 20,922	
Contract Change Order #6:	\$ 56,146	
<b>New Contract Amount</b>		<b>\$10,377,054</b>

**Expended thru January 2019 \$9,819,759**

**Percent Complete 95%**

**Anticipated Completion Date Early 2019**

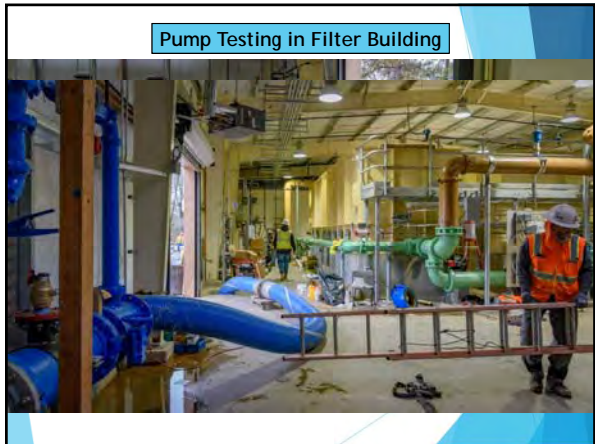
**PROJECT CONSTRUCTION SCHEDULE:**

. Issue Notice to Proceed	. Mobilization & Demolition	. Complete Raw Water Siphon	. First Concrete Pour - Filter Building	. Complete Earthwork	. Complete Chlorine Contact Basin	. Erect Raw Water Pump Station Bldg.	. Complete Concrete Filter Building	. Filters Placed in Building	. Erect Filter Building	. Filters and Outside Electrical	. Filters Installed and Site Work	. Electrical Inside and Outside	. Electrical Inside and Outside	. Electrical Outside and Filters	. Electrical Raw Water Pump Station	. Electrical Filter Building	. Complete Filter Installation & Sludge Beds	. Complete Site Work & Raw Water Pump Station	. Complete Filter Building & Backwash Basin	. Site Improvements	. SCADA System	. Operator Training	<b>. PROJECT 100% COMPLETE</b>
M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	Early 2019	

**GEORGETOWN DIVIDE  
PUBLIC UTILITY DISTRICT**  
 6425 Main Street  
 P.O. Box 4240  
 Georgetown, CA 95634  
[www.gd-pud.org](http://www.gd-pud.org) (530) 333-4356  
 Steven Palmer, PE,  
 General Manager  
 For additional information,  
 contact:  
**George Sanders, Project  
 Manager** at [gsanders@gd-pud.org](mailto:gsanders@gd-pud.org)  
 or  
[www.gd-pud.org](http://www.gd-pud.org)  
 Call (530) 333-4356

A Presentation for the  
GDPUD Board of Directors  
February 12, 2019

Summary of  
Work Activities at ALT Plant  
January 2019



ALT Water Treatment Plant Project Partners

**MYERS** Construction  
FISH & SONS CONSTRUCTION  
Building Construction Division

**PSOMAS** Engineering Support

**YOUNGDAHL** CONSULTING GROUP, INC. Materials Testing  
30  
Building Construction Division

**FOOTHILL ASSOCIATES** ENVIRONMENTAL CONSULTING • PLANNING • LANDSCAPE ARCHITECTURE  
CEQA Compliance and SWPPP

**NEXGEN** Construction Management



Raw Water to Old Plant



Testing High-Lift Pumps



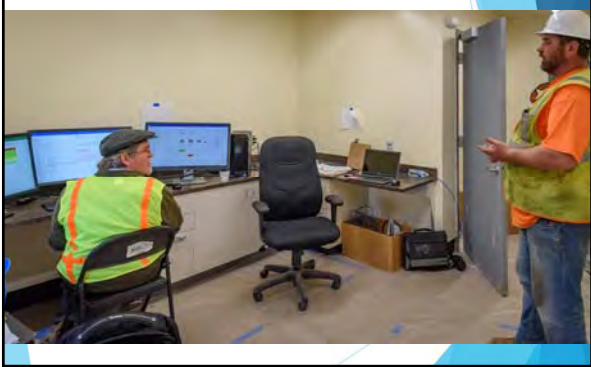
Removing Construction Office Trailer



Rinsing Filters



Occupying New Construction Office



	CLAIM NO.	CONSTRUCTION	CONST MGMT & ADMIN	AMOUNT
	1	1,101,614	55,527	1,157,141
	2	439,850	0	439,850
	3	0	68,457	68,457
	4	540,675	0	540,675
	5	403,060	94,065	497,125
	6	550,310	0	550,310
	7	952,916	94,404	1,047,320
	8	218,722	0	218,722
	9	350,605	0	350,605
	10	830,366	60,890	891,256
	11	744,230	21,877	766,107
	12	329,492	65,515	395,007
	13	255,916	0	255,916
	14	509,295	4,345	513,640
	15	192,102	144,824	336,926
	16	240,040	9,416	249,456
	17	210,349	30,680	241,029
	18	94,094	0	94,094
	19	206,269	0	206,269
	20	230,335	0	230,335
	TOTALS		619,320	
SRF PAYMENTS RECEIVED	SUBMITTED	68,712	0	68,712



**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 7.A.**



**AGENDA SECTION: NEW BUSINESS**

**SUBJECT: AWARD A CONSTRUCTION CONTRACT WITH OLYMPUS AND ASSOCIATES IN THE AMOUNT OF \$114,565 FOR GARDEN PARK WATER STORAGE TANK RECOATING**

**PREPARED BY:** Darrell Creeks, Operations Manager

A handwritten signature in blue ink, appearing to be "DC", written over the printed name of Darrell Creeks.

**APPROVED BY:** Steven Palmer, PE, General Manager

A handwritten signature in blue ink, appearing to be "SP", written over the printed name of Steven Palmer.

---

**BACKGROUND**

The cleaning, maintenance, and recoating of one water storage tank at the Garden Park Storage Tank site (see Location Map, **Attachment 1**) is a project included in the FY 2018-19 Budget and the five (5)-year capital improvement plan. The need to clean and perform maintenance on this tank, as well as others within the Georgetown Divide Public Utility District ("District") facilities, is identified in the State inspection reports. The programmed expenditure in the five (5)-year capital improvement plan is \$256,450. Funding dedicated to this project is from Fund 43.

**DISCUSSION**

On January 9, 2019, the District released a request for bids for the recoating of the interior and exterior of Garden Park Water Storage Tank, an existing 200,000-gallon steel potable water storage tank, together with testing and proper disposal of all waste materials.

On January 31, 2019, the District received six (6) completed bid proposals ranging from a high bid of \$269,900 to a low bid of \$114,565. The bids were opened publicly at the appointed time and location. The bid summary sheet is attached as **Attachment 2**. A seventh envelope was received from Farr Construction. Farr Construction did not attend the mandatory pre-bid meeting, so their proposal was deemed unresponsive and the envelope was not opened.

Olympus and Associates was the apparent low bidder with a bid of \$114,565. The bid is included as **Attachment 3**. Staff reviewed and accepted the bid proposal and was able to contact three (3) of the five (5) references supplied by Olympus and Associates for previous similar projects. The three (3) respondents were positive in their assessment of Olympus and Associates performance on the listed projects. The fourth and fifth references did not respond to our inquiries. The references summary sheet is included as **Attachment 4**.

The construction project is planned to be completed by June 1, 2019. Due to the time-sensitive nature (increased seasonal demands for treated water) and short construction schedule (40 calendar days) of this project, staff recommends that the General Manager have “change order” authority in an amount not to exceed 10% of the contract amount. This will eliminate the need to return to the District Board of Directors for minor changes to the project, allowing for a timely completion of the project.

**FISCAL IMPACT**

The current total capital project budget is \$256,450. At this point in time, the projected expenditures are listed below:

Construction Inspection and Management	\$ 29,400
Construction Contract	114,565
Construction Contingency	<u>11,456</u>
<b>Total</b>	<b>\$155,421</b>

Staff does not anticipate exceeding the amount already planned to be used from capital reserves (Fund 43), so a budget adjustment is not needed at this time.

**CEQA ASSESSMENT**

This project is categorically exempt pursuant to CEQA Guidelines Section 15301, Existing Facilities, and Section 15061, No Possibility of Significant Effect on the Environment. The project is limited to maintenance of existing facilities and does not involve an expansion of use.

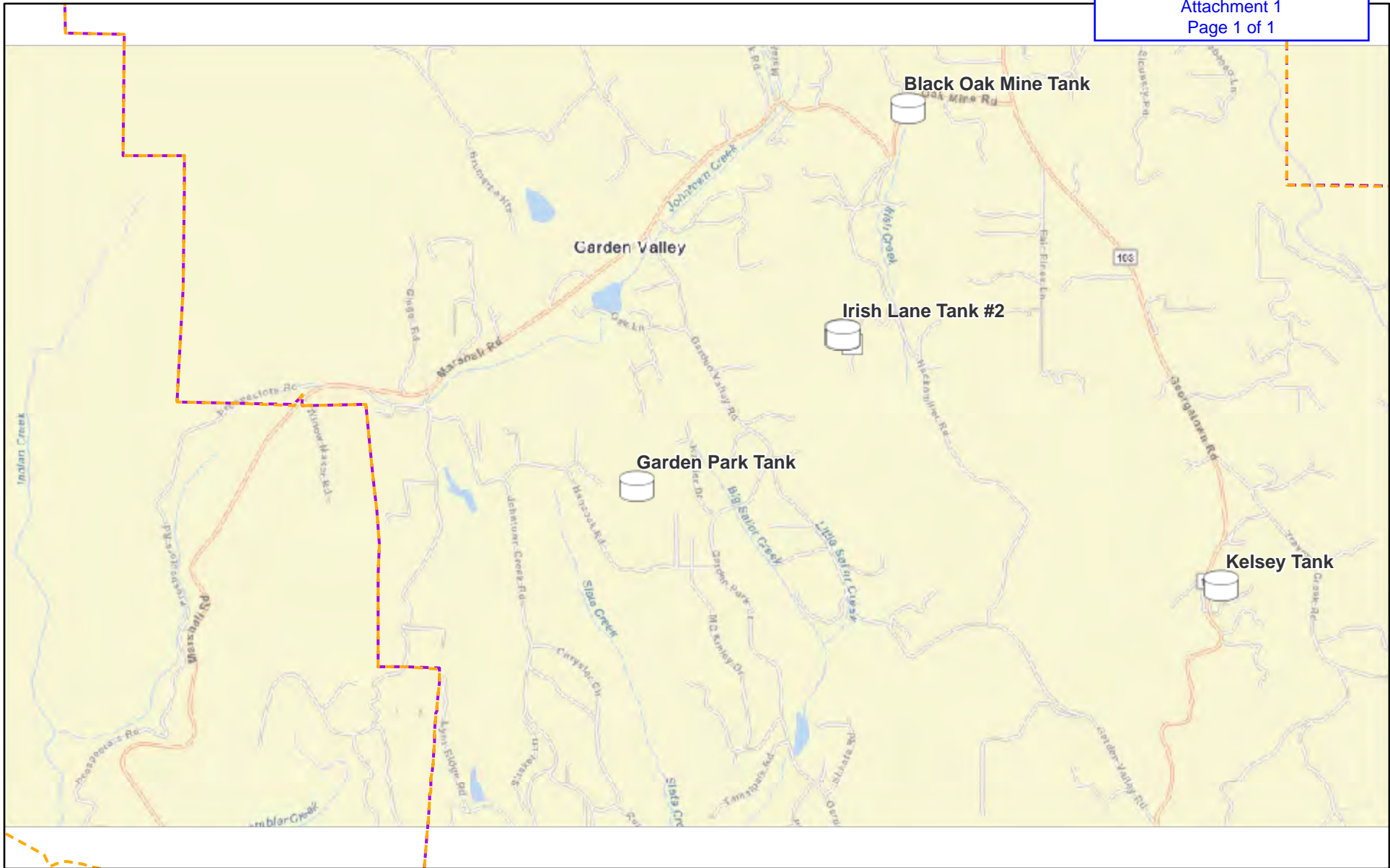
**RECOMMENDED ACTION**

Staff recommends that the Georgetown Divide Public Utility District Board of Directors adopt Resolution 2019-15 (Attachment 5) awarding the construction contract, authorizing the General Manager to execute a contract with Olympus and Associates in the amount of \$114,565, and authorizing the General Manager to approve change orders not to exceed 10% of the contract amount.

**ATTACHMENTS**







1. Location Map
2. Bid Summary Sheet
3. Olympus Bid
4. References Summary Sheet
5. Resolution 2019-15

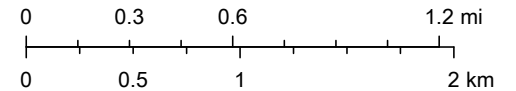
# Garden Park Tank Location



2/7/2019 12:02:06 PM

1:45,328

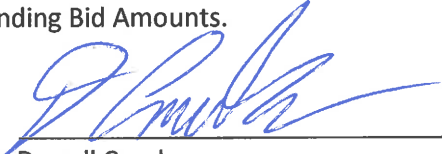
-  Tank
-  WaterDistribution - wMajorFacility
-  Reference\_Layers - District Boundaries
-  Booster Pump Station
-  GDPUD District Boundary
-  GDPUD Sphere of Influence




BID SUMMARY SHEET	
Project: <b>Garden Park</b> <b>Water Storage Tank Recoating Project</b>	Due Date <b>01/31/2019 @</b> and Time: <b>2 PM Local Time</b>
Facilitator: Darrell Creeks	Location: GDPUD Main Office

Contractor	Bid Amount
Unified Field Service Corporation	146,355.00
Olympus & Associates	114,565.00
Hulsey Construction Inc.	167,312.00
F. D. Thomas, Inc	169,366.00
Crosno Construction, Inc	198,807.00
Advanced Industrial Services, Inc	269,900.00

Note: This is only a summary sheet that provides a listing of those Contractors that submitted Bids and their corresponding Bid Amounts.

Prepared by:   
 Print Name: Darrell Creeks

Witness:   
 Print Name: Adam Brown

**GDPUD BID PROPOSAL CHECKLIST**

Project: Recourting Garden Park Storage tank  
 Bidder: Olympus and Associates, Inc.  
 Contact: Iazorus Tsiopus Phone: 775-322-0346

**Required Bid Documents**

	Bid Document	Comments	Received
1	Bid Proposal Form		<input checked="" type="checkbox"/>
2	Bid Schedule		<input checked="" type="checkbox"/>
3	Bid Bond		<input checked="" type="checkbox"/>
4	Experience and Qualifications		<input checked="" type="checkbox"/>
5	List of Subcontractors		<input checked="" type="checkbox"/>
6	Addendum Acknowledgement		<input checked="" type="checkbox"/>
7	Workers' Compensation Certificate		<input checked="" type="checkbox"/>
8	Non-Collusion Affidavit		<input checked="" type="checkbox"/>
9	Signature Sheet		<input checked="" type="checkbox"/>
10	Contractor's License (check CSLB)		<input checked="" type="checkbox"/>

Comments:

Reviewed by:  Date: 1-31-19

## BID PROPOSAL

### Recoating Garden Park Water Storage Tank

NAME OF BIDDER: Olympus and Associates, Inc  
STREET ADDRESS: 405 Lovitt Lane  
CITY, STATE, ZIP: Reno, NV 89506  
PHONE NO. 775-322-0346 FAX NO. \_\_\_\_\_  
CONTRACTOR LICENSE TYPE & NO.: 777671 - C33

The work for which this proposal is submitted is for construction in conformance with the Special Provisions (including the payment of not less than the prevailing wage rates), the project plans, if any, described below, including any addenda thereto, the contract annexed hereto, and also in conformance with the Georgetown Divide Public Utility District specifications.

The Special Provisions for the Work to be done are dated **January 31, 2019**. and are entitled:

### Recoating Garden Park Water Storage Tank

Bids are to be submitted for the entire work. The amount of the bid for comparison will be the total of all items.

The Bidder shall set forth, for each unit basis item of work, a unit price and a total for the item, and for each lump sum item a total for the item, all in clearly legible figures in the respective spaces provided for that purpose. In the case of unit basis items, the amount set forth under the "Item Total" column shall be the product of the unit price bid and the estimated quantity for the item.

In the case of a discrepancy between the unit price and the total set forth for a unit basis item, the unit price shall prevail, except as provided in (a) or (b), as follows:

- (a) If the amount set forth as a unit price is unreadable or otherwise unclear, or is omitted, or is the same as the amount as the entry in the item total column, then the amount set forth in the item total column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the unit price;
- (b) (Decimal Errors) If the product of the entered unit price and the estimated quantity is exactly off by a factor of ten, one hundred, etc. or one-tenth, one-hundredth, etc. from the entered total, the discrepancy will be resolved by mutual resolution between the two parties.

If both the unit price and the item total are unreadable or otherwise unclear, or are omitted, the bid may be deemed irregular. Likewise, if the item total for a lump sum item is unreadable or otherwise unclear, or is omitted, the bid may be deemed irregular unless the project being bid has only a single item and a clear, readable total bid is provided.

Symbols such as commas and dollar signs will be ignored and have no mathematical significance in establishing any unit price or item total or lump sums. Written unit prices, item totals and lump sums will be interpreted according to the number of digits and, if applicable, decimal placement. Cents symbols also have no significance in establishing any unit price or item total since all figures are assumed to be expressed in dollars and or decimal fractions of a dollar. Bids on lump sum items shall be item totals only; if any unit price for a lump sum item is included in a bid and it differs from the item total, the item total shall prevail.

The foregoing provisions for the resolution of specific irregularities cannot be so comprehensive as to cover every omission, inconsistency, error or other irregularity which may occur in a bid. Any situation not specifically provided for will be determined in the discretion of the Georgetown Divide Public Utility District, and that discretion will be exercised in the manner deemed by the Georgetown Divide Public Utility District to best protect the public interest in the prompt and economical completion of the work. The decision of the Georgetown Divide Public Utility District respecting the amount of a bid, or the existence or treatment of an irregularity in a bid, shall be final.

If this proposal shall be accepted and the undersigned shall fail to enter into the contract and furnish the bond(s) in the sums required by the State Contract Act, with surety satisfactory to the Georgetown Divide Public Utility District, and the insurance certificates within ten (10) days, not including Saturdays, Sundays, and legal holidays, after the Bidder has received notice from the Georgetown Divide Public Utility District that the contract has been awarded, the Georgetown Divide Public Utility District may, at its option, determine that the Bidder has abandoned the contract, and thereupon this proposal and the acceptance thereof shall be null and void and the forfeiture of the security accompanying this proposal shall operate and the same shall be the property of the Georgetown Divide Public Utility District.

When submitting its bid, the Bidder shall include security in the form of cash; cashier's check made payable to the District; a certified check made payable to the District or a bidder's bond executed by an admitted surety insurer, made payable to the District. The amount of security shall be 10 percent of the amount bid. Should the Bidder be awarded the contract, but fail to execute the contract, its security shall be forfeited to the District.

The Bidder has familiarized itself with the nature and extents of the Contract Documents, the Work, the site, the locality where the Work is to be performed, the legal requirements (federal, state and local laws, ordinances, rules, and regulations), and the conditions affecting cost, progress or performance of the Work, and has made such independent investigations as Bidder deems necessary.

The undersigned, as bidder, declares that the only persons or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm, or corporation; that he has carefully examined the plans therein referred to; and the contractor proposes, and agrees if this proposal is accepted, that they will contract with the Georgetown Divide Public Utility District, in the form of the copy of the contract annexed hereto, to provide all necessary machinery, tools, apparatus and other means of construction, and to do all the work and furnish all the materials specified in the contract, in the manner and time therein prescribed, and according to the requirements of the District as therein set forth, and that the contractor will take in full payment therefor the following prices, to wit:

# BID SCHEDULE

## Georgetown Divide Public Utility District

### Recoating Garden Park Water Storage Tank

Items			Lump Sum Price
1. Mobilization, Insurance, Bonds			\$ 8,800. <sup>00</sup>
2. Preparation and Coating Tank Exterior			\$ 19,750. <sup>00</sup>
3. Preparation and Coating Tank Interior, including climate control equipment			\$ 78,850. <sup>00</sup>
4. Laboratory Testing and Waste Removal			\$ 3,000. <sup>00</sup>
	<i>Estimated Quantity</i>	<i>Price/Unit</i>	
5. Welding Repair Per Pit	25	66. <sup>00</sup>	\$ 1,650. <sup>00</sup>
6. Welding Repair Per Linear Feet	10 Ft.	66. <sup>00</sup>	\$ 660. <sup>00</sup>
7. Seal Welded Repair 4"x4" Plate	5	83. <sup>00</sup>	\$ 415. <sup>00</sup>
8. Weld Grinding Per Hour	8	180. <sup>00</sup>	\$ <del>1,440.<sup>00</sup></del> 1,440. <sup>00</sup>
<b>TOTAL BID AMOUNT</b>			<b>\$ 114,565.<sup>00</sup></b>

one hundred fourteen thousand five hundred sixty five

**Total Amount in Words**

3.<sup>00</sup>/100



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**Experience Qualifications**

Number of years Bidder has been in the contracting business, under the present business name:  
18 Years

Experience in work, of a nature similar to that covered in the bid extends, over a period of 18 years.

Has the Bidder ever failed to satisfactorily complete a contract awarded to it. Yes  No

If yes, please explain:

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**List of Previous Contracts Completed by Contractor**

	DATE	NAME OF PROJECT	CONTRACT AMOUNT	OWNER	PHONE #
1.	5/2015	Skyfarm II	425,000	Town of Hillsborough	650 375-7538
2.	6/2017	Carlton Reservoir	834,469	City of North Las Vegas	702 277-4291
3.	01/2019	Head Tank Rehab	352,400	UC DAVIS	530 574-5476
4.	10/2018	Park Hill Reservoir	244,000	City of Hollister	831 636-4310
5.	4/2018	Five Water Tank	245,002 <del>194,000</del>	Marin Municipal	415 945 1581

Please attach separate sheet, if needed.

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### LIST OF SUBCONTRACTORS

The bidder shall list below the name and business address of each subcontractor who will perform work under this Contract in excess of one-half of one percent of the Contractor's total bid price, and shall also list the portion of the work which will be done by such subcontractor. After the opening of bids, no changes or substitutions will be allowed except as otherwise provided by law. The listing of more than one subcontractor for each item of work to be performed with the words "and/or" will not be permitted. All information must be provided for each subcontractor. Failure to comply with this requirement shall render the proposal (bid) non-responsive and shall cause its rejection. (Attach additional sheets if required.)

Work to be Performed	Subcontractor License #	Percent of Total Contract	Subcontractor's Name and Address
Tank welding	835288	5%	Crosno Construction
			819 Sheridan Rd
			Arroyo Grande, CA

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## ADDENDUM ACKNOWLEDGEM

Bidder acknowledges receipt of the following addenda, which are attached to the proposal:

Addenda No.	Date:
Addenda No.	Date:
Addenda No.	Date:
Addenda No.	Date:

### ADDENDA

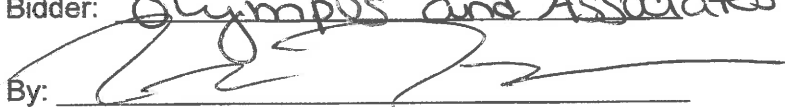
This proposal is submitted with respect to the changes to the contract included in the Addenda Acknowledgement above.

To all the foregoing, and including all Bid Schedule(s), List of Subcontractor's, Worker's Compensation Certificate, and Non-Collusion Affidavit, said Bidder further agrees to complete the Work required under the Contract Documents within the Contract Time stipulated in said Contract Documents and to accept full payment therefore the Contract Price based on Lump Sum(s) and/or Unit Bid Price(s) named in the aforementioned Bid Schedule(s).

By my signature on this proposal I certify, under penalty of perjury under laws of the State of California and the United States of America, that the above is true and correct.

Date: 1/30/19

Bidder: Olympus and Associates Inc

By:  \_\_\_\_\_  
 (Signature)

Title: Secretary / Treasurer

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## WORKERS' COMPENSATION CERTIFICATE

### Owner and Description of Contract:

**Georgetown Divide Public Utility District**

**Recoating Garden Park Water Storage Tank**

Labor Code Section 3700: *Every employer, except the State and all political subdivisions or institutions thereof, shall secure the payment of compensation in one or more of the following ways:*

- (a) *By being insured against liability to pay compensation in one or more insurer duly authorized to write compensation insurance in this State.*
- (b) *By securing from the Director of Industrial Relations a certificate of consent to self-insure, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.*

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Dated: 01/30, 201~~8~~<sup>9</sup>

Olympus and Associates Inc  
(Contractor)  
By: [Signature]  
(Signature)  
Secretary/Treasurer  
(Official Title)

(SEAL)

(Labor Code Section 1861 provides that the above certificate must be signed and filed by the Contractor with the Owner prior to performing any work.)



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# NON-COLLUSION AFFIDAVIT

This Affidavit to be fully executed.


The undersigned declares:

I am the secretary/treasurer of Olympus and Associates, Inc, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 01/30/19 [date], at Reno [city], Nevada [state]."

Signature:   
President, Secretary, Manager, Owner, or Representative

(Attach Notary Acknowledgement)

Print Name and Title below:

Lazarus Tsipos  
Secretary / Treasurer

STATE OF Nevada

COUNTY OF Washoe }

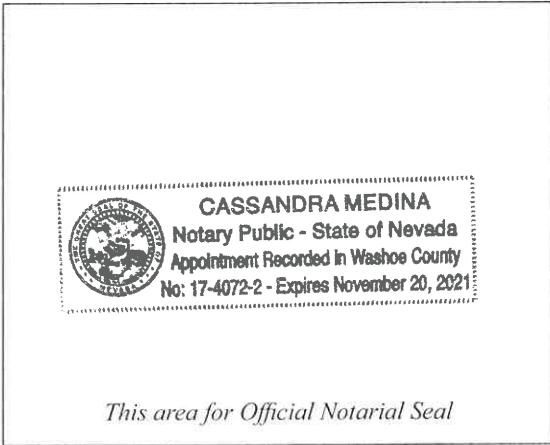
On 1/30/2019, before me, Cassandra Medina  
(here insert name of notary)

personally appeared Lazarus Tsiopos  
(name(s) of Signer(s))

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Cassandra Medina (SEAL)



**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL
- CORPORATE OFFICER
- \_\_\_\_\_ TITLE(S)
- PARTNER(S)       LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

\_\_\_\_\_ TITLE OR TYPE OF DOCUMENT

\_\_\_\_\_ NUMBER OF PAGES

\_\_\_\_\_ DATE OF DOCUMENT

\_\_\_\_\_ SIGNER(S) OTHER THAN NAMED ABOVE

**SIGNER IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(IES)  
\_\_\_\_\_  
\_\_\_\_\_

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## SIGNATURE SHEET

### SIGNATURE NOTICE

If bidder or other person of legal interest is a corporation; state legal name of corporation, also names of the president, secretary, treasurer, and manager authorized to sign contracts; if a co-partnership, state true name of firm, also names of all individual copartners composing firm authorized to sign contracts; if Bidder or other interested person is an individual, state first and last names in full.

Provide the names of all persons of legal interest in the foregoing proposal as principals below:

George Tsiopoulos - President  
Lazarus Tsiopoulos - Secretary / Treasurer  
Olympus and Associates Inc

Licensed in conformance with an act providing for the registration of contractors,

Contractor's License No.: 777677 Classification(s): C33

# THE AMERICAN INSTITUTE OF ARCHITECTS

## AIA Document A310 Bid Bond

KNOW ALL MEN BY THESE PRESENTS, THAT WE Olympus and Associates, Inc.

as Principal, hereinafter called the Principal, and Great American Insurance Company

a corporation duly organized under the laws of the State of Ohio

as Surety, hereinafter called the Surety, are held and firmly bound unto Georgetown Divide Public Utility District

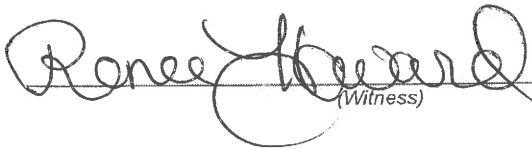
as Obligee, hereinafter called the Obligee, in the sum of Ten percent of attached bid  
Dollars (\$ \*\*10%\*\* of attached bid ),


for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for Recoating Garden Park Water Storage Tank

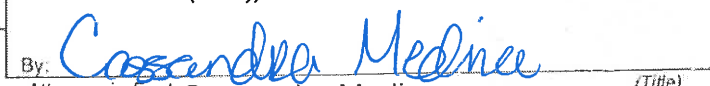
NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and materials furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 30th day of January, 2019

  
(Witness)

Olympus and Associates, Inc.  
(Principal) (Seal)  
By:   
(Title)

  
(Witness)

Great American Insurance Company  
(Surety) (Seal)  
By:   
Attorney-in-Fact Cassandra Medina (Title)

Surety Phone No. 775-336-0827

**GREAT AMERICAN INSURANCE COMPANY®**

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by  
 this power of attorney is not more than FIVE

No. 0 21257

**POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS:** That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below, each individually if more than one is named, its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

Name	Address	Limit of Power
NICK ROSSI	ALL OF	ALL
TERI WOOD	RENO, NEVADA	\$100,000,000
PATRICIA OWENS		
ANDREA MARIE CANTLON		
CASSANDRA MEDINA		

This Power of Attorney revokes all previous powers issued on behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 24TH day of JANUARY 2019



*Atty L C. B.*  
 Assistant Secretary

GREAT AMERICAN INSURANCE COMPANY

*Mark V Vicario*  
 Divisional Senior Vice President

MARK VICARIO (877-377-2405)

STATE OF OHIO, COUNTY OF HAMILTON - ss:

On this 24TH day of JANUARY, 2019, before me personally appeared MARK VICARIO, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.



**Susan A. Kohorst**  
 Notary Public, State of Ohio  
 My Commission Expires 05-18-2020

*Susan A Kohorst*

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

*RESOLVED: That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisional Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.*

*RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.*

**CERTIFICATION**

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 30th day of January, 2019



*Atty L C. B.*  
 Assistant Secretary



# CONTRACTORS STATE LICENSE BOARD



## Contractor's License Detail for License # 777677

**DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.**

CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.

Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.

Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.

Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 1/31/2019 3:31:29 PM

### Business Information

OLYMPUS AND ASSOCIATES INC  
dba OLYMPUS PAINTING & SANDBLASTING

P O BOX 8015  
RENO, NV 89507  
Business Phone Number:(775) 322-0346

Entity Corporation  
Issue Date 04/20/2000  
Expire Date **04/30/2020**

### License Status

**This license is current and active.**  
All information below should be reviewed.

### Classifications

C33 - PAINTING AND DECORATING

### Bonding Information

#### Contractor's Bond

This license filed a Contractor's Bond with WESTERN SURETY COMPANY.  
**Bond Number:** 929370398  
**Bond Amount:** \$15,000  
**Effective Date:** 01/01/2016  
Contractor's Bond History

#### Bond of Qualifying Individual

This license filed Bond of Qualifying Individual number **CS1534585** for GEORGE LAZAROS TSIOPPOS in the amount of **\$12,500** with GREAT AMERICAN INSURANCE COMPANY.  
**Effective Date:** 01/01/2017  
BQI's Bond History

### Workers' Compensation

This license has workers compensation insurance with the BENCHMARK INSURANCE COMPANY  
**Policy Number:** BWC18189003  
**Effective Date:** 08/15/2018  
**Expire Date:** 08/15/2019  
Workers' Compensation History



**Experience Qualifications**

Number of years Bidder has been in the contracting business, under the present business name:  
18 Years

Experience in work, of a nature similar to that covered in the bid extends, over a period of 18 years.

Has the Bidder ever failed to satisfactorily complete a contract awarded to it. Yes        No X

If yes, please explain:

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**List of Previous Contracts Completed by Contractor**

	DATE	NAME OF PROJECT	CONTRACT AMOUNT	OWNER	PHONE #
1.	5/2015	Skyfarm II	425,000	Town of Hillsborough	650 375-2538
2.	6/2017	Carlton Reservoir	834,469	City of North Las Vegas	702 277-4291
3.	01/2019	Head Tank Rehab	352,400	UC DAVIS	530 574-5476
4.	10/2018	Ravk Hill Reservoir	244,000	City of Hollister	831 636-4340
5.	4/2018	Five Water Tank	245,062 <del>194,000</del>	Marin Municipal	415 945 1581

Please attach separate sheet, if needed.

**RESOLUTION NO. 2019-15**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**AUTHORIZING THE GENERAL MANAGER TO EXECUTE**  
**A CONSTRUCTION CONTRACT WITH OLYMPUS AND ASSOCIATES**  
**FOR AN AMOUNT NOT TO EXCEED \$114,565 FOR THE RECOATING**  
**OF GARDEN PARK STORAGE TANK, AUTHORIZING THE GENERAL**  
**MANAGER TO APPROVE CHANGE ORDERS NOT TO EXCEED 10% OF**  
**THE CONTRACT AMOUNT**

**WHEREAS**, a Utility Service Group water storage tank inspection was conducted in 2015 which identified several storage tanks in the Georgetown Divide Public Utility District (“District”) in need of cleaning and recoating, including the Garden Park Storage Tank; and

**WHEREAS**, a notice inviting bids to select a contractor to perform the recoating of Garden Park Storage Tank was issued on January 9, 2019, and six (6) bids were received on January 31, 2019; and

**WHEREAS**, after reviewing bids, District Staff have determined that Olympus And Associates was the lowest responsive and responsible bidder; and

**WHEREAS**, the Olympus and Associates bid is in the amount of \$114,565; and

**WHEREAS**, the project expenditures are expected to be in the amount of \$151,421, which is within the total project budget of \$256,450.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT**

1. The construction contract is awarded to Olympus and Associates.
2. The General Manager is authorized to execute a construction contract with Olympus and Associates in the amount of \$114,565 for the recoating of Garden Park Water Storage Tank.
3. The General Manager is authorized to approve change orders not to exceed 10% of the contract amount.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twelfth day of February 2019, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

---

Dane Wadle, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Attest:*

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

### **CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-15 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this twelfth day of February 2019.

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 7.B.**



**AGENDA SECTION: NEW BUSINESS**

**SUBJECT: AMENDMENT TO PROFESSIONAL SERVICE AGREEMENT  
WITH NEXGEN UTILITY MANAGEMENT, INC., TO INCREASE  
CONSTRUCTION MANAGEMENT AND INSPECTION BUDGET**

**PREPARED BY:** George Sanders, Engineering Consultant

**APPROVED BY:** Steven Palmer, PE, General Manager

A handwritten signature in blue ink, appearing to be "Steven Palmer", is written over the "APPROVED BY" line.

---

**BACKGROUND**

On March 14, 2017, the Georgetown Divide Public Utility District ("District") Board of Directors ("Board") authorized the General Manager to execute a Professional Services Agreement with NEXGEN Utility Management, Inc. ("NEXGEN") to provide Construction Management and Inspection Services for the Auburn Lake Trails Water Treatment Plant Project, for an amount not to exceed \$650,000.

The project construction activities commenced on March 13, 2017. The District entered a contract with NEXGEN for construction management and inspection services on May 1, 2017. **Attachment 1** of this report is a copy of the executed contract. During the period from March 13, 2017 to May 1, 2017, the construction management and inspection services were performed by District Staff under the supervision of George Sanders, Engineering Consultant.

**DISCUSSION**

The Board was informed at the January 8, 2019 meeting that the project completion date has moved from January 2019 to the end of March 2019. This is the result of additional efforts needed in the setup of the filters together with changes made in the SCADA (Supervisory Control and Data Acquisition) system.

The current contract with NEXGEN is billed on a time and materials basis and was structured around a duration of 360 working days. As of the end of calendar year 2018 NEXGEN had been under contract for 435 working days. Through cost saving measures instituted by Engineering Consultant George Sanders, District Staff, and NEXGEN, that contract amount is now expected to be exhausted by mid-February of this year. The remaining balance under that contract, as of January 22, 2019, is \$24,316. Construction is now expected to take an additional fifty-three (53) working days beyond mid-February.

NEXGEN has provided continuous construction management and inspection services for this project over the past twenty-one (21) months. The benefits of retaining the services of NEXGEN through the end of construction are significant from the standpoint of general project knowledge and overall continuity in inspection services.

NEXGEN initially submitted a proposal (**Attachment 2**) identifying costs in the amount of \$116,980 associated with extending the schedule. The District has evaluated the proposal, discussed elements of that proposal with NEXGEN, and both parties have agreed to a contract amendment in the amount of \$77,880 (**Attachment 3**). Under this amendment the District would be billed on a time and materials basis for the services needed.

**FISCAL IMPACT**

This action would result in an expenditure of \$77,880. There are adequate funds remaining in the approved budget for Construction Engineering, Construction Management and Environmental to fund this expenditure. A budget amendment is not needed at this time.

**CEQA ASSESSMENT**

A Mitigated Negative Declaration was adopted by the Board on April 12, 2016.

**RECOMMENDED ACTION**

Staff recommends that the Board of Directors of the Georgetown Divide Public Utility District adopt Resolution 2019-13 (**Attachment 4**) authorizing the General Manager to execute Contract Amendment One to the Professional Services Agreement with NEXGEN Utility Management, Inc. in the amount of \$77,880.

**ALTERNATIVES**

(a) Request substantive changes to the Resolution for staff to implement; (b) Reject the Resolution.

**ATTACHMENTS**

1. Professional Services Agreement with NEXGEN Utility Management, Inc.
2. NEXGEN Proposal for Contract Amendment
3. NEXGEN Contract Amendment One
4. Resolution 2019-13

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
PROFESSIONAL SERVICES AGREEMENT  
WITH NEXGEN UTILITY MANAGEMENT, INC.  
FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES,  
AUBURN LAKE TRAILS WATER TREATMENT PLANT PROJECT**

**THIS PROFESSIONAL SERVICES AGREEMENT** ("Agreement") is made and entered into this 1st day of May 2017, (the "Effective Date") by and between the Georgetown Divide Public Utilities District, a California Public Utilities District ("District"), and NEXGEN Utility Management, Inc., a California Corporation ("Consultant"). District and Consultant may herein be referred to individually as a "Party" and collectively as the "Parties". There are no other parties to this Agreement.

**RECITALS**

**A.** District has determined that consultant services are required associated with the construction management, together with portions of construction inspection, for the Auburn Lake Trails Water Treatment Plant Project (the "Project").

**B.** Consultant has submitted a proposal to District that includes a scope of proposed consultant services, attached hereto and described more fully in **Exhibit A** ("Services").

**C.** Consultant represents that it is qualified, willing, and able to provide the Services to District, and that it will perform Services related to the Project per the rate schedule included in the scope of proposed consultant services attached hereto as **Exhibit B** (the "Rates").

**D.** A copy of District's request for proposal entitled "Construction Management and Inspection Services Auburn Lake Trails Water Treatment Plant Project" is incorporated into this agreement and attached hereto as **Exhibit C** (the "RFP").

**NOW, THEREFORE**, in consideration of the promises and covenants set forth below, the Parties agree as follows:

**AGREEMENT**

**1. Recitals.** The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 21 of this Agreement, Section 1 through 21 shall prevail.

**2. Consulting Services.** Consultant agrees, during the term of this Agreement, to perform the Services for the District in connection with the Project. Any request for services in addition to the Services described in **Exhibit A** will be considered a request for additional consulting services and not compensated unless the Parties otherwise agree in writing. No subcontract shall be awarded or an outside consultant engaged by Consultant unless prior written approval is obtained from District.

**3. Compensation.** District shall pay Consultant according to the fee schedule set forth in **Exhibit B**, as full remuneration for the performance of the Services. Consultant agrees to maintain a

log of time spent in connection with performing the Services. On a monthly basis, Consultant shall provide District, in reasonable and understandable detail, a description of the services rendered pursuant to the Services and in accordance with the Rates. If the work is satisfactorily completed, District shall pay such invoice within thirty (30) days of its receipt. If District disputes any portion of any invoice, District shall pay the undisputed portion within the time stated above, and at the same time advise Consultant in writing of the disputed portion.

**4. Term.** This Agreement shall become effective once all of the Parties have executed the Agreement (the "Effective Date") and will continue in effect until the Services provided herein have been completed, unless terminated earlier as provided in Section 6 or 7 below (the "Term").

**5. Termination.** District may terminate this Agreement prior to the expiration of the Term ("Termination"), without cause or reason, by notifying Consultant in writing of District's desire to terminate this Agreement (the "Termination Notice"). Upon receipt of a Termination Notice, Consultant shall immediately cease performing the Services. Consultant will be entitled to compensation, as of the date Consultant receives the Termination Notice, only for Services actually performed.

**6. Termination for Cause.** Notwithstanding Section 6 above, this Agreement may be terminated by the District for cause based on the loss or suspension of any licenses, permits or registrations required for the continued provision of the Services, or Consultant's malfeasance. Termination of the Agreement for cause as set forth in this Section shall relieve District from compensating Consultant.

**7. Assurance of Performance.** If, at any time, District believes Consultant may not be adequately performing its obligations under this Agreement or may fail to complete the Services as required by this Agreement, District may submit a written request to Consultant for written assurances of performance and a plan to correct observed deficiencies in Consultant's performance. Failure to provide written assurances subsequent to such written request, constitutes grounds to declare a breach under this Agreement.

**8. Cancellation for Breach by Either Party.** Should either Party fail to substantially perform its obligations in accordance with the provisions of this Agreement, the other Party shall thereupon have the right to cancel the Agreement by giving written notice and specifying the effective date of such cancellation. Recipient shall have at least fourteen (14) days to cure the breach. If District cancels this Agreement for breach and it is subsequently determined that Contractor did not fail to substantially perform its obligations in accordance with this Agreement, then cancellation for breach by District shall be deemed, and treated, as termination for convenience.

Neither Party waives the right to recover damages against the other for breach of this Agreement including any amount necessary to compensate District for all detriment proximately caused by Contractor's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. District reserves the right to offset such damages against any payments owed to Contractor.

District shall not in any manner be liable for Contractor's actual or projected lost profits had Contractor completed the Services required by this Agreement.

In the event of cancellation by either Party, copies of all finished or unfinished work shall become the property of District.

**9. Confidential Information.** Consultant understands and agrees that, in the performance of Services under this Agreement or in the contemplation thereof, Consultant may have access to private or confidential information that may be owned or controlled by District and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to District ("Confidential Information").

Consultant shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of District. If District gives Consultant written authorization to make any such disclosure, Consultant shall do so only within the limits and to the extent of that authorization. Such authorization does not guarantee that the District will grant any further disclosure of Confidential Information. Consultant may be directed or advised by the District's General Counsel on various matters relating to the performance of the Services on the Project or on other matters pertaining to the Project, and in such event, Consultant agrees that it will treat all communications between itself, its employees and its subcontractors as being communications which are within the attorney-client privilege.

**10. Performance by Key Employee.** Consultant has represented to District that Dan Rich will be the person primarily responsible for the performance of the Services and all communications related to the Services. District has entered into this Agreement in reliance on that representation by Consultant.

**11. Property of District.** The following will be considered and will remain the property of District:

**A. Documents.** All reports, drawings, graphics, working papers and Confidential Information furnished by District in connection with the Services ("Documents"). Nothing herein shall be interpreted as prohibiting or limiting District's right to assign all or some of District's interests in the Documents.

**B. Data.** All data collected by Consultant and produced in connection with the Services including, but not limited to, drawings, plans, specifications, models, flow diagrams, visual aids, calculations, and other materials ("Data"). Nothing herein shall be interpreted as prohibiting or limiting District's right to assign all or some of District's interests in the Data.

**C. Delivery of Documents and Data.** Consultant agrees, at its expense and in a timely manner, to return to District all Documents and Data upon the conclusion of the Term or in the event of Termination.

**12. Duties of District.** In order to permit Consultant to render the services required hereunder, District shall, at its expense and in a timely manner:

**A.** Provide such information as Consultant may reasonably require to undertake or perform the Services;

**B.** Promptly review any and all documents and materials submitted to District by Consultant in order to avoid unreasonable delays in Consultant's performance of the Services; and

**C.** Promptly notify Consultant of any fault or defect in the performance of Consultant's services hereunder.

**13. Representations of Consultant.** District relies upon the following representations by Consultant in entering into this Agreement:



**A. Qualifications.** Consultant represents that it is qualified to perform the Services and that it possesses the necessary licenses, permits and registrations required to perform the Services or will obtain such licenses or permits prior to the time such licenses or permits are required. Consultant represents and warrants to District that Consultant shall, at Consultant's sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and registrations that are legally required for Consultant to practice Consultant's profession at the time the Services are rendered.

**B. Consultant Performance.** Consultant represents and warrants that all Services under this Agreement shall be performed in a professional manner and shall conform to the customs and standards of practice observed on similar, successfully completed projects by specialists in the Services to be provided. Consultant shall adhere to accepted professional standards as set forth by relevant professional associations and shall perform all Services required under this Agreement in a manner consistent with generally accepted professional customs, procedures, and standards for such Services. All work or products completed by Consultant shall be completed using the best practices available for the profession and shall be free from any defects. Consultant agrees that, if a Service is not so performed, in addition to all of its obligations under this Agreement and at law, Consultant shall re-perform or replace unsatisfactory Service at no additional expense to District.

**14. Compliance with Laws and Standards.** Consultant shall insure compliance with all applicable federal, state, and local laws, ordinances, regulations, and permits, including but not limited to federal, state, and county safety and health regulations. Consultant shall perform all work according to generally accepted standards within the industry. Consultant shall comply with all ordinances, laws, orders, rules, and regulations, including the administrative policies and guidelines of District pertaining to the work.

**15. Independent Contractor; Subcontracting.** Consultant will employ, at its own expense, all personnel reasonably necessary to perform the Services. All acts of Consultant, its agents, officers, employees, and all others acting on behalf of Consultant relating to this Agreement will be performed as independent contractors. Consultant, its agents, and employees will represent and conduct themselves as independent contractors and not as employees of District. Consultant has no authority to bind or incur any obligation on behalf of District. Except as District may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of District in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind District to any obligation whatsoever. Consultant is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is expressly approved by District in writing.

**16. Insurance.** Consultant and all of Consultant's contractors and subcontractors shall obtain and maintain insurance of the types and in the amounts described in this paragraph and its subparagraphs with carriers reasonably satisfactory to District.

**A. General Liability Insurance.** Consultant shall maintain occurrence version commercial general liability insurance or an equivalent form with a limit of not less than Two Million Dollars (\$2,000,000) per claim and Two Million Dollars (\$2,000,000) for each occurrence.

**B. Workers' Compensation Insurance.** Consultant shall carry workers' compensation insurance as required by the State of California under the Labor Code. Consultant shall also carry employer's liability insurance in the amount of One Million Dollars (\$1,000,000.00) per accident, with a

One Million Dollar (\$1,000,000.00) policy limit for bodily injury by disease, and a One Million Dollar (\$1,000,000.00) limit for each employee's bodily injury by disease.

**C. Automobile Insurance.** Consultant shall carry automobile insurance for the vehicle(s) Consultant uses in connection with the performance of this Agreement in the amount of One Million Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage.

**D. Errors and Omissions Liability.** Consultant shall carry errors and omissions liability insurance in the amount of no less than One Million Dollars (\$1,000,000.00) per occurrence or greater if appropriate for the Consultant's profession. Architects and Engineers coverage is to be endorsed to include contractual liability. Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the District, elected and appointed councils, commissions, directors, officers, employees, agents, and representatives ("District's Agents"); or the Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claims administration and defense expenses.

**E. Other Insurance Requirements.** Within five (5) days of the Effective Date, Consultant shall provide District with certificates of insurance for all of the policies required under this Agreement ("Certificates"), excluding the required worker's compensation insurance. Such Certificates shall be kept current for the Term of the Agreement and Consultant shall be responsible for providing updated copies and notifying District if a policy is cancelled, suspended, reduced, or voided. With the exception of the worker's compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to District of such cancellation, expiration, or reduction and each policy shall be endorsed to state such; (b) name District, and District's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied, or used by the Consultant, or automobiles owned, leased, or hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the District; (c) be primary with respect to any insurance or self-insurance programs covering District or District's Agents and any insurance or self-insurance maintained by District or District's Agents shall be in excess of Consultant's insurance and shall not contribute to it; (d) contain standard separation of insured provisions; and (e) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to the District.

**17. Indemnification.** Consultant hereby agrees to indemnify and hold harmless District, its agents, officers, employees and volunteers, against all liability, obligations, claims, loss, and expense (a) caused or created by Consultant, its subcontractors, or the agents or employees of either, whether negligent or not, pertaining to or related to acts or omissions of Consultant in connection with the Services, or (b) arising out of injuries suffered or allegedly suffered by employees of Consultant or its subcontractors (i) in the course of their employment, (ii) in the performance of work hereunder, or (iii) upon premises owned or controlled by District. Consultant's obligation to defend, indemnify and hold District and its agents, officers, employees and volunteers harmless is not terminated by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

**18. Consequential Damages.** Notwithstanding any other provision of this Agreement, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special,

consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

**19. Litigation.** In the event that either Party brings an action under this Agreement for the breach or enforcement hereof, or must incur any collection expenses for any amounts due hereunder the prevailing Party in such action shall be entitled to its costs including reasonable attorney's fees, whether or not such action is prosecuted to judgment.

**20. Notices.** Any notice or communication required hereunder between District or Consultant must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Notices given by registered or certified mail shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, (b) on the date delivered as shown on a receipt issued by the courier, or (c) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at the addresses in this paragraph set forth below:

If to District: Georgetown Divide Public Utility District  
P.O. Box 4240  
6425 Main Street  
Georgetown, CA 95634  
Attention: General Manager

With courtesy copies to: Churchwell White LLP  
1414 K Street, 3rd Floor  
Sacramento, California 95814  
Attention: Barbara A. Brenner, Esq.

If to Consultant: NEXGEN Utility Management, Inc.  
4010 Lennane Drive  
Sacramento, CA 95834  
Attention: Dan Rich, PE, Principal-In-Charge

**21. General Provisions.**

**A. Modification.** No alteration, modification, or termination of this Agreement shall be valid unless made in writing and executed by all Parties.

**B. Waiver.** The waiver by any Party of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

**C. Assignment.** No Party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties.

**D. Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the state of California.

**E. Venue.** Venue for all legal proceedings shall be in the Superior Court of California for the County of El Dorado.

**F. Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

**G. Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which shall be deemed a single agreement.

**H. Severability.** If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

**I. Audit.** District shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Consultant's charges to District under this Agreement.

**J. Entire Agreement.** This Agreement sets forth the entire understanding between the Parties as to the subject matter of this Agreement and supersedes and merges all prior discussions, negotiations, proposal letters or other promises, whether oral or in writing.

**K. Headings Not Controlling.** Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

**L. Time is of the Essence.** Time is of the essence in this Agreement for each covenant and term of a condition herein.

**M. Drafting and Ambiguities.** Any rule of construction that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last day and date below written.


**DISTRICT:**

**CONSULTANT:**

GEORGETOWN DIVIDE PUBLIC UTILITIES DISTRICT, a California Public Utilities District

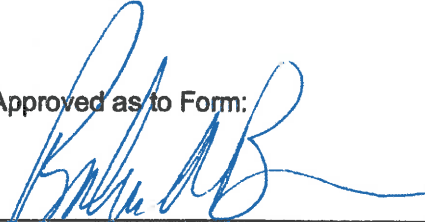
NEXGEN Utility Management, Inc., a California Corporation

By:   
Steven Palmer, General Manager

By:   
Name: Dan Rich, P.E.

Date: 4/20/17

Date: 4-18-17

Approved as to Form:  
  
Barbara A. Brenner, General Counsel



January 22, 2019

Mr. George Sanders, P.E.  
 Georgetown Divide Public Utility District  
 P.O. Box 4240,  
 Georgetown CA 95634

Dear Mr. Sanders:

**Subject Proposed Contract Amendment No. 1 the Construction Management and Inspection Services at the Auburn Lakes Trails Water Treatment Plant**

On 5/1/17 the District executed NEXGEN's contract for Construction Management and Inspection Services at the Auburn Lakes Trails Water Treatment Plant Upgrade Project (Project). That agreement was for a not to exceed time and materials based budget of \$649,980. The budget had assumed full time inspection and support over a 360 working day project. With your and your staff's assistance, we have been able to stretch that budget an extra 4 months into early 2019. We now are near our authorization and respectfully request a contract amendment to provide construction oversight through end of the construction this spring. For the purposes of setting a budget we have assumed construction would be completed at the end of April. As we have under our current authorization, we would only invoice the District for hours actually worked on the job.

The table below provides our expected level of effort and budget for the proposed contract amendment:

<b>Billing Rate</b>	<b>Principal 190</b>	<b>CM 170</b>	<b>PE 160</b>	<b>Admin 70</b>	<b>Expenses (b)</b>	<b>Total Budget</b>
Hours (a)	50	424	150	20		
<b>Labor Cost</b>	<b>\$ 9,500</b>	<b>\$ 72,080</b>	<b>\$ 24,000</b>	<b>\$ 1,400</b>	<b>\$ 10,000</b>	<b>\$ 116,980</b>
<b>(a) Budget Based on 53 working days between mid February to end of April 2019</b>						
<b>(b) Allowance for project related expenses. Approved by District prior to use.</b>						

Please contact me if I can answer any questions regarding this proposal. Thank you for the opportunity to continue to serve the District on this important project.

NEXGEN Utility Management

*Daniel Rich*

Dan Rich, P.E.  
 Vice-President  
 T 916-779-7301 | [drich@nexgenum.com](mailto:drich@nexgenum.com) |  
 Main Office Address: 4010 Lennane Drive, Sacramento, CA, 95834

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**

**CONTRACT AMENDMENT ONE**

**TO PROFESSIONAL SERVICES AGREEMENT  
 WITH NEXGEN UTILITY MANAGEMENT, INC.  
 FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES  
 AUBURN LAKE TRAILS WATER TREATMENT PLANT PROJECT**

The Professional Services Agreement previously entered into between the Georgetown Divide Public Utility District (“District”) and NEXGEN Utility Management, Inc., (Consultant) on May 1, 2017, is hereby amended as follows:

**Period of Performance**

The project completion date has been moved from January 2019 to the end of March 2019. This Contract Amendment is based on a 53 working day period between mid-February to the end of April 2019.

**Compensation and Method of Payment**

The original contract agreement provides for billing on a time and materials basis for inspection and support services over a 360-work day project period.

The proposed additional services listed in the correspondence dated January 22, 2019, from the Consultant to the District, herein after referred to as Attachment 1. The table below provides the expected level of effort and budget negotiated by the District for this Contract Amendment:

<b>Classification</b>	<b>Principal</b>	<b>Construction Management</b>	<b>Administrative</b>	<b>Expenses (b)</b>	<b>Total Budget</b>
<b>Billing Rate</b>	190	170	70		
<b>Hours (a)</b>	15	424	10		
<b>Labor Costs</b>	\$2,850	\$72,080	\$700	\$2,250	\$77,800

(a) Budget based on 53 working days between mid-February to end of April 2019.

(b) Allowance for project-related expenses to be approved by district prior to use.

Payment for the additional services rendered shall be made on a time and materials basis with invoices submitted monthly. Invoicing must identify the specific tasks, personnel classification, number of hours, and receipts for required outside expenses (if applicable).

**Remainder of Contract Provisions**

Except as specified above, all other provisions as contained in the original contract agreement shall remain in force.

**Board Approval**

The Georgetown Divide Public Utility District Board of Directors approved Contract Amendment One at a regular meeting held on February 12, 2019, with the adoption of Resolution 2019-xx.

**IN WITNESS THEREOF**, this Contract Amendment One is executed as of the date(s) shown below:

**DISTRICT:**

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT,  
A California Public Utilities District

By: \_\_\_\_\_  
Steven Palmer, PE, General Manager

Date: \_\_\_\_\_

**CONSULTANT:**

NEXGEN Utility Management, Inc.,  
A California Corporation

By: Dan Rich  
Dan Rich, P.E., Vice-President

Date: 2-5-19



**RESOLUTION NO. 2019-13**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**AUTHORIZING AN AMENDMENT TO THE PROFESSIONAL SERVICES**  
**AGREEMENT WITH NEXGEN UTILITY MANAGEMENT, INC.**

**WHEREAS**, the Georgetown Public Utility District (“District”) Board of Directors (“Board”) authorized the General Manager to execute a Professional Services Agreement with NEXGEN Utility Management, Inc. (“NEXGEN”) on March 14, 2017; and

**WHEREAS**, the Professional Services Agreement was entered between the District and NEXGEN on May 1, 2017 to provide construction management and inspection services for the Auburn Lake Trails Water Treatment Plant Project for an amount not to exceed \$650,000; and

**WHEREAS**, the project completion date has been moved from January 2019 to the end of March 2019 due to the need for additional work related to the setup of the filters together with changes made in the Supervisory Control and Data Acquisition system; and

**WHEREAS**, NEXGEN has provided continuous construction management and inspection services for this project over the past twenty-one (21) months and offers the benefits of their general project knowledge and overall continuity of inspection services; and

**WHEREAS**, the District has evaluated NEXGEN’s proposal in the amount of \$116,980, and both parties have agreed to amend the Professional Services Agreement to increase the construction management and inspection budget in the amount of \$77,880.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT** the General Manager is authorized to execute Contract Amendment One to the Professional Services Agreement with NEXGEN Utility Management, Inc., for an amount not to exceed \$77,880.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twelfth day of February 2019, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

---

Dane Wadle, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Attest:*

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

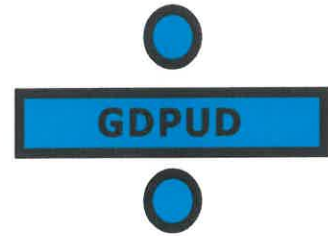
### **CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-13 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this twelfth day of February 2019.

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2018  
AGENDA ITEM NO. 7.C.**



**AGENDA SECTION: NEW BUSINESS**

**SUBJECT: FY 2017-18 AUDITED FINANCIAL STATEMENTS**

**PREPARED BY:** Kristen West, Finance Consultant

**APPROVED BY:** Steven Palmer, PE, General Manager

A blue ink signature of Steven Palmer, General Manager.

---

**BACKGROUND**

Georgetown Divide Public Utility District ("District") prepares annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP). These principles provide guidance for financial reporting and state that financial information should be timely, complete, accurate, reliable, and presented fairly in all material respects. Pursuant to California Code of Regulations, tit. 2, section 1131, an independent audit of the financial statements is a requirement of the Comptroller of the United States of America in accordance with the Governmental Auditing Standards. Furthermore, according to California Government Code section 26909, an audit report should be filed within twelve (12) months of the fiscal year(s) end; whereas the District has the authority to elect an annual audit, biennial audit, five (5)-year audit, or an audit conducted at specific intervals covering at least a five (5)-year period.

Historically, the District has conducted audits and reported financial statements annually. In order to maintain compliance with the District's financial reporting goals and the above-mentioned statutory requirements, the District has contracted with Lance, Soll & Lunghard CPAs ("LSL") to administer an annual audit and provide their opinion for fiscal years ending 2018, 2019, and 2020.

**DISCUSSION**

The District's financial goals for providing timely, complete, accurate, and reliable financial statements that are presented fairly in all material respects include an annual audit with issued financial statements no later than 180 days after the close of the fiscal year. This reporting goal is more restrictive than the statutory requirement of twelve (12) months and is in line with the Government Finance Officer Association's Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Award Program), a program which the General Manager and Finance Department are actively working towards with direction from the Finance Consultant and with support of LSL.

For fiscal year ended June 30, 2018, LSL conducted their year-end audit fieldwork the week of October 29, 2018 and provided final financial statements on December 31, 2018, effectively meeting the goals of the District. The auditors issued a clean opinion that the District's audited financial statements are presented fairly in all material respects.

The auditor's opinion, Management's Discussion & Analysis (MD&A), financial statements, and notes to the financial statements are bound as a single report (**Attachment 1**). Hard copies of the financial statements are to be distributed to the District Board of Directors and key personnel. An electronic copy is available for review. After the culmination of this meeting, a copy will be published on the District's website for public access, and copies will be distributed to applicable state, county, investing, and financing users of the financial statements.

Brandon Young of Lance, Soll & Lunghard is in attendance to present the audited financial statements.

**FISCAL IMPACT**

None.

**CEQA ASSESSMENT**

This is not a CEQA Project.

**RECOMMENDED ACTION**

Upon verbal presentation from Lance, Soll & Lunghard, Staff recommends the Board of Directors receive and file the audited financial statements.

**ATTACHMENTS**

1. Exhibit A - Fiscal Year 2017-18 Audited Financial Statements



December 31, 2018

To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

We have audited the financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Georgetown Divide Public Utility District, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 22, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements

As described in Note 13 to the financial statements, the District changed its accounting policies related to other postemployment benefits other than pension reporting by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75, **Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions** in fiscal year 2017-2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide statement of activities and the proprietary funds statement of revenues, expenses and changes in net position.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimates of its net pension liability and total other postemployment benefits liability are based on actuarial valuation specialist assumptions. The total other postemployment benefits liability is calculated using an alternative measurement method as allowed under GASB 75. We evaluated the key factors and assumptions used to develop the net pension liability and net other postemployment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.



To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, we detected misstatements as a result of audit procedures which were material, and were subsequently corrected by management. The details of these misstatements are described in a separate letter dated December 31, 2018.

***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated December 31, 2018.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.



To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

**Other Matters**

We applied certain limited procedures to management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of pension contributions and the schedule of changes in the total OPEB liability and related ratios which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**New Accounting Standards**

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2017-2018 audit:

*GASB Statement No. 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions.*

*GASB Statement No. 81, Irrevocable Split Interest Agreements.*

*GASB Statement No. 85, Omnibus 2017.*

*GASB Statement No. 86, Certain Debt Extinguishment Issues.*

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

Fiscal year 2018-2019

*GASB Statement No. 83, Certain Assets Retirement Obligations.*

*GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements.*

Fiscal year 2019-2020

*GASB Statement No. 84, Fiduciary Activities.*

Fiscal year 2020-2021

*GASB Statement No. 87, Leases.*



To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

**Restriction on Use**

This information is intended solely for the use of the Board of Directors and management of the Georgetown Divide Public Utility District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lance, Soll &amp; Lingham, LLP". The signature is written in a cursive, flowing style.

Sacramento, California





# GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT FOR THE YEAR ENDED JUNE 30, 2018 ANNUAL FINANCIAL REPORT

Focused  
on YOU



GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2018

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GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Georgetown Divide Public Utility District, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special District. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As described in Note 1 to the financial statements, the District adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of pension contributions and the schedule of changes in the total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Prior Year Comparative Information*

The financial statements for the year ended June 30, 2017, were audited by other auditors whose report dated December 29, 2017 expressed an unmodified opinion on those financial statements.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2018, from which such partial information was derived. We were not engaged to audit, review, or apply any procedures to the 2017 financial statements, and accordingly, we do not express an opinion or any other form of assurance on the 2017 financial statements as a whole.



To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2018 on our consideration of the effectiveness of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the District's effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sacramento, California  
December 31, 2018



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**Management’s Discussion and Analysis  
 June 30, 2018**

As management of the Georgetown Divide Public Utility District (District), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the audited financial statements and accompanying notes that follow this section.

**Financial Highlights**

Total revenue for the fiscal year ending June 30, 2018 was \$5,684,105, an increase of \$542,981 or 10.6% from the previous fiscal year. Total expenses were \$5,627,153, an increase of \$1,427,266 or 33.98% from the previous fiscal year. The increase in net position was \$56,952 for the fiscal year.

Operating revenue totaled \$2,844,286 for the fiscal year ended June 30, 2018, an increase of \$620,286 or 27.89% from the previous fiscal year. Operating expenses totaled \$5,484,737 an increase of \$1,365,733 or 33.16% from the previous fiscal year.

Non-operating revenue and contributions was \$2,839,819, a decrease of \$77,305 or -2.65%. Non-operating expense was \$142,416, an increase of \$61,533 or 76.08%. The remaining non-operating revenue supplements operating revenue to cover operating expenses and capital improvements.

Other significant financial activities were:

- Construction of the replacement Auburn Lake Trails Water Treatment Plant.
- Completion of a Water Financial Analysis and associated water rate increase beginning January 2018
- Hiring a Water Resources Manager and Management Analyst

**Overview of the Financial Statements**

This annual report consists of four parts: Management’s Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information, and optional Supplementary Information.

The required financial statements are the Statement of Net Position at June 30, 2018; the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds for the fiscal year ended June 30, 2018; and the Statement of Cash Flows – Proprietary Funds for the fiscal year ended June 30, 2018. The final required financial statement is the Statement of Fiduciary Assets and Liabilities. The financial statements also include comprehensive notes which summarize the official accounting policies of the District.

The financial statements, except for the cash flow statement, are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The cash flow statement is an exception because that statement shows the receipt and payment of cash for operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

Management’s Discussion and Analysis  
 June 30, 2018

**Required Financial Statements**

The financial statements of the District report information about the District using accounting methods similar to those used by companies in the private sector. These statements offer short and long-term financial information about its activities. The *Statement of Net Position* includes all the District’s assets and liabilities. The statement also provides information about the nature and amounts of investments in assets and obligations to District creditors as liabilities. The statement also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the current fiscal year’s revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the District’s operations over the past fiscal year and can be used to determine whether the District has successfully recovered all of its costs through its rates, fees, and other charges. The District’s net position and credit worthiness can also be determined from this statement.

The primary purpose of the *Statement of Cash Flows* is to provide information about the District’s cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It explains where cash came from, cash usage, and the change in the cash balance during the reporting period.

The *Statement of Fiduciary Assets and Liabilities* is provided to report on assets held in an agency capacity for others and which cannot be used to support the District’s operating activities.

**Financial Analysis of the District**

Has the financial condition of the District improved or deteriorated as a result of this year’s operations? The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position attempts to answer this question. Net position may be a useful indicator over time as to the District’s financial position. But, there may be other non-economic factors that could cause a change in the District’s financial situation.

**Statement of Net Position**

The Statement of Net Position is a snapshot in time that shows assets deferred outflows, liabilities, deferred inflows and net position as of June 30, 2018. Net Position increased by \$56,952 to \$16,459,493 in fiscal year 2018. Total assets and deferred outflows increased by \$7,234,037 or 26.88%. Of this amount, \$1,515,797 is due to an increase in current assets (eg. cash and investments, and receivables). The remaining increase in total assets is due to increased value of capital assets due to construction projects. Liabilities and deferred inflows increased by \$7,962,806 from the previous fiscal year. The majority of the increase in liabilities is due to long term debt acquired for the construction of the new Auburn Lake Trails Water Treatment Plant. A summary of the District’s Statement of Net Position is presented in Table A-1.

Management’s Discussion and Analysis  
 June 30, 2018

**Table A-1  
 Condensed Statement of Net Position**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change	Percent Change
Current Assets	\$ 8,275,201	\$ 6,759,404	\$ 1,515,797	22.43%
Restricted Assets	3,334,936	4,107,911	(772,975)	-18.82%
Capital Assets, Net of Accumulated Depreciation	20,883,752	14,460,695	6,423,057	44.42%
<b>Total Assets</b>	<b>32,493,889</b>	<b>25,328,010</b>	<b>7,165,879</b>	<b>28.29%</b>
Deferred Outflows of Resources	1,650,190	1,582,032	68,158	4.31%
<b>Total Assets and Deferred Outflows of Resources</b>	<b>34,144,079</b>	<b>26,910,042</b>	<b>7,234,037</b>	<b>26.88%</b>
Current Liabilities	2,079,468	378,898	1,700,570	448.82%
Current Restricted Liabilities		1,122,600	(1,122,600)	-100.00%
Long-term Liabilities	15,440,923	7,985,590	7,455,333	93.36%
Deferred Inflows of Resources	164,195	234,692	(70,497)	-30.04%
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>17,684,586</b>	<b>9,721,780</b>	<b>7,962,806</b>	<b>81.91%</b>
Net Investment in Capital Assets	12,650,488	12,526,296	124,192	0.99%
Restricted Net Position for Facilities	2,384,572	2,365,593	18,979	0.80%
Restricted Net Position for Debt Service	73,879	358,941	(285,062)	-79.42%
Unrestricted Net Position	1,350,554	1,937,432	(586,878)	-30.29%
<b>Total Net Position</b>	<b>\$ 16,459,493</b>	<b>\$ 17,188,262</b>	<b>\$ (728,769)</b>	<b>-4.24%</b>

**Statement of Revenues, Expenses, and Changes in Net Position**

The Statement of Revenues, Expenses, and Changes in Net Position provides information on the nature and source of assets represented on the Statement of Net Position. It also shows that the revenues exceed expenses by \$56,952. Ending net position totaled \$16,459,493. Total revenues increased by \$258,149 in 2018 totaling \$5,399,273. Operating revenue increased by \$620,286. The Statement of Revenues, Expenses, and Changes in Net Position lists the operating revenues and the non-operating revenues together and compares them to the operating and non-operating expenses. Table A-2 depicts total revenues and total expenses and the resulting changes in net position.

Management’s Discussion and Analysis  
 June 30, 2018

**Table A-2**  
**Condensed Statement of Revenues, Expenses, and Changes in Net Position**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change	Percent Change
Operating Revenues	\$ 2,844,286	\$ 2,224,000	\$ 620,286	27.89%
Non-operating Revenues and Contributions	2,839,819	2,917,124	(77,305)	-2.65%
<b>Total Revenues</b>	<b>5,684,105</b>	<b>5,141,124</b>	<b>542,981</b>	<b>10.56%</b>
Operating Expenses	5,484,737	4,119,004	1,365,733	33.16%
Non-operating Expenses	142,416	80,883	61,533	76.08%
<b>Total Expenses</b>	<b>5,627,153</b>	<b>4,199,887</b>	<b>1,427,266</b>	<b>33.98%</b>
Net Income (Loss)	56,952	941,237	(884,285)	-93.95%
Beginning Net Position, as restated	16,402,541	16,247,025	(417,448)	-2.57%
Ending Net Position	\$ 16,459,493	\$ 17,188,262	\$ (1,301,733)	-7.57%

**Operating Revenues**

In a purely business environment, operating revenues are meant to cover operating expenses. The District's operating revenues are significantly less than operating expenses. Therefore, the District operates on an operating loss and requires non-operating revenue to operate. The District is fairly unique in that it receives a significant amount of non-operating revenue in the form of property taxes. This non-operating revenue is used to offset this operating loss. Operating revenues increased significantly due to the newly adopted rate structure. Operating revenues are depicted in Table A-3.

**Table A-3**  
**Condensed Operating Revenues**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change	Percent Change
Water Sales - Residential	\$1,862,227	\$1,350,610	\$511,617	37.88%
Water Sales - Commercial	260,936	224,924	36,012	16.01%
Water Sales - Irrigation	317,330	224,156	93,174	41.57%
Water Disposal Fees and Charges	344,440	347,582	(3,142)	-0.90%
Penalties	48,499	43,652	4,847	11.10%
Connections	10,854	33,044	(22,190)	-67.15%
Other Operating Revenues		32	(32)	-100.00%
<b>Total Operating Revenues</b>	<b>\$2,844,286</b>	<b>\$2,224,000</b>	<b>\$620,286</b>	<b>27.89%</b>

Management’s Discussion and Analysis  
 June 30, 2018

**Operating Expenses by Department**

Total operating expenses increased \$1,365,733 or 33.16% to \$5,484,737. Changes to Net Pension Liability, Deferred Inflows and Outflows of Resources, and pension expenses resulted in an increase of \$760,170 to the operating expenses. Additional information about Pensions can be obtained in Note 11 of the notes to the financial statements. The bulk of the remainder of the increase in expenses can be attributed to improving District operations and emergency repairs; such as increased financial and accounting consulting, staffing for key positions, hiring a General Manager, State required wastewater system analysis, State required water gauging, State required spillway assessment and emergency action plan, and emergency repairs to the existing Auburn Lake Trails Water Treatment Plant. The hydroelectric activities are combined with the administrative activities as they are not material enough to present separately. Operating expenses are depicted in Table A-4.

**Table A-4  
 Operating Expenses by Department**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change	Percent Change
Source of Supply	\$ 507,060	\$ 291,251	\$ 215,809	74.10%
Transmission and Distribution – Raw Water	694,663	416,978	277,685	66.59%
Water Treatment	835,115	576,938	258,177	44.75%
Transmission and Distribution – Treated Water	806,764	692,748	114,016	16.46%
Customer Service	217,882	245,576	(27,694)	-11.28%
Administrative and Hydroelectric	1,431,594	956,416	475,178	49.68%
Depreciation and Amortization	652,963	666,864	(13,901)	-2.08%
On-site Wastewater Disposal Zone	338,696	272,233	66,463	24.41%
Total Operating Expenses	<u>\$ 5,484,737</u>	<u>\$ 4,119,004</u>	<u>\$ 1,365,733</u>	<u>33.16%</u>

**Operating Revenues vs. Operating Expenses**

The District’s operating loss increased by \$745,447. Table A-5 compares operating revenues to operating expenses and depicts the District’s reliance on other revenue for operations.

**Table A-5  
 Operating Revenues vs Operating Expenses**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change	Percent Change
Operating Revenues	\$ 2,844,286	\$ 2,224,000	\$ 620,286	27.89%
Operating Expenses	5,484,737	4,119,004	1,365,733	33.16%
Operating Loss	<u>\$ (2,640,451)</u>	<u>\$ (1,895,004)</u>	<u>\$ (745,447)</u>	<u>39.34%</u>

Management’s Discussion and Analysis  
 June 30, 2018

**Non-operating Revenues and Expenses**

The District’s non-operating income is vital to covering operations. Lease revenue increased significantly this year due to a new lease being executed with AT&T for antenna colocation on a District owned tower. In addition, the District collected an additional Surcharge to fund the loan for the new Auburn Lake Trails Water Treatment Plant. Non-operating revenues from capital contributions decreased due to a reduction in grant reimbursements. Interest payments to the State Water Resources Control Board loan for the Auburn Lake Trails Water Treatment Plant are listed as “Other” non-operating expense. Table A-6 compares non-operating revenues and expenses.

**Table A-6  
 Non-Operating Revenues and Expenses**

	Fiscal Year 2018	Fiscal Year 2017	Dollar Change	Percent Change
Property Taxes – General	\$ 1,577,792	\$ 1,524,159	\$ 53,633	3.52%
Interest Income	88,287	67,985	20,302	29.86%
Capital Facility Payments	26,892	53,200	(26,308)	-49.45%
Lease Revenue	128,399	65,795	62,604	95.15%
Hydroelectric Royalty Payments	28,858	49,655	(20,797)	-41.88%
SMUD Payment	109,315	107,729	1,586	1.47%
Gain on sale of asset	875	-	875	100.00%
Surcharge	657,545	328,751	328,794	100.01%
Capital contributions	221,856	715,365	(493,509)	-68.99%
Other	-	4,488	(4,488)	-100.00%
Total Non-Operating Revenues (Including Property Owner Contributions)	2,839,819	2,917,127	(77,308)	-2.65%
Total Non-operating Expenses	(142,416)	80,884	(223,300)	-276.07%
Non-operating Income less Non-operating Expense	\$ 2,697,403	\$ 2,998,011	\$ (300,608)	-10.03%

**Capital Assets**

The District’s investment in capital assets for the fiscal year was \$7,076,020, which includes \$5,600,764 capital additions. The most significant investments in capital assets are:

- \$5,551,667 Auburn Lake Trails Water Treatment Plant Retrofit project,
- \$49,097 Water Conservation, Supply Reliability, and Environmental Protection Project (CABY).

Additional information about District capital assets can be obtained in Note 4 of the notes to the financial statements.

**Management's Discussion and Analysis  
June 30, 2018****Long-term Debt and Debt Administration**

At June 30, 2018, the District had \$15,507,530 in long-term debt, including compensated absences, net pension liability and other postemployment benefits obligations, \$7,274,266 more than the prior fiscal year. This increase is primarily due to the loan for construction of the new Auburn Lake Trails Water Treatment Plant. The District continues to perform debt administration functions previously performed by the County on the District's behalf for certain 1915 Act bonds. Additional information about District long-term debt can be obtained in Note 5 of the notes to the financial statements.

**CalPERS Pension Plan**

Assembly Bill 340 was recently passed by the California Legislature in an effort to reduce CalPERS pension costs in the long run. The District has participated in a CalPERS Pension Plan since February of 1972. There have been amendments to the contract with CalPERS over the years. CalPERS requires the District to be part of a small employer pool and the 2006 contract change which require payments to reduce a side fund. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS. The *Governmental Accounting Standards Board Statement No. 68 – Accounting and Financial Reporting by Employers for Pensions* established new accounting rules for reporting pension obligations effective years ending after June 15, 2013. Prior to this pension obligations were not accounted for on the balance sheet. Actuarial valuations are provided by CalPERS that support the calculation of the Net Pension Liability and related Deferred Outflows and Inflows of Resources. Net Pension liability is determined by accounting for the proportionate share of the actuarially determined total pension liability less the proportionate share of the actuarially determined fiduciary net position of the cost-sharing plan. Year over year changes to the actuarial assumptions are amortized over a fixed period and accounted for in Deferred Outflows and Inflows of Resources in order to smooth the otherwise large swings in changes. The net of all annual changes to Net Pension Liability and Deferred Inflows and Outflows of Resources are recognized in Pension Expense. At June 30, 2018, the District reported \$5,909,716 in Net Pension liability, an increase of \$506,678 (9.4%) from the prior year balance of \$5,403,038. Deferred Outflows of Resources were \$1,650,190, up \$68,158 (4.3%) from the prior year balance of \$1,582,032. Deferred Inflows of Resources were \$164,195, down \$70,497 (-30%) from the prior year balance of \$234,692. Pension expense was \$942,431, an increase of \$760,170 (417%) from the prior year amount of \$182,261. Additional information about Pensions can be obtained in Note 11 of the notes to the financial statements.

**Postemployment Benefits Other Than Pensions**

The District has been endeavoring to fund these benefit commitments for many years. On April 11, 2006, the District adopted Ordinance 2006-01 regarding retiree health benefits implementing caps on the amount the District would pay towards these types of benefits. Effective fiscal years ending after June 15, 2017 *Government Accounting Standards Board Statement No. 75 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* require municipalities to report a Net OPEB Liability similar to that of Net Pension Liability. A calculation of the future liability for these benefits has been prepared utilizing the alternative measurement method allowed by the statement for small employers with less than 100 participants. The estimated actuarial liability at June 30, 2018 is \$1,302,311, an increase of \$719,263 (123%) from the prior year balance of \$583,048 as calculated under GASB 45. The District has set aside \$519,756 for this obligation. As the District administers this plan without a trust, the designated assets set aside for these benefits are not recognized in the notes to the financial statements. Additional information about postemployment benefits other than pensions can be obtained in Note 13 of the notes to the financial statements.



Management's Discussion and Analysis  
June 30, 2018

**Economic Factors and Rates**

The District's customer base continues to grow at a slow rate. The District completed a Water Financial Analysis in October 2017. The purpose of the Analysis was to ensure the financial strength of the District, expose the need to set reserves aside for future replacement of failing components, allocate shared costs between treated water and irrigation water customers, and identify any other financial deficiencies of the District. This Analysis recommended a new rate structure and higher rates which were adopted by the Board of Directors and went into effect in January 2018. The new rate structure includes five years of increases which will continue until 2022. The last water rate study performed by the District was in 2008, and the last water rate increase was in 2011. Best practice is to review and update rates every three to five years.

**Requests for Information**

This financial report is designed to provide a general overview of the finances of the Georgetown Divide Public Utility District. After the financial report is approved by the Board of Directors, it can be found under the financial section on the District's website ([gd-pud.org](http://gd-pud.org)). Copies of the report are also provided to the El Dorado County libraries in Placerville and Georgetown. A copy will be available for review at the District office, located at 6425 Main St, Georgetown, CA 95634. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the General Manager of the District, Georgetown Divide Public Utility District, P.O. Box 4240, Georgetown, CA 95634-4240.

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2018  
 (With Comparative Totals for June 30, 2017)

	Water	Wastewater Disposal	Totals	
			2018	2017
<b>Assets:</b>				
Current:				
Cash and investments	\$ 5,974,176	\$ 941,586	\$ 6,915,762	\$ 6,094,134
Receivables:				
Accounts	1,235,551	2,334	1,237,885	511,658
Accrued interest	29,616	3,877	33,493	16,618
Inventory	-	-	-	42,990
Deposits and prepaid expenses	88,061	-	88,061	94,004
<b>Total Current Assets</b>	<b>7,327,404</b>	<b>947,797</b>	<b>8,275,201</b>	<b>6,759,404</b>
Noncurrent:				
Restricted:				
Cash and investments	2,974,033	223,812	3,197,845	3,933,223
Assessments	137,091	-	137,091	174,688
Capital assets - net of accumulated depreciation	20,699,580	184,172	20,883,752	14,460,695
<b>Total Noncurrent Assets</b>	<b>23,810,704</b>	<b>407,984</b>	<b>24,218,688</b>	<b>18,568,606</b>
<b>Total Assets</b>	<b>31,138,108</b>	<b>1,355,781</b>	<b>32,493,889</b>	<b>25,328,010</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension related items	1,594,942	55,248	1,650,190	1,582,032
<b>Total Deferred Outflows of Resources</b>	<b>1,594,942</b>	<b>55,248</b>	<b>1,650,190</b>	<b>1,582,032</b>
<b>Liabilities:</b>				
Current:				
Accounts payable	1,827,413	418	1,827,831	1,417,968
Accrued liabilities	56,002	3,157	59,159	47,701
Accrued interest	124,871	-	124,871	5,403
Unearned revenues	-	-	-	22,526
Deposits payable	1,000	-	1,000	7,900
Accrued compensated absences	4,839	-	4,839	35,237
Bonds, notes, and capital leases	61,768	-	61,768	94,440
<b>Total Current Liabilities</b>	<b>2,075,893</b>	<b>3,575</b>	<b>2,079,468</b>	<b>1,631,175</b>
Noncurrent:				
Accrued compensated absences	53,554	3,846	57,400	29,868
Total OPEB liability	1,302,311	-	1,302,311	583,048
Net pension liability	5,728,574	181,142	5,909,716	5,403,038
Bonds, notes, and capital leases	8,171,496	-	8,171,496	1,839,959
<b>Total Noncurrent Liabilities</b>	<b>15,255,935</b>	<b>184,988</b>	<b>15,440,923</b>	<b>7,855,913</b>
<b>Total Liabilities</b>	<b>17,331,828</b>	<b>188,563</b>	<b>17,520,391</b>	<b>9,487,088</b>
<b>Deferred Inflows of Resources:</b>				
Deferred pension related items	154,579	9,616	164,195	234,692
<b>Total Deferred Inflows of Resources</b>	<b>154,579</b>	<b>9,616</b>	<b>164,195</b>	<b>234,692</b>
<b>Net Position:</b>				
Net investment in capital assets	12,466,316	184,172	12,650,488	12,526,296
Restricted for new facilities	2,160,058	224,514	2,384,572	2,365,593
Restricted for debt service	73,879	-	73,879	358,941
Unrestricted	546,390	804,164	1,350,554	1,937,432
<b>Total Net Position</b>	<b>\$ 15,246,643</b>	<b>\$ 1,212,850</b>	<b>\$ 16,459,493</b>	<b>\$ 17,188,262</b>

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
 (With Comparative Totals for the Fiscal Year Ended June 30, 2017)

	Water	Wastewater Disposal	Totals	
			2018	2017
<b>Operating Revenues:</b>				
Water sales:				
Residential	\$ 1,862,227	\$ -	\$ 1,862,227	\$ 1,350,610
Commercial	260,936	-	260,936	224,924
Irrigation	317,330	-	317,330	224,156
Installations and connections	10,854	-	10,854	33,044
Waste disposal:				
Zone Charges	-	313,315	313,315	311,477
Design Fees	-	2,400	2,400	6,600
Escrow Fees	-	28,725	28,725	29,505
Penalties	48,499	-	48,499	43,684
<b>Total Operating Revenues</b>	<b>2,499,846</b>	<b>344,440</b>	<b>2,844,286</b>	<b>2,224,000</b>
<b>Operating Expenses:</b>				
Source of supply	507,060	-	507,060	291,251
Transmission and distribution - raw water	694,663	-	694,663	416,978
Water treatment	835,115	-	835,115	576,938
Transmission and distribution - treated water	806,764	-	806,764	692,748
Customer service	217,882	-	217,882	245,576
Administration and hydroelectric	1,417,446	14,148	1,431,594	956,416
On-site wastewater disposal zone	-	338,696	338,696	272,233
Depreciation expense	629,569	23,394	652,963	666,864
<b>Total Operating Expenses</b>	<b>5,108,499</b>	<b>376,238</b>	<b>5,484,737</b>	<b>4,119,004</b>
Operating Income (Loss)	(2,608,653)	(31,798)	(2,640,451)	(1,895,004)
<b>Nonoperating Revenues (Expenses):</b>				
Tax revenue - general	1,577,792	-	1,577,792	1,524,159
Surcharge	657,545	-	657,545	328,751
Interest revenue	76,606	11,681	88,287	67,984
Lease revenue	128,399	-	128,399	65,795
SMUD payment	109,315	-	109,315	107,729
Hydroelectric royalty payments	28,858	-	28,858	49,655
Capital facility charge	26,892	-	26,892	53,200
Gain on disposal of capital assets	875	-	875	-
Other revenue	-	-	-	4,486
Interest expense	(138,046)	-	(138,046)	(25,210)
Other expense	(4,370)	-	(4,370)	(55,673)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>2,463,866</b>	<b>11,681</b>	<b>2,475,547</b>	<b>2,120,876</b>
Income (Loss) Before Capital Contributions and Transfers	(144,787)	(20,117)	(164,904)	225,872
Capital contributions	221,856	-	221,856	715,365
Transfers in	-	-	-	97,736
Transfers out	-	-	-	(97,736)
Changes in Net Position	77,069	(20,117)	56,952	941,237
<b>Net Position:</b>				
Beginning of Year, as previously reported	15,955,295	1,232,967	17,188,262	16,247,025
Restatements	(785,721)	-	(785,721)	-
Beginning of Fiscal Year, as restated	15,169,574	1,232,967	16,402,541	16,247,025
<b>End of Fiscal Year</b>	<b>\$ 15,246,643</b>	<b>\$ 1,212,850</b>	<b>\$ 16,459,493</b>	<b>\$ 17,188,262</b>

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
 (With Comparative Totals for the Fiscal Year Ended June 30, 2017)**

	Water	Wastewater Disposal	Totals	
			2018	2017
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 1,743,279	\$ 345,354	\$ 2,088,633	\$ 2,080,851
Cash paid to suppliers for goods and services	(1,499,626)	(218,067)	(1,717,693)	(1,289,153)
Cash paid to employees for services	(2,226,912)	(118,216)	(2,345,128)	(2,368,115)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,983,259)</b>	<b>9,071</b>	<b>(1,974,188)</b>	<b>(1,576,417)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
<b>Financing Activities:</b>				
Cash transfers out	-	-	-	9,359
Cash transfers in	-	-	-	(9,359)
Property taxes received	1,577,792	-	1,577,792	1,524,159
Surcharge	657,545	-	657,545	328,751
Assessment receivable payments	37,597	-	37,597	102,826
Receipts from capacity charges	26,892	-	26,892	53,200
SMUD payment	109,315	-	109,315	107,729
Hydroelectric royalty payments	28,858	-	28,858	49,655
Other revenue	-	-	-	4,486
Other expense	(4,370)	-	(4,370)	(55,673)
Receipts from cellular antenna rentals	128,399	-	128,399	65,795
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>2,562,028</b>	<b>-</b>	<b>2,562,028</b>	<b>2,180,928</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Proceeds from capital debt	6,534,990	-	6,534,990	1,157,141
Capital grant	221,856	-	221,856	715,365
Acquisition and construction of capital assets	(7,076,020)	-	(7,076,020)	(1,742,763)
Principal paid on capital debt	(236,125)	-	(236,125)	(103,382)
Interest paid on capital debt	(18,578)	-	(18,578)	(25,453)
Proceeds from sales of capital assets	875	-	875	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(573,002)</b>	<b>-</b>	<b>(573,002)</b>	<b>908</b>
<b>Cash Flows from Investing Activities:</b>				
Interest received	60,817	10,595	71,412	58,728
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>60,817</b>	<b>10,595</b>	<b>71,412</b>	<b>58,728</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>66,584</b>	<b>19,666</b>	<b>86,250</b>	<b>664,147</b>
Cash and Cash Equivalents at Beginning of Year	8,881,625	1,145,732	10,027,357	9,363,210
<b>Cash and Cash Equivalents at End of Year</b>	<b>8,948,209</b>	<b>1,165,398</b>	<b>10,113,607</b>	<b>10,027,357</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	(2,608,653)	(31,798)	(2,640,451)	\$ (1,895,004)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	629,569	23,394	652,963	666,864
(Increase) decrease in accounts receivable	(727,141)	914	(726,227)	(144,852)
(Increase) decrease in inventory	42,990	-	42,990	(1,164)
(Increase) decrease in deposits and prepaid expense	4,061	1,882	5,943	7,220
(Increase) decrease in deferred outflow - pension	(60,371)	(7,787)	(68,158)	(1,097,303)
Increase (decrease) in accounts payable	412,253	(2,390)	409,863	153,158
Increase (decrease) in accrued liabilities	10,638	820	11,458	(1,812)
Increase (decrease) in deposits payable	(6,900)	-	(6,900)	2,300
Increase (decrease) in compensated absences	(5,276)	2,410	(2,866)	(5,497)
Increase (decrease) in post-employment benefits	(66,458)	-	(66,458)	87,848
Increase (decrease) in deferred inflow - pension	(73,072)	2,575	(70,497)	35,814
Increase (decrease) in net pension liability	487,627	19,051	506,678	614,308
Increase (decrease) in unearned revenue	(22,526)	-	(22,526)	1,703
<b>Total Adjustments</b>	<b>625,394</b>	<b>40,869</b>	<b>666,263</b>	<b>318,587</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,983,259)</b>	<b>\$ 9,071</b>	<b>\$ (1,974,188)</b>	<b>\$ (1,576,417)</b>

GEORGETOWN DIVIDE PUBLIC UTILITIES DISTRICT

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS  
 JUNE 30, 2018  
 (With Comparative Totals for June 30, 2017)

	Totals	
	2018	2017
<b>Assets:</b>		
Pooled cash and investments	\$ 89,880	\$ 84,638
Receivables:		
Assessments	148,256	154,919
Accrued interest	291	-
Due from other agencies	8,330	-
<b>Total Assets</b>	<b>\$ 246,757</b>	<b>\$ 239,557</b>
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 746
Accrued interest	1,059	2,246
Unearned revenues	61,851	52,718
Long-term liabilities:		
Due in one year	5,553	5,553
Due in more than one year	178,294	178,294
<b>Total Liabilities</b>	<b>\$ 246,757</b>	<b>\$ 239,557</b>

**NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2018**

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**Note 1: Organization and Summary of Significant Accounting Policies**

**a. Description of Entity**

The reporting entity, the Georgetown Divide Public Utility District (District), was created by the electorate, June 4, 1946, under the California Public Utility District Act of 1921. The District operates under a governing five-member Board of Directors (Board) elected at-large for four-year overlapping terms. The District's management is under the direction of the General Manager, who also serves as Clerk, and ex-officio Secretary of the Board, who is appointed by and serves at the pleasure of the Board.

**b. Reporting Entity**

The District's basic financial statements include the operations of all organizations for which the District's Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Based upon the aforementioned oversight criteria, there are no component units in this report which met the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39 and 61.

The basic financial statements include the accounts of two enterprise activities provided by the District: (1) raw and treated water services, and (2) wastewater disposal services in the Auburn Lake Trails (A.L.T.) subdivision.

**c. Basis of Presentation**

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The Fund Financial Statements provide information about the District's funds, including the fiduciary fund. Separate statements for each fund category – proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District maintains one fiduciary fund. Fiduciary funds are custodial in nature and do not have a measurement focus; however, they do use the accrual basis of accounting.

**d. Major Funds**

GASB Statement No. 34 defines major funds and requires that the District's major proprietary funds are identified and presented separately in the fund financial statements.

Major funds are defined as funds that have assets, liabilities, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total and five percent of all fund-type totals. The District may also select other funds that it believes should be presented as major funds. The District reports all its proprietary funds as major funds.

The District reported the following major proprietary funds:

Water

This fund accounts for the activities of providing raw and treated water services to the customers. Raw water service is also known as irrigation water.

Wastewater Disposal

This fund accounts for the activities of monitoring wastewater disposal of the residents of the Auburn Lake Trails subdivision. The area is also known as the On-Site Wastewater Disposal Zone. The On-Site Wastewater Disposal Zone is comprised of all the lots in the Auburn Lake Trails Subdivision, including the lots connected to the Community Disposal System.

Additionally, the District reports a fiduciary agency fund to account for the debt service activities for the Stewart Mine, Greenwood, Cool-Cherry Acres, Spanish Dry Diggins, and Water Line Extensions 77-5 Water Assessment Districts. The District's administration of this debt is a purely custodial function.

**e. Basis of Accounting**

The financial statements are reported using the "economic resources" measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**f. Budget and Budgeting**

Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following July 1. The budgets are used as a management tool and are not a legal requirement.

**g. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**h. Inventory**

Inventories of supplied are stated at cost. Cost is determined on a first-in, first-out basis.

**i. Restricted Assets**

These assets consist of certificates of deposit, short-term investments, and receivables which are restricted for debt service and other legal obligations.

**j. Capital Assets**

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of donation. The District capitalizes capital assets valued over \$1,000 and having a useful life of at least three years. Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets, which range from 30 to 100 years for the plant and pipelines and 3 to 15 years for other equipment.

**k. Compensated Absences**

All earned vacation, which is payable upon termination or retirement, is accrued as compensated absences, in accordance with GASB Statement No. 16.

**l. Property Taxes**

The District receives property taxes from El Dorado County (County), which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1, on the assessed values as of the prior January 1 for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of the supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31.



**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

The District participates in the County "Teeter Plan" method of property tax distribution and thus receives 100% of the District's apportionment each fiscal year, eliminating the need for an allowance for uncollectibles. The County, in return, receives all penalties and interest on the related delinquent taxes. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not on collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year.

**m. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**n. Comparative Data**

Comparative total data for the prior fiscal year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position, operations, and cash flows. Certain classifications may have been made to the prior fiscal year financial statements to conform to the current fiscal year presentation.

**o. Net Position**

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**p. Deferred Outflows/Inflows of Resources**

Deferred outflows of resources are a consumption of net position that is applicable to a future reporting period and deferred inflows of resources are an acquisition of net position that is applicable to a future reporting period. A deferred outflows of resources has a positive effect on net position, similar to assets, and a deferred inflows of resources has a negative effect on net position, similar to liabilities. The District has certain items, which qualify for reporting as deferred outflows of resources and deferred inflows of resources.

**q. Pension Plan**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Local Government of District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to /deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by Cal PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**r. Other Post-employment Benefits (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined using the alternative measurement valuation method accepted by GASB Statement No. 75 for plans with fewer than 100 employees (active and inactive). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

**s. New Accounting Pronouncements**

GASB Statement No. 75 *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions* - improves the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditures. This Statement replaces GASB 45 and GASB 57.

**Note 2: Cash and Investments**

The cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or District agreements:

Unrestricted cash and investments	\$ 6,915,762
Restricted cash and investments	3,197,845
Cash and Investments, Statement of Net Position	<u>10,113,607</u>
Cash and Investments, Statement of Fiduciary Assets and Liabilities	89,880
Total Cash and Investments	<u><u>\$ 10,203,487</u></u>

Cash and investments as of June 30, 2018, consist of the following:

Cash on hand	\$ 450
Deposits with financial institutions	3,162,880
Investments	7,040,157
Total Cash and Investments	<u><u>\$ 10,203,487</u></u>

**a. Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	None	\$50 million
Money Market Funds (must be Comprised of eligible securities permitted under this policy)	N/A	None	None

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 2: Cash and Investments (Continued)**

**b. Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Money Market Funds	N/A	None	None

Fair Value Hierarchy

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Deposits and withdrawals in governmental investment pools, such as the State of California Local Agency Investment Fund (LAIF), are made on the basis of one dollar and not fair value. Accordingly, the fair value of the County's proportionate share in this type of investment is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. Money Market Accounts are nonparticipating interest-bearing savings accounts. They are measured using a cost-based measure, not fair value, and therefore, not subject to fair value hierarchy.

**c. Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

	<u>Remaining Maturity (in Months)</u>
Investment Type	<u>12 Months or Less</u>
State Investment Pool (LAIF)	\$ 7,004,300
Held by Debt Trustees	
Money Market Funds	35,857
	<u>\$ 7,040,157</u>

**Note 2: Cash and Investments (Continued)**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Fiscal Year End	
			AAA	Not Rated
State Investment Pool (LAIF)	\$ 7,004,300	N/A	\$ -	\$ 7,004,300
Held by Debt Trustees:				
Money Market Funds	35,857	N/A	-	35,857
	<u>\$ 7,040,157</u>		<u>\$ -</u>	<u>\$ 7,040,157</u>

**d. Concentration of Credit Risk**

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. Only investments with LAIF and the Money Market Funds exceed 5% or more of total District investments. The Money Market Funds are collateralized for the amount over the Federal Deposit Insurance Corporation amount or backed by United States obligations.

**e. Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2018, \$2,912,880 of the District's deposits and investments with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

**f. Investment in State Investment Pool**

The District is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 2: Cash and Investments (Continued)**

Restricted cash and investments are identified by use as follows at June 30, 2018:

	<u>Water</u>	<u>Waste Disposal</u>	<u>Total</u>
Debt Service:			
Kelsey South	\$ 55,526	\$ -	\$ 55,526
Kelsey North	129,783	-	129,783
State Revolving Fund	32,527	-	32,527
Total Debt Service			
Cash and Investments	<u>217,836</u>	<u>-</u>	<u>217,836</u>
New Facilities:			
Capital Facility Charges	1,746,358	-	1,746,358
Water Development	406,531	-	406,531
Auburn Lake Trails Retrofit Project	603,308	-	603,308
Community Disposal System			
Replacement and Expansion	<u>-</u>	<u>223,812</u>	<u>223,812</u>
Total New Facilities Cash and Investments	<u>2,756,197</u>	<u>223,812</u>	<u>2,980,009</u>
Total Restricted Cash and Investments	<u>\$ 2,974,033</u>	<u>\$ 223,812</u>	<u>\$ 3,197,845</u>

**Note 3: Assessments Receivable and Long-Term Receivable**

Assessments receivable to the District are construction obligations of the benefited property owners of the Kelsey North, Kelsey South, Pilot Hill North, Pilot Hill South, and Stewart Mine Water Assessment Districts. El Dorado County collects the special assessments semi-annually in order to pay the related projects' Department of Water Resources or United States Department of Agriculture construction debts as they mature. The assessments receivable balances at June 30, 2018, were as follows:

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
Water Restricted Assessments Receivable	\$ 22,202	\$ 114,889	\$ 137,091
Fiduciary Assessments Receivable	4,566	143,690	148,256
Total Assessments Receivable	<u>\$ 26,768</u>	<u>\$ 258,579</u>	<u>\$ 285,347</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 4: Capital Assets**

Purchased capital assets are recorded at cost when purchased. Donated capital assets are recorded at fair value at the date of donation. Capital assets are depreciated over estimated useful lives ranging from one hundred years (Stumpy Meadows Dam) to three years (small office equipment) using the straight-line method. Capital assets at June 30, 2018, consisted of the following:

	Ending Balance June 30, 2017	Additions	Deletions	Ending Balance June 30, 2018
<b>Nondepreciable Capital Assets:</b>				
Land and land right	\$ 770,975	\$ -	\$ -	\$ 770,975
Construction-in-progress	3,512,007	7,068,037	-	10,580,044
Total nondepreciable capital assets	<u>4,282,982</u>	<u>7,068,037</u>	<u>-</u>	<u>11,351,019</u>
<b>Capital assets, being depreciated:</b>				
General plant equipment and facilities	1,273,069	-	-	1,273,069
Water treatment	5,768,188	2,830	-	5,771,018
Transmission and distribution	13,528,095	5,153	-	13,533,248
Auburn Lake Trails septic facilities	847,140	-	-	847,140
Source of supply	6,784,396	-	-	6,784,396
Total Capital Assets, Being Depreciated	<u>28,200,888</u>	<u>7,983</u>	<u>-</u>	<u>28,208,871</u>
Less Accumulated Depreciation:	<u>(18,023,175)</u>	<u>(652,963)</u>	<u>-</u>	<u>(18,676,138)</u>
Net depreciable capital assets	<u>10,177,713</u>	<u>(644,980)</u>	<u>-</u>	<u>9,532,733</u>
Capital Assets, Net	<u>\$ 14,460,695</u>	<u>\$ 6,423,057</u>	<u>\$ -</u>	<u>\$ 20,883,752</u>

**Depreciation Allocations**

Depreciation expense was charged to each fund based on their usage of the related assets. The amounts allocated to each fund was as follows:

Water	\$ 629,569
Wastewater Disposal	23,394
Total Depreciation Expense	<u>\$ 652,963</u>

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

**Note 5: Long-Term Debt**

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Repayments	Outstanding June 30, 2018	Due Within One Year
<b>Notes Payable:</b>					
Kelsey North Water AD 1989-1	\$ 270,414	\$ -	\$ 21,861	\$ 248,553	\$ 22,604
Kelsey South Water AD 1989-4	177,518	-	177,518	-	-
Walton Lake Water Treatment Plant Filter Replacement	280,474	-	18,759	261,715	19,190
United States Bureau of Reclamation	4,538	-	4,538	-	-
<b>Total Notes Payable</b>	<b>732,944</b>	<b>-</b>	<b>222,676</b>	<b>510,268</b>	<b>41,794</b>
<b>Loans Payable:</b>					
ALT State Revolving Fund Loan	1,157,141	6,534,990	-	7,692,131	-
<b>Total Loans Payable</b>	<b>1,157,141</b>	<b>6,534,990</b>	<b>-</b>	<b>7,692,131</b>	<b>-</b>
<b>Capital Leases:</b>					
Verizon	5,963	-	-	5,963	5,963
Santander Financing	38,351	-	13,449	24,902	14,011
<b>Total Capital Leases</b>	<b>44,314</b>	<b>-</b>	<b>13,449</b>	<b>30,865</b>	<b>19,974</b>
<b>Total Bonds, Notes and Capital Leases</b>	<b>1,934,399</b>	<b>6,534,990</b>	<b>236,125</b>	<b>8,233,264</b>	<b>61,768</b>
<b>Compensated Absences</b>					
	65,105	2,410	5,276	62,239	4,839
	<b>\$ 1,999,504</b>	<b>\$ 6,537,400</b>	<b>\$ 241,401</b>	<b>\$ 8,295,503</b>	<b>\$ 66,607</b>

**a. Notes Payable**

Department of Water Resources - Three long-term contracts have been entered into with the State of California Department of Water Resources (DWR) to finance the construction of various water projects:

The Kelsey North Water Assessment District 1989-1 contract of \$630,000 is to be repaid by seventy semi-annual payments of \$15,398. These payments, due April 1 and October 1, beginning April of 1993 and ending October 1, 2027, include interest on the outstanding note balance at 3.3712%. Payments are made from assessments collected from the Assessment District.

The Kelsey South Water Assessment District 1989-4 contract of \$666,750 is to be repaid by sixty semi-annual payments of \$17,836. These payments, due April and October 1, beginning April 1993 and ending October 1, 2022, included interest on the outstanding note balance at 3.41%. Payments are made from assessments collected from the Assessment District. In the current fiscal year, this note was fully repaid.

The Walton Lake Water Treatment Plant Filter Replacement contract of \$400,511 is to be repaid by forty semi-annual payments of \$12,529. These payments, due April 1 and October 1, beginning October 2010 and ending April 1, 2030, include interest on the outstanding note balance at 2.2836%.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 5: Long-Term Debt (Continued)**

Unites States Bureau of Reclamation - A non-interest-bearing contract was entered into with the U.S. Bureau of Reclamation in 1977 to construct the Otter Creek Project. Annual principal payments of \$4,538 are due through January 1, 2018. In the current fiscal year, this note was fully repaid.

Future Minimum debt service requirements for aggregate notes payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 41,794	\$ 14,059	\$ 55,853
2020	42,989	12,864	55,853
2021	44,263	11,591	55,854
2022	45,532	10,321	55,853
2023	46,853	9,000	55,853
2024-2028	240,120	23,747	263,867
2029-2030	48,717	1,399	50,116
	<u>\$ 510,268</u>	<u>\$ 82,981</u>	<u>\$ 593,249</u>

**b. Loans Payable**

California State Water Resources Control Board - Project No. 0910013-005C Agreement No. D16-02021 construction loan for the Auburn Lake Trails Water Treatment Plant Upgrade at 1.6%. The District is required to repay interest semi-annually until one year after construction is completed. No later than one year after construction is completed, principal and additional interest accrued on the project funds are to be repaid semi-annually. Construction is estimated to be completed in fiscal year 2018-2019. The District has been approved to loan a maximum of \$10 million.

**c. Capital Leases**

On November 27, 2006, the District entered into a long-term capital lease agreement with Verizon for the purpose of constructing a permanent cell tower. The first ten years of uncollected lease payments represent the cost of constructing the tower, which is owned by the District. If the lease is terminated within the first ten years, the District will owe Verizon the remaining construction cost. The first ten-year period commenced November 1, 2008. The capital lease totaled \$155,731 based on discounting at 3% the monthly lease amount of \$1,500. The capital lease liability is being retired using a 3% interest rate as well.

On May 22, 2016, the district entered into a long-term capital lease agreement with Santander Financing for a 2016 Ram 5500 truck costing \$54,406. The payments are \$1,231 per month including interest at 4.1% for 48 months. The accumulated depreciation and related depreciation expense on the truck for the year ended June 30, 2018 was \$24,483 and \$10,881, respectively.

**Note 5: Long-Term Debt (Continued)**

Future minimum debt service requirements for capital leases are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 14,011	\$ 760	\$ 14,771
2020	10,891	228	11,119
	<u>\$ 24,902</u>	<u>\$ 988</u>	<u>\$ 25,890</u>

**d. Compensated Absences**

District employees accumulate earned but unused vacation benefits which can be converted to cash at termination of employment. It is estimated that up to two weeks per employee might be liquidated with expendable, currently available financial resources in the next year.

**Note 6: Agency: Special Assessment Debt**

The District acts as an agent for the Stewart Mine Road Water Assessment District 98-1 Bonds, issued on August 24, 1999. This debt was not included in the District's accounting records because the District had no obligation for the payment of these bonds other than in a fiduciary capacity. The principal amount outstanding at June 30, 2018, and June 30, 2017, was \$178,294 and \$183,846, respectively.

**Note 7: On-Site Wastewater Disposal Zone (O.S.W.D.Z.)**

During the early part of 1984, it became apparent that a proposed sewer assessment district was not going to be approved and that the assimilation alternative of combining certain lots in the Auburn Lake Trails (A.L.T.) subdivision was a possibility. By letter dated April 24, 1984, Trans America Development Corporation (TADCO) and A.L.T. property owners jointly requested the formation of an on-site wastewater disposal zone which would be monitored by the District. The O.S.W.D.Z. was formed pursuant to the authority granted under Sections 6950 et seq. of the Health and Safety Code of the State of California and became operative by board resolution on March 19, 1985. The effective date for accounting for revenues and expenses was April 1, 1985.

The purpose of the O.S.W.D.Z. is to protect the ground and surface water within the Disposal Zone boundaries in compliance with Regional Water Quality Control Board requirements. The District's responsibility is to design and inspect new on-site disposal systems and to monitor the surface and ground water quality and system performance of existing systems.

The O.S.W.D.Z. assessment revenues charged will be restricted to pay the operating costs of the O.S.W.D.Z. No unrestricted District funds can be used to pay expenses of the O.S.W.D.Z. Effective for the fiscal year ended June 30, 1998, the O.S.W.D.Z. Capital Expenditure Reserve was established. The O.S.W.D.Z. Capital Expenditure Reserve fund has had little activity over the years. The fund was inactivated May 13, 2008.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2018

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**Note 7: On-Site Wastewater Disposal Zone (O.S.W.D.Z.) (Continued)**

In addition to the O.S.W.D.Z., the District, by contract, has taken over operation of the Community Disposal System (C.D.S.) of 139 lots within the A.L.T. subdivision. These property owners pay additional assessments for operation and maintenance of the C.D.S. The C.D.S. Expansion Benefit Reserve was established July 1, 2000, and currently receives annual transfers in an effort to achieve the reserve level approved by the District in May 2005.

**Note 8: Restricted Benefit Charges**

This non-operating revenue is comprised of various benefit charges and interest earned on the corresponding deposits. The implementation of the Capital Facility Charges beginning on July 1, 2008, replaced the previous treatment plant, pipeline, and storage benefit charges. Pursuant to District ordinance, this revenue is restricted in special accounts which are to be used exclusively as follows:

Water development charge funds: To develop alternate sources of raw water to meet long-term District requirements.

Capital Facility Charge Fund: For maintenance and/or improvements of the treatment plants, pipeline facilities, and storage facilities.

O.S.W.D.Z./C.D.S. replacement and expansion benefit charge funds: For maintenance, improvement, and/or expansion of the community disposal system, as well as facilitating improvements in the O.S.W.D.Z.

**Note 9: Net Position**

Net Position is the excess of all the District's assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 63. These captions apply only to net position, which are determined only at the government-wide level, proprietary funds, and fiduciary funds (trust funds only), and are described below.

**Net Investment in Capital Assets**

Investment in capital assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

**Restricted Net Position**

Restricted net position consists of constraints placed on net position use through external creditors (such as through debt covenants), grants, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. Net position restricted for new facilities represent the net assets accumulated from restricted benefit charges imposed by District ordinances for the maintenance and expansion of facilities. Net position restricted for debt service is required by the debt agreements.

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

**Note 9: Net Position (Continued)**

Unrestricted Net Position

The term "unrestricted" describes the portion of net position which is not restricted as to use.

The Board has designated portions of the unrestricted net position for specific operating purposes in an effort to provide for the prudent operations of the District.

Retiree: To provide for the estimated future retiree health insurance benefits of existing retirees and current employees who have bargained for the benefit.

Georgetown/Buckeye and Garden Valley: For use in activities specific to the designated area.

Restricted and unrestricted net position is identified by use as follows as of June 30, 2018:

	<u>Water</u>	<u>Waste Disposal</u>	<u>Total</u>
Restricted Net Position:			
New Facilities:			
New Facilities:	\$ 407,891	\$ -	\$ 407,891
Water Development	1,752,167	-	1,752,167
C.D.S. Replacement	-	39,581	39,581
C.D.S. Expansion	-	184,933	184,933
Total New Facilities Net Position	<u>2,160,058</u>	<u>224,514</u>	<u>2,384,572</u>
Debt Service:			
Kelsey North	18,351	-	18,351
Kelsey South	55,528	-	55,528
Total Debt Service Net Position	<u>73,879</u>	<u>-</u>	<u>73,879</u>
Total Restricted Net Position	<u>\$ 2,233,937</u>	<u>\$ 224,514</u>	<u>\$ 2,458,451</u>
Unrestricted Net Position:			
Unrestricted Designated Net Position:			
Stumpy Meadows Emergency Reserve	\$ 1,054,500	\$ -	\$ 1,054,500
Short-lived Asset Replacement	776,939	-	776,939
Capital Reserve	844,604	-	844,604
EPA	1,118,428	-	1,118,428
Garden Valley	106,451	-	106,451
Hydroelectric	660,467	-	660,467
Total Unrestricted Designated Net Position	<u>4,561,389</u>	<u>-</u>	<u>4,561,389</u>
Unrestricted Undesignated Net Position	<u>(4,014,999)</u>	<u>804,164</u>	<u>(3,210,835)</u>
Total Unrestricted Net Position	<u>\$ 546,390</u>	<u>\$ 804,164</u>	<u>\$ 1,350,554</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

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**Note 10: Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (Authority), a public entity risk pool currently operating as a common risk carrier management and insurance program for member agencies. The purpose of the Authority is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expenses. The District pays annual premiums to the Authority for its general liability, automobile, property, fidelity coverage, and workers' compensation. The agreement for formation of the Authority provides that the Authority will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$50,000 (property), \$100,000 (fidelity), and \$2,000,000 (general, automobile and public official's liability) for each insured event, except for workers compensation which will reinsure for claims in excess of \$2,000,000. The deductibles for the Authority do not exceed \$2,500. Total premiums paid for fiscal year 2018 were \$129,198.

The District continues to carry commercial insurance for employee health and life insurance. The District also carries commercial insurance for dental and optical insurance for the employees represented by Stationary Engineers, Local 39, and all new employees hired after July 11, 2006.

**Note 11: Defined Benefit Pension Plan**

**a. General Information About the Pension Plans**

**Plan Description—**

All qualified permanent and probationary employees are eligible to participate in the Local Government's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provision under the Plans are established by State statute and Local Government resolution. Cal PERS issues publicly available reports that include a full description of the pension plans regarding benefit provision, assumptions, and membership information that can be found on the CalPERS website.

**Benefits Provided—**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 11: Defined Benefit Pension Plan (Continued)**

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<b>Miscellaneous Cost-Sharing Rate Plans</b>		
	Tier 1*	Tier 2*	PEPRA
Hire date	Prior to June 19, 2006	On or after June 19, 2006 to December 28, 2012	On or after December 28, 2012
Benefit formula	2.7% @ 55	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 55 yrs	minimum 55 yrs	minimum 55 yrs
Monthly benefits, as a % of eligible compensation	2.70%	2.70%	2.00%
Required employee contribution rates	8.000%	8.000%	6.250%
Required employer contribution rates	139.565%	13.460%	6.569%

\*Plan is closed to new entrants

**Contribution Description—**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the employer contributions recognized as a reduction to the net pension liability for the Plan was \$532,738.

**b. Pension Liabilities, Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2018, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan of \$5,909,716.

	<u>Net Pension Liability</u>
Proportion - June 30, 2016	\$ 5,403,038
Proportion - June 30, 2017	5,909,716
Change - Increase(Decrease)	<u>\$ 506,678</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 11: Defined Benefit Pension Plan (Continued)**

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017, was as follows:

	<u>Net Pension Liability</u>
Proportion - June 30, 2016	0.15553%
Proportion - June 30, 2017	0.14991%
Change - Increase(Decrease)	<u>-0.00562%</u>

For the year ended June 30, 2018, the District recognized a total pension expense of \$942,431 for the plan. At June 30, 2018, the District reported deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Current year contributions that occurred after the measurement date of June 30, 2017	\$ 574,408	\$ -
Change of Assumption	701,419	53,484
Difference between Expected and Actual Experiences	5,653	80,991
Net Difference between Projected and Actual Earnings on Pension Plan Investments	158,632	-
Adjustment due to differences in proportions	76,607	-
Difference in proportionate share	133,471	29,720
<b>Total</b>	<b>\$ 1,650,190</b>	<b>\$ 164,195</b>

The \$574,408 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2018	\$ 246,823
2019	480,861
2020	278,085
2021	(94,182)
	<u>\$ 911,587</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 11: Defined Benefit Pension Plan (Continued)**

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the measurement period ended June 30, 2017, the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2016 and the June 30, 2017 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**Change of Assumptions**

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF C). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 11: Defined Benefit Pension Plan (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF C) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF C fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<b>Asset Class</b>	<b>Current Target Allocation</b>	<b>Real Return Years 1 - 10 (1)</b>	<b>Real Return Years 11+ (2)</b>
Global Equity	47.0%	4.90%	5.38%
Global Debt Securities	19.0	0.80	2.27
Inflation Assets	6.0	0.60	1.39
Private Equity	12.0	6.60	6.63
Real Estate	11.0	2.80	5.21
Infrastructure and Forestland	3.0	3.90	5.36
Liquidity	2.0	(0.40)	(0.90)

- (1) An expected inflation of 2.5% used for this period.
- (2) An expected inflation of 3.0% used for this period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

**Note 11: Defined Benefit Pension Plan (Continued)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—**

The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate - 1%	Current Discount	Discount Rate +1%
	6.15%	7.15%	8.15%
Plan Net Pension Liability	\$ 8,221,792	\$ 5,909,716	\$ 3,994,812

**Pension Plan Fiduciary Net Position—**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

**Note 12: Description of Deferred Compensation Pension Plans**

The District has two deferred compensation plans. All amounts of compensation deferred under the plans, all property and rights purchased with these amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees and their beneficiaries. No part of the corpus or income of the trust shall revert to employer or be used for or diverted for purposes other than for the exclusive benefit of participants and their beneficiaries.

Only employee contributions were made to the Internal Revenue Code Section 457 deferred compensation plan or the Internal Revenue Code Section 401(a) defined contribution money purchase plan for the fiscal year ended June 30, 2018. The District does not make contributions on behalf of the employees.

The District is the administrator of the plans. The International City Management Association (ICMA) Retirement Corporation holds the funds in a trust and also advises as to legality, files appropriate plan documentation, and reports the quarterly activities to each plan participant.

**Note 13: Post-Employment Benefits Other Than Pensions**

**a. Plan Description**

The District provides certain health insurance benefits to retired employees in accordance with a memorandum of understanding with International Union of Operating Engineers, Stationary Engineers, Local No. 39 (Union) and Ordinance 2006-01.

For employees who retire from the District after at least twenty (20) years of service with the District and who continue health insurance through a District-sponsored health insurance plan until the age of 65, the District will contribute up to \$435 per month of the health insurance premium for the retiree and/or the retiree's spouse. At the age of 65, the retiree is required to enroll in Medicare and the District will continue to contribute up to \$435 per month to a Medicare supplemental plan of the retiree's or retiree spouse's choice.

Effective February 7, 2006, the District extended the benefit described above to all new employees, as well as the employees who are part of the Union. However, the District administers a wide variety of other retirement benefits based on the plans in place when various long-term employees' retired and in conjunction with Ordinance 2006-01. The benefits for the few unrepresented and management employees as of April 11, 2006, are dictated by Ordinance 2006-01 as well. None of the previous arrangements are being extended to any new employees of the District.

**Employees Covered**

As of the June 30, 2018 alternative measurement method valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active	23
Inactive employees or beneficiaries currently receiving benefits	14
	<u>37</u>

**Contributions**

The plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2018, the District's cash contributions were \$76,948, which were recognized as a reduction to the OPEB Liability.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2018

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**Note 13: Post-Employment Benefits Other Than Pensions (Continued)**

**Total OPEB Liability**

The District's Total OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the total OPEB liability was determined by an alternate measurement method valuation dated June 30, 2018 that was used to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Contribution Policy	No pre-funding
Discount Rate	7.00%
Inflation	7.00%
Overall payroll growth	2.75%
Wage inflation	5.30%
Healthcare Trend	5.30%

Notes:

(1) Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

(2) The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. The District does not participate in a trust fiduciary fund.

**Note 13: Post-Employment Benefits Other Than Pensions (Continued)**

**Changes in the OPEB Liability**

The changes in the Total OPEB liability for the plan are as follows:

	Increase(Decrease)
	Total OPEB Liability
Balance at June 30, 2017	\$ 1,325,779
Changes recognized over the measurement period:	
Service Cost	19,623
Interest	33,857
Benefit Payments	(76,948)
Net Changes	(23,468)
Balance at June 30, 2018	\$ 1,302,311

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease	Current	1% Increase
	(6.00%)	Discount Rate (7.00%)	(8.00%)
Total OPEB Liability	\$ 1,465,014	\$ 1,302,311	\$ 1,165,159

**Expense Related to OPEB**

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of (\$23,468).

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2018**

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**Note 14: Revenue Limitation Imposed by California Proposition 218**

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new, increase, or extended taxes and assessments subject to the provisions of Proposition 218 requires the voters' approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative process and may be rescinded in the future years by the voters.

The proposition also provides for a customer protest process when fees for services benefiting a property are proposed to be increased. The District follows this process when changes are contemplated for water sales and waste disposal zone charges.

**Note 15: Commitments and Contingencies**

The District has received State and Federal funds for specific purposes that are subject to review and audit by the grantor Agencies. Although such audits could generate expenditure disallowances under the term of the grants, it is believed that any required reimbursements will be immaterial.

In 2010, the District was sued over its' rights to replace a key piece of infrastructure serving the public. Both Trial and Appellate Courts have ruled in the District's favor in this lawsuit; and the California Supreme Court rejected the plaintiff's petition to hear the case. The decision upholds the District's right and obligation to maintain public infrastructure.

At June 30, 2018, the District had continued the retrofit related to the design of the Auburn Lake Trails Water Treatment Plant.

Compliance Order #01-09-04CO-002 was issued by the CA Dept. of Public Health on February 23, 2004, which required the District to provide surface water treatment that effectively reduces giardia cysts and viruses by 3 and 4 logs respectively, through filtration and disinfection at its Auburn Lake Trails Water Treatment Plant. Since then, regulations have added the requirement for the ALTWTP to effectively reduce cryptosporidium cysts by 2 logs. This later requirement is considered achieved when treatment requirements for giardia and viruses are being met. As of the date of these financial statements, the District is not in compliance with the Compliance Order. The ramifications of this non-compliance have not been determined but may include possible fines and penalties.

**Note 16: Subsequent Events**

In preparing the accompanying financial statement, the District management has reviewed all known events that have occurred after June 30, 2018, and through December 31, 2018, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

**Note 17: Restatement of Net Position**

Net position was restated in the amount of (\$785,721) in the Water Fund as a result of the implementation of GASB 75 and the removal on items previously recorded as inventory that should have been expensed in previous years.

**COST SHARING MULTIPLE-EMPLOYER PLAN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEAR (1)**

	2015	2016	2017	2018
<b>Miscellaneous Rate Plan</b>				
Rate Plan's Proportion of the Net Pension Liability	0.16244%	0.06977%	0.06244%	0.05959%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 4,014,865	\$ 4,788,730	\$ 5,403,038	\$ 5,909,716
Rate Plan's Covered Payroll	\$ 870,074	\$ 896,800	\$ 1,057,557	\$ 1,190,555
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	461.44%	533.98%	510.90%	496.38%
<b>The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	74.48%	78.40%	74.06%	73.31%

**Notes to Schedule:**

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

**COST SHARING MULTIPLE-EMPLOYER PLAN  
SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEAR (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>Miscellaneous Rate Plan</u></b>				
Actuarially Determined Contribution	\$ 316,796	\$ 484,729	\$ 532,748	\$ 574,408
Contribution in Relation to the Actuarially Determined Contribution	(316,796)	(484,729)	(532,748)	(574,408)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 896,800	\$ 1,057,557	\$ 1,190,555	\$ 1,281,439
Contributions as a Percentage of Covered-Employee Payroll	35.33%	45.83%	44.75%	44.83%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only four years are shown.

**Note to Schedule:**

Valuation Date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Assets valuation method	Market Value
Discount Rate	7.50% (net of administrative expenses)
Projected Salary Increases	3.30% to 14.20% depending on Age, Service, and type of employment.
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation of 2.75% and an annual production growth of 0.25%.



**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 19,623
Interest on the total OPEB liability	33,857
Benefit payments	(76,948)
<b>Net change in total OPEB liability</b>	<u><b>(23,468)</b></u>
<b>Total OPEB liability - beginning</b>	<u><b>1,325,779</b></u>
<b>Total OPEB Liability</b>	<u><b>\$ 1,302,311</b></u>
<b>Covered-employee payroll</b>	\$ 1,390,335
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	93.67%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule:** None

**Changes in assumptions:** None



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund the Georgetown Divide Public Utility District, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be material weaknesses:

**Capital Asset Reconciliation**

Through LSL's procedures to verify the appropriateness of the District's expenditures, material expenses were identified that should have been capitalized totaling \$1,376,181. We identified these costs related to the District's ALT Water Treatment Plant Retrofit Project should have been capitalized along with the entire project, and as such a material journal entry was necessary to include such costs. We recommend that the District reconcile capital asset activity throughout the audit period to ensure all capitalizable costs are properly reflected in the financial statements.



To the Board of Directors of the  
Georgetown Divide Public Utility District  
Georgetown, California

*Management's Response* – The District accepts this finding and has implemented additional procedures to mitigate the future occurrence of errors related to the timing in year-end accrual entries and the preparation of capital asset schedules and capitalization of construction in progress expenditures.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **District's Response to Findings**

The District's response to the findings identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Lance, Soll &amp; Lughard, LLP".

Sacramento, California  
December 31, 2018

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF FEBRUARY 12, 2019  
AGENDA ITEM NO. 7.D.**



**AGENDA SECTION: NEW BUSINESS**

**SUBJECT: ADOPT A RESOLUTION FREEZING TREATED AND IRRIGATION WATER RATES FOR THE CALENDAR YEAR 2019, AND REVIEW AND PROVIDE DIRECTION ON THE PLAN TO REVIEW THE CAPITAL REPLACEMENT PROGRAM INCLUDED IN THE WATER FINANCIAL ANALYSIS BY RURAL COMMUNITY ASSISTANCE CORPORATION, DATED OCTOBER 2017**

**PREPARED BY:** Steven Palmer, PE, General Manager

**APPROVED BY:** Steven Palmer, PE, General Manager

**BACKGROUND**

In December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates. The 15-month process to update water rates included two (2) public workshops, and seven (7) meetings of either the Board of Directors or Finance Committee. The process followed is detailed in the Staff Report from January 8, 2019, which is included as **Attachment 1**.

At the culmination of that process, the Board of Directors accepted and closed the Proposition 218 Public Notice and protest process, and adopted the following rates for water service:

**Treated Water**

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 23.57	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	—	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

### Irrigation Water

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 47.00	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

*Note:* Irrigation water is delivered, and monthly charges are only billed during the five (5) month irrigation season.

At the January 8, 2019 Board meeting, the Board of Directors voted 4-1 to “temporarily freeze the rate increases for no more than 12 months and direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit. And then they'll bring back recommendations to the Board for possible rate adjustments.”

### DISCUSSION / ANALYSIS

The first part of the Board action from January 8, 2019 was to “temporarily freeze the rate increases for no more than 12 months.” In order to freeze the rates, the Board needs to adopt a resolution setting the rates lower than the previously adopted rates. That resolution is included as **Attachment 2**. The resolution also specifies that after the November/December 2019 billing period, the rates will increase to the previously adopted rates for 2019 as described in Resolution 2017-30 (Attachment 3).

The second part of the Board action from January 8, 2019 was to “direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit.” A forensic audit is an examination and evaluation of financial transactions for presentation to court and for the purpose of identifying and documenting fraud.

Based on the discussions among the Directors at that Board meeting, it is the General Manager’s understanding that the Board’s goal is to have an independent evaluation of the capital replacement program that was developed for the Water Financial Analysis prepared by Rural Community Assistance Corporation (RCAC), dated October 2017. A forensic audit would not meet this goal. In order to provide an independent evaluation of the capital replacement program developed for the Water Financial Analysis, the General Manager recommends the District hire a professional engineering firm to review the costs listed for each project. The basic scope of work for the engineering firm would include the following:

- 
- Estimate the cost to replace each item identified in the capital replacement program. The cost estimates would be prepared in 2019 dollars and based on the engineering firms experience with recent similar projects and readily available public records.
  - Estimate the replacement year for each item identified in the capital replacement program.
  - Adjust the costs estimates from 2019 dollars to the replacement year for each item. Engineering firm will provide written justification for the cost adjustment from 2019 dollars to the replacement year for each item.

The expected deliverable would be a report from the engineering firm detailing the assumptions, methodology, references; and summarizing the results. The report would likely include table(s) similar in form and content to the capital replacement program that is Exhibits 1T and 1I in the Water Financial Analysis. Those exhibits are also included with this Staff Report as **Attachment 4**.

Following today's Board meeting, the General Manager will prepare and distribute a Request for Proposals (RFP) to select an engineering firm to provide these services. The RFP will be circulated for four (4) weeks. The proposals would be reviewed and independently ranked by three District staff members. Rankings will be based on criteria listed in the RFP. Depending on the results of the independent ranking, firms may be interviewed to identify the engineering firm most qualified to perform this work for the District. Interviews are not typically conducted or required for contracts of this scope and magnitude. If the price submitted by the most qualified firm is \$45,000 or less, then the General Manager will execute the agreement. If the price submitted by the most qualified firm is more than \$45,000, then Board approval of the agreement is required it will be presented to the Board for approval. In either case, this expense was unforeseen and not included in the Fiscal Year 2018/2019 operating budget. The Board will need to approve a budget amendment to fund this work.

The last part of the January 8, 2019 Board action is "And then they'll bring back recommendations to the Board for possible rate adjustments." Once the engineering firm's work is complete, the results of the independent evaluation of the capital replacement program would be presented to the Board at the next possible Board meeting. At that point, the Board can provide direction to the General Manager on whether to proceed with developing possible rate adjustments.

#### **FISCAL IMPACT**

As reported in the Staff Report from January 8, 2019 regarding freezing treated and irrigation water rates, the action to freeze rates for 12-months will reduce revenue by \$210,000.

The actual cost of the independent evaluation of the costs in the capital replacement program is not known at this time and will not be known until proposals are received and ranked. The General Manager estimates that costs are likely to be in the range of \$50,000 and could be more. This expense was unforeseen and not included in the Fiscal Year 2018/2019 operating budget. The Board will need to approve a budget amendment at a future meeting to fund this work.

**CEQA ASSESSMENT**

This is not a CEQA Project.

**RECOMMENDED ACTION**

In order to freeze the rates for 2019, the Board must adopt the attached resolution.

As a second and independent action, if the Board wishes to proceed with an independent evaluation of the costs in the capital replacement program, then the Board needs to direct the General Manager to proceed with the RFP and selection process to select an engineering firm. A budget amendment and the professional services agreement, if needed, for this work will be presented to the Board at a future meeting.

**ATTACHMENTS**

1. January 8, 2019 Staff Report Regarding Freezing Treated and Irrigation Water Rates
2. Resolution 2019-14 Freezing Treated and Irrigation Water Rates
3. Resolution 2017-30
4. Capital Replacement Program (Exhibits 1T and 1I) from Water Financial Analysis, October 2017

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JANUARY 8, 2019  
AGENDA ITEM NO. 7.B.**



**AGENDA SECTION: NEW BUSINESS**

**SUBJECT: DISCUSS AND PROVIDE DIRECTION ON FREEZING TREATED AND IRRIGATION WATER RATES AT THE CALENDAR YEAR 2018 RATES**

**PREPARED BY:** Steven Palmer, PE, General Manager

**APPROVED BY:** Steven Palmer, PE, General Manager

A handwritten signature in blue ink, appearing to be "S. Palmer", written over the "APPROVED BY" line.

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**BACKGROUND**

In December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates. The District started this process for several reasons:

1. Prior to December 2017, the last time the rates were reviewed and updated was 2008. It is considered best practice to evaluate water rates every three to five years.
2. In 2008, the Board adopted rate increases for 2009, 2010, and 2011; however, they did not adopt the recommended increase for 2012 and 2013. If the recommended rates for 2012 and 2013 had been adopted, the treated water base rate would have been \$52.98 and the irrigation water rate for one miner's inch for one season would have been \$440. Instead, the rates for 2011 through 2017 were charged at the 2011 rate of \$47.14 base rate for treated water, and \$363.70 for one miner's inch for one season.
3. The District's water rates were too low to qualify for State and Federal grants. State and Federal agencies measure water affordability using the water rate as a percentage of the median household income. To qualify for State and Federal grants, the District must maintain an affordability index ranging between 1.5% and 4.0%. In 2017, the water affordability for the District was 1.25%.
4. The District's water rates were too low to qualify for loans. When considering lending money, lenders look at the ratio of net operating income to debt service, which is called the debt-service coverage ratio. Lenders require a minimum ratio of 1.20 to qualify for loan programs. The District's debt-service coverage ratio were projected to decrease to 1.0 in 2020.
5. Operating expenses were forecast to exceed future revenue projections by significant and ever-increasing amounts, reaching over \$300,000 annually within three years.
6. Over 60% of the District's infrastructure is over 40 years old and failures are becoming common.
7. The District did not have enough revenue to adequately fund capital replacement projects.



## Freezing Treated and Irrigation Water Rates

Board Meeting of January 8, 2019

Agenda Item No. 7.B.

GDPUD Board Mtg. of 2/12/2019

AGENDA ITEM 7.D.

Attachment 1

Page 2 of 8

8. Recent court decisions require the District to justify its tiered rate system, including the practice of including a water allowance in the fixed base charge (e.g. Capistrano Taxpayers Association, Inc. versus City of San Juan Capistrano).
9. The 2016 Grand Jury Report, dated May 17, 2017, recommended that "Once the rate study is submitted to the Board, the District must initiate a voter-approved rate increase process as soon as possible," and made the following findings:
  - a. "The District water rates are insufficient to support current operations and infrastructure and maintenance."
  - b. "Total revenues are not adequate to support operations and fund needed capital improvement reserves."
  - c. "The District loses significant revenue due to outdated water meters."
  - d. "The District also loses water and revenue due to leaks in the aging infrastructure."
  - e. "Employee compensation is too low for an agency this size, making recruitment and retention difficult."
  - f. "The current staffing levels are insufficient, which impairs the District's ability to operate efficiently."
  - g. "The District cannot depend on new hookups and ratepayers to supplement revenues as population growth has slowed on the Divide, necessitating the need for the District to look internally for revenue."
  - h. "The Jury found no evidence that either the District Board or staff is "preparing the ground" with their customers for what may be steep increases in their bills."
10. Other recommendations of the 2016 Grand Jury Report included:
  - a. "Along with replacing aging water meters, the District must upgrade their aging infrastructure and prioritize maintenance and capital improvement projects."
  - b. "The District must offer competitive salaries to attract qualified professional staff."
  - c. "The District must review staffing levels and fill key positions with permanent staff to ensure continuity of operations."

The 15-month process to update water rates included two (2) public workshops, and seven (7) meetings of either the Board of Directors or Finance Committee. A summary of those meetings is presented below:

- September 27, 2016 – Board initiated the process to enlist Rural Community Assistance Corporation (RCAC) to perform a Water Financial Analysis and calculate water rates at no cost to the District. RCAC receives funding from the State to help communities like the District to stay in compliance with regulations.
- April 25, 2017 – Staff and RCAC provided the District Finance Committee with a presentation regarding the methodology being followed for the current rate study and requested input regarding several policy related decisions. The policy questions discussed were: subsidy program for low income customers, capital reserve fund balance, non-operating revenue/property tax allocation, rate tiers, quantity of water included in the base rate, and functional cost allocation.
- May 8, 2017 – Staff presented the information from the April Finance Committee meeting to the Board to obtain Board concurrence on moving forward with this methodology for the rate calculation. By motion action, the Board provided direction on the subsidy program, loan and grant assumptions for the

## Freezing Treated and Irrigation Water Rates

Board Meeting of January 8, 2019

Agenda Item No. 7.B.

recapitalization program, and excluding hydroelectric revenue from the operating budget and rate calculation.

- August 22, 2017 – Board approved an outreach approach for the water rate calculations consisting of two public workshops, one Board meeting workshop, one Board meeting to authorize the 45-day public hearing, and one Board meeting to hold the public hearing required to adopt the rates.
- September 18, 2017 – Public Workshop #1 at Georgetown Elementary School.
- October 3, 2017 – Presentation to Board regarding Public Workshop #1.
- October 12, 2017 – Public Workshop #2 at Cool Community Hall. RCAC presented the following rates at that meeting:

Scenario	Treated Water				Irrigation Water	
	Year One		Year Five		Year One	Year Five
	Monthly Base Charge	Usage Rate (\$/CF)	Monthly Base Charge	Usage Rate (\$/CF)	Monthly per MI	Monthly per MI
1 - (85/15)	\$ 49.62	0.0225	\$ 60.30	0.0273	\$383.60	\$561.60
2 - (74/26)	\$ 55.81	0.0225	\$ 67.84	0.0273	\$356.20	\$521.40
3 - (50/50)	\$ 62.00	0.0225	\$ 75.38	0.0273	\$274.00	\$401.20

### Notes:

1. Scenario 1 splits property tax based on asset values (85% treated, 15% irrigation). Scenario 2 splits property tax based on operating expenses (74% treated, 26% irrigation). Scenario 3 splits property tax evenly between treated and irrigation.
  2. Monthly base charge shown is for ¾-inch meter size.
  3. Irrigation rate shown is for 1 miner's inch. One (1) miner's inch equates to an approximate flow rate of 1.5 cubic feet per minute (11.22 gallons per minute). During a 5-month irrigation season this is approximately 330,480 cubic feet (2,471,990 gallons).
- October 18, 2017 – Board Workshop at Northside School. As recommended at the Public Workshop #2, Scenario 2 was presented to the Board along with a few alternatives.
    - Staff received direction from the Board to prepare a Rate Study report based on Scenario 2 with the following changes for review and possible approval at a Special Board Meeting on October 24, 2017:
      - Residential 5/8-inch, ¾-inch, and 1-inch meters pay the same base rate.
      - Allocate property tax revenue to cover all administration costs, allocate \$35,000 of property tax revenue for a low-income rate assistance program, and allocate remainder to irrigation water capital reserves;
      - Review and revise capital replacement schedule; and
      - Achieve a balanced budget for operating and capital reserves in 10 years instead of 5 years.
  - October 24, 2017 – Based on input received, direction from the Board, and sound financial and best government practices, RCAC prepared a Water Financial

## Freezing Treated and Irrigation Water Rates

Board Meeting of January 8, 2019

Agenda Item No. 7.B.

GDPUD Board Mtg. of 2/12/2019

AGENDA ITEM 7.D.

Attachment 1

Page 4 of 8

Analysis and rate calculation for review by the Board at the October 24, 2017 Board Meeting. The Water Financial Analysis provides an explanation and justification of the calculated treated and irrigation water rates for five years, and documents compliance with laws and regulations. The Board reviewed the Water Financial Analysis and adopted a resolution authorizing the General Manager to prepare and deliver notice of a public hearing pursuant to Proposition 218. The Final Water Financial Analysis is included as Attachment 1.

- December 12, 2017 – Board of Directors accepted and closed the Proposition 218 Public Notice and protest process, and adopted the following rates for water service:

### Treated Water

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 23.57	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	–	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

### Irrigation Water

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 47.00	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

*Note:* Irrigation water is delivered, and monthly charges are only billed during the five (5) month irrigation season.

Based on the Board adopted rate schedule, the monthly base charge and usage rates for treated water rates are set to increase by 5% with the January and February billing cycle. This equates to an increase of \$1.47 per month for the monthly base charge and an increase of \$0.0013 per cubic foot (\$0.0097 per gallon) for the usage rate. A customer who uses the District average of 2,100 cubic feet of water per billing cycle would expect their bill to increase by \$2.83 per month (\$5.67 per billing cycle).

## Freezing Treated and Irrigation Water Rates

Board Meeting of January 8, 2019

Agenda Item No. 7.B.

Irrigation water rates are set to increase by 10%. The cost for one miner's inch of water will increase by \$15.40 per month, or \$77.00 per season. One miner's inch equates to 16,156 gallons of water per day, or 2,471,990 gallons (330,480 cubic feet) per five (5) month irrigation season. This equates to a cost of \$0.00233 per cubic foot in 2018, and \$0.00257 per cubic foot in 2019.

At the December 12, 2018 Board meeting, the Board of Directors requested that the General Manager bring back for discussion and direction an item to keep water rates at the current rates of \$29.41 per month and \$0.0255 per cubic foot of treated water, and \$154.20 per miner's inch per month for irrigation water.

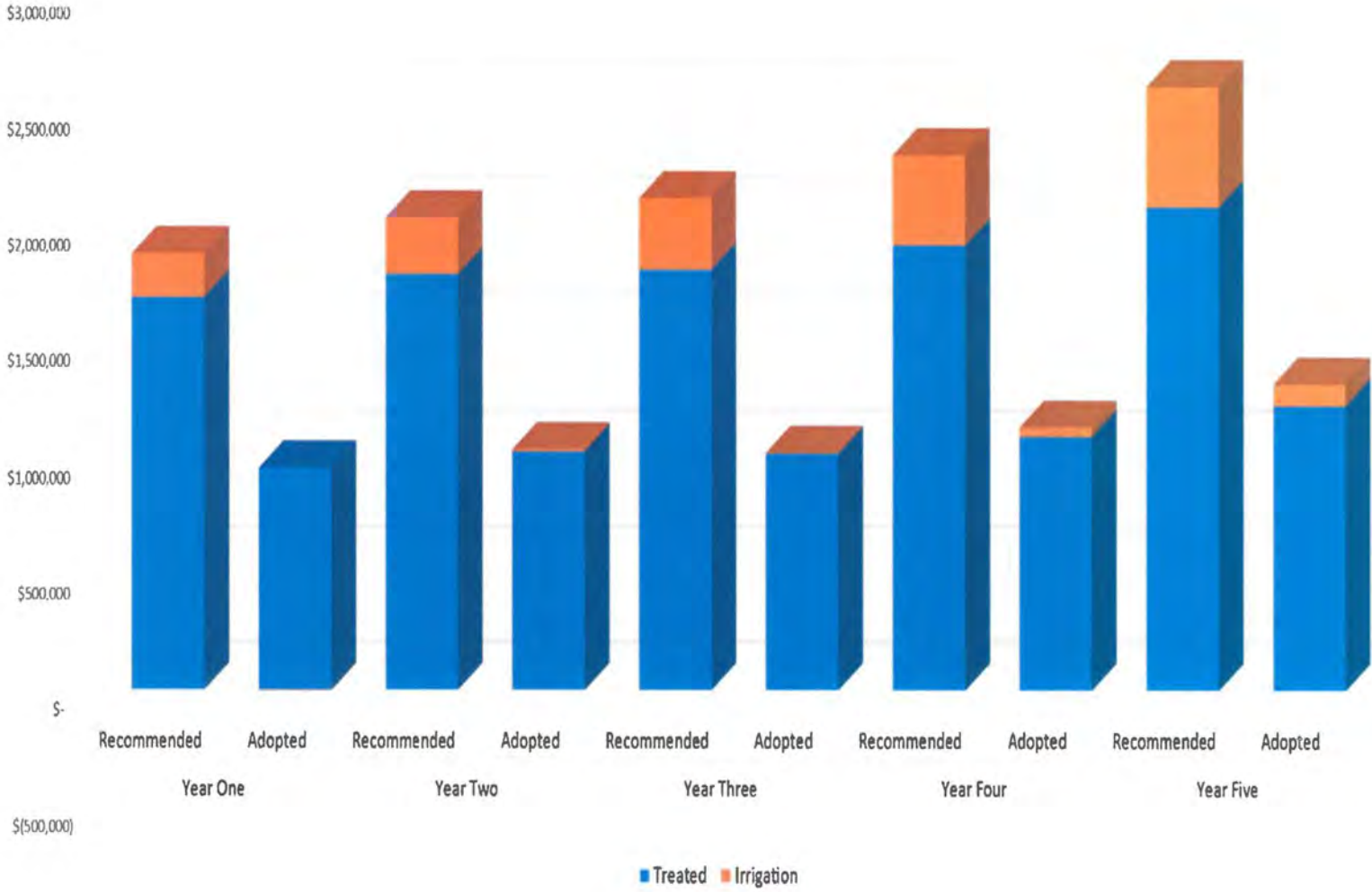
### **DISCUSSION**

Any changes to the adopted rate structure will have a direct impact on the service received by District customers. The adopted rates structure already includes a level of service that is lower than the initial recommendation from RCAC's analysis. The RCAC analysis that was presented to the Board on October 18, 2017 recommended a first-year contribution of \$1,995,634 from treated water customers and \$377,759 from irrigation water customers towards replacement and rehabilitation of assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.).

The Board reviewed the information presented in the RCAC study and directed staff to assume that assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.) would last longer than industry standards, and to reach the capital contribution goal in ten (10) years instead of five (5). Consequently, the Final Water Financial Analysis included lower contributions to capital replacements, and lower water rates than originally recommended by RCAC. The adopted rates plan for an annual contribution of \$957,026 from treated water customers and \$0 from irrigation water customers in year one of the new rates, increasing to \$1,223,578 and \$89,924, respectively, in year five of the new rates. The recommended and adopted capital expenditures in the Water Financial Analysis are summarized in the following table and chart.

	Year One		Year Two		Year Five	
	Recommended	Adopted	Recommended	Adopted	Recommended	Adopted
Treated	\$1,686,326	\$957,026	\$1,786,107	\$1,028,624	\$2,077,079	\$1,223,578
Irrigation	\$ 189,272	\$ (1,054)	\$ 244,626	\$ 6,975	\$ 513,987	\$ 89,924

Capital Expenditures



## Freezing Treated and Irrigation Water Rates

Board Meeting of January 8, 2019

Agenda Item No. 7.B.

The adopted 2018-2023 Capital Improvement Plan (CIP) planned expenditures of \$4,234,585 of District funds over the next five years to replace and rehabilitate aging infrastructure (average \$846,917). This does not include new loans or current loan payments. Over the life of the CIP, District fund balance available to replace aging infrastructure are estimated to increase by approximately \$2,000,000.

### ANALYSIS

The Board has the authority to adopt a resolution setting the 2019 water rates lower than recommended by the RCAC Water Financial Analysis, and lower than those approved in December 2017.

There are financial impacts to not implementing the already approved rate increase for 2019. This action will reduce revenue by approximately \$210,093 in the first year (2019) increasing to \$881,304 in the fifth year. If rates are not increased during the next five years, the total amount of lost revenue will be \$2,184,754. The revenue impacts are shown in the following chart.



This loss of revenue will result in reduced service to customers in the form of reduced maintenance and deferred replacement of pipelines, tanks, meters, pumps, etc.

## **Freezing Treated and Irrigation Water Rates**

Board Meeting of January 8, 2019

Agenda Item No. 7.B.

The adoption of the current rate structure was the culmination of a 15-month long process involving nine (9) public meetings that resulted in a Water Financial Analysis prepared by an experienced professional. This Water Financial Analysis and adopted rate structure address findings and recommendations from the 2016 Grand Jury Report, bring the District into compliance with recent court decisions regarding tiered rates, and made the District eligible for grants and loans.

A freeze in rates for any length of time will result in lost revenue that will never be recovered. A freeze for an extended length of time will jeopardize the District's ability to deliver water, result in increased capital replacement costs, and would likely raise concerns with the El Dorado County Grand Jury.

The District Finance Committee reviewed this proposed rate freeze at their Special Meeting on January 4, 2019. Their input was not available at the time this Staff Report was prepared, but it will be incorporated into the oral presentation to the Board.

### **FISCAL IMPACT**

Rates must be set to provide for the future sustainability of the District. Rates must account for years of inflation since 2011, reduction in revenue due to water conservation, elimination of tiered water rates, and to set aside adequate funding to replace capital infrastructure. If rates are not set properly, initially the District will be forced to draw from reserves to fund operating expenses and to defer much needed capital improvements and replacements. Once reserves are depleted the District will be unable to pay its bills and obligation. Ultimately, lack of keeping rates set properly will result in pressure from the State to consolidate with a neighboring district and could result in the State taking over the assets and obligations of the District.

### **CEQA ASSESSMENT**

This is not a CEQA Project.

### **RECOMMENDED ACTION**

Staff recommendation is that the Board does not freeze treated and irrigation water rates at the Calendar Year 2018 rates.

### **ALTERNATIVES**

1. Provide other direction regarding freezing the treated and irrigation water rates at the Calendar Year 2018 rates.

### **ATTACHMENTS**

1. RCAC Water Financial Analysis
2. Grand Jury Report Link and Findings Pages
3. Capistrano Taxpayers Case Summary

**RESOLUTION NO. 2019-14**

**OF THE BOARD OF DIRECTORS OF THE  
 GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
 FREEZING TREATED AND WATER IRRIGATION RATES AT THE 2018 RATES  
 UNTIL THE END OF THE DECEMBER 2019 BILLING PERIOD**

**WHEREAS**, Georgetown Divide Public Utility District (“District”) provides irrigation and treated water services to residents and businesses of the District; and

**WHEREAS**, in December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates; and

**WHEREAS**, that process resulted in a Water Financial Analysis (aka Water Rate Study), dated October 24, 2017, prepared by Rural Community Assistance Corporation (RCAC) that established various proposed rates; and

**WHEREAS**, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIID, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; verified and counted the protests and determined that the District may proceed with the proposed water rates; and

**WHEREAS**, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

**WHEREAS**, those rates were set to increase effective with the January/February 2019 billing period; and

**WHEREAS**, at the January 8, 2019 meeting the Board acted by motion to “temporarily freeze the rate increases for no more than 12 months;” and

**WHEREAS**, Board determinations regarding District rates should be made by resolution or ordinance; and

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT HEREBY RESOLVES THE FOLLOWING:**

1. Effective with the January/February 2019 billing period, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge
5/8, 3/4, 1”	\$ 29.41
1.5”	\$ 98.02
2”	\$ 156.83
3”	\$ 313.66
4”	\$ 490.09



An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

2. Effective with the January/February 2019 billing period, the usage rate for treated water customers will be \$0.0255 per cubic foot.
3. Effective with the January/February 2019 billing period, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)
1/2"	\$ 77.00
Per each 1"	\$ 154.20

4. The above listed rates will be effective through the November/December 2019 billing period.
5. Effective with the January/February billing period for each following year, respectively, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge		
	2020	2021	2022
5/8, 3/4, 1"	\$ 30.88	\$ 32.42	\$ 34.04
1.5"	\$ 102.92	\$ 108.07	\$ 113.47
2"	\$ 164.67	\$ 172.91	\$ 181.55
3"	\$ 329.34	\$ 345.81	\$ 363.10
4"	\$ 514.60	\$ 540.33	\$ 567.34

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

6. Effective with the January/February billing period each following year, respectively, the usage rate for treated water customers are established as follows:

Usage Charge (per CF)		
2020	2021	2022
\$ 0.0268	\$ 0.0281	\$ 0.0295

7. Effective with the January/February billing period each following year, respectively, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)		
	2020	2021	2022
1/2"	\$ 84.80	\$ 93.20	\$ 102.60
Per each 1"	\$ 169.60	\$ 186.60	\$ 205.20

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twelfth day of February 2019, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

---

Dane Wadle, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Attest:*

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

### **CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-14 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this twelfth day of February 2019.

---

Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

**RESOLUTION NO. 2017-30**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
 GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
 ADOPTING NEW RATES FOR TREATED WATER AND  
 IRRIGATION WATER SERVICES**

**WHEREAS**, Georgetown Divide Public Utility District (“District”) provides irrigation and treated water services to residents and businesses of the District; and

**WHEREAS**, a Water Rate Study, dated October 24, 2017, prepared by RCAC (“Water Rate Study”), establishes various rates proposed therein, which the District Board finds are reasonably related to the cost of service for the District; and

**WHEREAS**, in preparing the Water Rate Study, staff and RCAC held several workshops and recommended a range of alternatives that the District could adopt regarding the revised water rates, which the District Board has reviewed; and

**WHEREAS**, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIID, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; and

**WHEREAS**, the District has verified and counted the protests and determined that the District may proceed with the proposed water rates.

**NOW, THEREFORE, BE IT RESOLVED THAT THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, DOES HEREBY ACCEPT AND CLOSE** the Proposition 218 proceedings in connection with the District’s proposed water rates, with receipt of less than a majority protest vote as declared by the District Secretary. The District Board may adopt multi-year rate increases for water rates, in accordance with the Water Rate Study, in compliance with Proposition 218.

**NOW, THEREFORE, BE IT and it is hereby RESOLVED** by the Board of Directors of the Georgetown Divide Public Utility District as follows:

Beginning on January 1, 2018, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1”	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5”	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2”	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3”	\$ 23.57	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4”	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	--	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

**NOW, THEREFORE, BE IT and it is hereby RESOLVED** by the Board of Directors of the Georgetown Divide Public Utility District as follows:

Beginning on January 1, 2018, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 47.00	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

**PASSED, APPROVED, AND ADOPTED** by the Georgetown Divide Public Utility District District at a special meeting held on the 12th day of December 2017; motioned by Director Hanschild, seconded by Director Wadle, and upon roll call was carried by the following vote of:

**AYES:** Halpin, Hanschild, Uso, Wadle

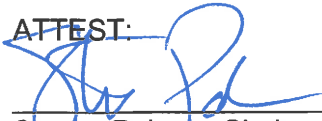
**NAYS:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
 Londres Uso, President  
 Board of Directors  
 GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:



\_\_\_\_\_  
Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2017-30 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 12<sup>th</sup> day of December 2017.



\_\_\_\_\_  
Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

<b>Capital Replacement Program</b>		<b>Exhibit 11</b>	
Georgetown Divide PUD TW		Date:	10/20/17
		System Number:	910013
		Service Connections:	3774

Qty	Component	Year Acquired	Unit Cost (Historic, Current or Future)	Cost Type (H, C, F)	Estimated Historic Cost	Normal Estimated Life	Current Age	Estimated Current Cost	Planned Remaining Life	Estimated Remaining Life	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
<b>Existing Capital Replacement Program</b>																
<b>SOURCE OF SUPPLY PLANT #5100</b>																
1	Mark Edison Dam & Slumpy Meadows Res.	1962	\$106,333	H	\$106,333	100	55	\$315,993	45	50	\$850,524	10%	50%	40%	\$0	\$1,072
1	Tunnel Hill Tunnel	1962	\$22,577	H	\$22,577	100	55	\$67,092	45	46	\$166,881	25%	20%	55%	\$6,076	\$586
1	Kaiser Siphon Replacement (1)	1964	\$83,961	C	\$83,961	100	53	\$83,961	47	46	\$208,778	25%	20%	55%	\$7,603	\$734
1	Sand Trap Siphon (1)	1964	\$34,125	C	\$34,125	100	53	\$34,125	47	48	\$88,284	50%		50%	\$6,430	\$587
1	Up. Country Ditch Imp (Pilot Ck Diversion to Tunnell Hill Inlet) (1)	1964	\$424,830	C	\$424,830	100	53	\$424,830	47	56	\$1,287,731	10%	50%	40%	\$18,758	\$1,392
<b>5200 SHARED</b>																
1	Cabin Waste Gate Replacement (1)	1972	\$6,300	C	\$6,300	40	46	\$6,300	-5	20	\$9,361	100%		0%	\$1,364	\$357
1	Bacon Creek Pipe (1)	1964	\$18,363	C	\$18,363	40	53	\$53,576	-13	20	\$79,611	50%		50%	\$5,798	\$1,518
1	Buckeye Conduit (1)	1964	\$94,461	C	\$94,461	40	53	\$84,461	-13	20	\$140,364	25%		75%	\$5,112	\$1,338
1	Up. Country Ditch (Penn Stock Bypass to Schroeder Conduit) (1)	1964	\$156,056	C	\$53,489	40	53	\$156,056	-13	5	\$172,289	25%		75%	\$6,275	\$7,189
1	Main Ditch #1 Imp (1)	1964	\$433,821	C	\$148,694	40	53	\$433,821	-13	5	\$478,973	10%	50%	40%	\$6,977	\$7,994
1	Main Ditch #2 to ALT (1)	1964	\$101,194	C	\$34,685	40	53	\$101,194	-13	5	\$111,726	25%		75%	\$4,069	\$4,662
<b>5200 IRRIGATION ONLY (1)</b>																
1	Main Ditch #2 below ALT	1964	\$0	C	\$0	40	53	\$0	-13	10		25%		75%	\$0	\$0
1	Pilot Hill Ditch (Main)	1964	\$0	C	\$0	40	53	\$0	-13	10		50%		50%	\$0	\$0
1	Pilot Hill Ditch	1964	\$0	C	\$0	40	53	\$0	-13	10		25%		75%	\$0	\$0
1	Kelsey Ditch #1	1964	\$0	C	\$0	40	53	\$0	-13	10		25%		75%	\$0	\$0
1	Kelsey Ditch #2 Imp	1964	\$0	C	\$0	40	53	\$0	-13	10		25%		75%	\$0	\$0
1	Spanish Dry Diggins Ditch	1964	\$0	C	\$0	40	53	\$0	-13	10		100%		0%	\$0	\$0
1	Taylor Mine Ditch	1964	\$0	C	\$0	40	53	\$0	-13	10		100%		0%	\$0	\$0
<b>5300 - Lake Walton WTP</b>																
1	Lake Walton Plant Replacement (4)	1992	\$12,728,909	C	\$7,681,448	50	25	\$12,728,909	25	25	\$20,883,124	25%		75%	\$760,506	\$154,431
1	Raw Water Bypass (1)	1974	\$500,000	C	\$209,745	40	43	\$500,000	-3	19	\$728,406	25%		75%	\$26,527	\$7,354
1	Lake Walton Outlet Works (1)	1974	\$50,000	C	\$20,874	40	43	\$50,000	-3	19	\$72,841	100%		0%	\$10,611	\$2,942
1	Lake Walton Dredging (1)	1974	\$500,000	C	\$301,732	40	25	\$500,000	15	22	\$772,960	25%		75%	\$28,150	\$6,617
<b>5300 - AUBURN LAKE TRAILS PLANT</b>																
1	ALT Water Treatment Plant (4)	2018	\$12,728,909	C	\$12,988,683	50	-1	\$12,728,909	51	59	\$40,945,042	25%		75%	\$1,491,105	\$102,887
<b>5400 T &amp; D METERS &amp; METER BOXES</b>																
1	Automated Meter Reading and Meter Replacement Project (5)	2018	\$1,745,800	C	\$1,781,429	20	-1	\$1,745,800	21	2	\$1,816,330	25%		75%	\$66,146	\$192,839
<b>T &amp; D TREATED WATER #5400 (2)</b>																
1	Argei Camp Tank (0.5 MG)	1974	\$76,602	C	\$325,777	40	43	\$76,602	-3	10	\$946,674	25%		75%	\$34,475	\$19,174
1	Deer Ravine Tank (0.25 MG)	1974	\$88,301	C	\$162,888	40	43	\$88,301	-3	10	\$473,357	50%		50%	\$34,475	\$19,174
1	Pilot Hill Tank (0.47 MG)	1974	\$730,006	C	\$306,230	40	43	\$730,006	-3	10	\$889,873	25%		75%	\$32,407	\$18,023
1	Black Ridge Road Tank (0.06 MG)	1974	\$93,192	C	\$39,093	40	43	\$93,192	-3	10	\$113,601	75%		25%	\$12,411	\$6,903
1	Hotchkiss Hill Tank (0.06 MG)	1974	\$93,192	C	\$39,093	40	43	\$93,192	-3	10	\$113,601	75%		25%	\$12,411	\$6,903
1	Spanish Dry Diggins Tank (0.2 MG)	1971	\$510,641	C	\$122,647	40	46	\$510,641	-6	10	\$378,670	50%		50%	\$27,580	\$15,339



GENERAL PLANT (3)																
1	Office Building	1976	\$137,335	H	\$137,335	40	41	\$309,307	-1	15	\$416,286	25%	\$0			
1	Chip, Seal Parking Lot	1985	\$2,953	H	\$2,953	10	32	\$5,565	-22	1	\$5,677	100%	\$5,455			
1	Yard Fence	1986	\$3,088	H	\$3,088	10	31	\$5,704	-21	5	\$6,298	100%	\$4,850			
1	Generator & Electrical	1986	\$2,210	H	\$2,210	20	31	\$4,084	-11	5		100%	\$1,051			
1	Gas Heat/Air System	1987	\$1,650	H	\$1,650	20	30	\$2,989	-10	5		100%	\$0			
1	Rheem Cooling & Heating Unit	1989	\$1,751	H	\$1,751	20	28	\$3,048	-8	5		100%	\$0			
1	Metal Building	1990	\$5,811	H	\$5,811	20	27	\$9,918	-7	5	\$10,950	100%	\$1,595			
1	Office & Shop Privacy Fence	2004	\$6,080	H	\$6,080	10	13	\$7,865	-3	5	\$8,663	100%	\$1,265			
1	Hangdown Fence - Add'l Ground Fencing	2006	\$4,895	H	\$4,895	10	11	\$6,086	-1	5	\$6,720	100%	\$1,449			
1	Carpet Replacement	2007	\$3,724	H	\$3,724	7	10	\$4,540	-3	5	\$5,012	100%	\$1,122			
1	Partial Re-roof of Main Maintenance Building	2016	\$3,088	H	\$3,088	30	1	\$3,149	29	30	\$5,704	100%	\$837			
OFFICE EQUIPMENT (3)																
1	Computer Network	2001	\$3,254	H	\$3,254	10	16	\$4,468	-6	5		100%	\$0			
1	Canon Copier	2002	\$4,795	H	\$4,795	10	15	\$6,454	-5	5	\$7,125	100%	\$1,038			
1	Phone System (Equip&Software)	2002	\$4,744	H	\$4,744	3	15	\$6,385	-12	5	\$7,049	100%	\$1,177			
1	Dell Server &software	2005	\$2,185	H	\$2,185	3	12	\$2,771	-9	5		100%	\$0			
1	15 DELL Computers	2007	\$4,637	H	\$4,637	5	10	\$5,652	-5	5	\$6,240	100%	\$909			
DISTRIBUTION (3)																
38	Pressure Reducing Valves	1987	\$2,455	H	\$3,278	40	30	\$168,960	10	10	\$205,961	50%	\$0			
172	Air Relief Valves	1987	\$709	H	\$121,970	40	30	\$220,932	10	10	\$269,315	50%	\$8,343			
422	Isolation Valves	1987	\$2,291	H	\$966,816	40	30	\$1,751,254	10	10	\$2,134,769	25%	\$19,615			
247	Other Valves	1987	\$2,018	H	\$498,518	40	30	\$902,997	10	10	\$1,100,748	25%	\$43,237			
581	Firehydrants	1987	\$3,273	H	\$1,901,558	60	30	\$3,444,410	30	35	\$6,888,439	75%	\$40,086			
20	Pressure Reducing Valves	2017	\$5,000	C	\$100,000	40	0	\$100,000	40	40	\$220,804	25%	\$34,170			
<b>Subtotal Existing Capital Assets</b>											<b>\$45,199,718</b>	<b>1%</b>	<b>\$135,559,165</b>	<b>26%</b>	<b>\$5,118,046</b>	<b>\$1,544,028</b>



City	Component	Year Acquired	Unit Cost (Historic, Current or Future)	Cost Type (H, C, F)	Estimated Historic Cost	Normal Estimated Life	Current Age	Estimated Current Cost	Planned Remaining Life	Estimated Remaining Life	Estimated Future Cost	Fund with Cash Grant	Fund with Loan	Existing Reserves	Annual Reserve Required
<b>Capital Replacement Program</b>															
Georgetown Divide PUD IW															
<b>Existing Capital Replacement Program</b>															
	SOURCE OF SUPPLY PLANT #5100														
1	Mark Edison Dam & Stumpy Meadows Res.	1962	\$400,015	H	\$400,015	100	55	\$1,188,737	45	50	\$3,199,689	10%	40%	\$14,980	\$4,664
1	Tunnel Hill Tunnel	1962	\$84,931	H	\$84,931	100	55	\$252,383	45	46	\$627,604	25%	55%	\$7,346	\$2,543
1	Kaiser Siphon Replacement (1)	1964	\$315,852	C	\$108,259	100	53	\$315,852	47	46	\$785,402	25%	55%	\$9,193	\$3,183
1	Sand Trap Siphon (1)	1964	\$128,375	C	\$44,001	100	53	\$128,375	47	48	\$332,115	50%	50%	\$7,775	\$2,550
1	Up Country Ditch Imp (Pilot Ck Diversion to Tunnel Hill Inlet) (1)	1964	\$1,598,171	C	\$547,779	100	53	\$1,598,171	47	56	\$4,844,320	10%	40%	\$2,681	\$6,090
														\$0	\$0
	5200 SHARED													\$0	\$0
1	Cabin Waste Gate Replacement (1)	1972	\$23,700	C	\$9,548	40	45	\$23,700	-5	20	\$35,217	100%	0%	\$1,649	\$1,517
1	Bacon Creek Pipe (1)	1964	\$201,549	C	\$69,082	40	53	\$201,549	-13	20	\$299,491	50%	50%	\$7,011	\$6,450
1	Buckeye Conduit (1)	1964	\$355,352	C	\$121,798	40	53	\$355,352	-13	20	\$528,035	25%	75%	\$6,180	\$5,686
1	Up Country Ditch (Penn Stock Bypass to Schroeder Conduit) (1)	1964	\$587,070	C	\$201,220	40	53	\$587,070	-13	5	\$648,172	25%	75%	\$7,587	\$30,250
1	Main Ditch #1 Imp (1)	1964	\$1,631,992	C	\$559,371	40	53	\$1,631,992	-13	5	\$1,801,651	10%	40%	\$8,436	\$35,636
1	Main Ditch #2 to ALT (1)	1964	\$380,682	C	\$130,480	40	53	\$380,682	-13	5	\$420,304	25%	75%	\$4,920	\$19,615
														\$0	\$0
	5200 IRRIGATION ONLY (1)													\$0	\$0
1	Main Ditch #2 below ALT	1964	\$663,376	C	\$227,375	40	53	\$663,376	-13	10	\$808,652	25%	75%	\$9,465	\$18,377
1	Pilot Hill Ditch (Main)	1964	\$429,126	C	\$147,084	40	53	\$429,126	-13	10	\$523,102	50%	50%	\$12,246	\$23,775
1	Pilot Hill Ditch	1964	\$1,070,876	C	\$367,047	40	53	\$1,070,876	-13	10	\$1,305,392	25%	75%	\$15,279	\$29,665
1	Kelsey Ditch #1	1964	\$571,625	C	\$195,927	40	53	\$571,625	-13	10	\$686,808	25%	75%	\$8,156	\$15,835
1	Kelsey Ditch #2 Imp	1964	\$1,112,665	C	\$381,336	40	53	\$1,112,665	-13	10	\$1,356,211	25%	75%	\$15,874	\$30,820
1	Spanish Dry Diggins Ditch	1964	\$37,375	C	\$12,810	40	53	\$37,375	-13	10	\$45,560	100%	0%	\$2,133	\$4,141
1	Taylor Mine Ditch	1964	\$36,563	C	\$12,532	40	53	\$36,563	-13	10	\$44,570	100%	0%	\$2,087	\$4,051
														\$0	\$0
	5300 - Lake Walton WTP													\$0	\$0
0	Lake Walton Plant Replacement (4)	1992	\$0	C	\$0	50	25	\$0	25	25	\$0	25%	75%	\$0	\$0
0	Raw Water Bypass (1)	1974	\$0	C	\$0	40	43	\$0	-3	19	\$0	25%	75%	\$0	\$0
0	Lake Walton Outlet Works (1)	1974	\$0	C	\$0	40	43	\$0	-3	19	\$0	100%	0%	\$0	\$0
0	Lake Walton Dredging (1)	1974	\$0	C	\$0	40	25	\$0	15	22	\$0	25%	75%	\$0	\$0
														\$0	\$0
	5300 - AUBURN LAKE TRAILS PLANT													\$0	\$0
0	ALT Water Treatment Plant (4)	2018	\$0	C	\$0	50	-1	\$0	51	59	\$0	25%	75%	\$0	\$0
														\$0	\$0
	5400 T & D METERS & METER BOXES													\$0	\$0
0	Automated Meter Reading and Meter Replacement Project (5)	2018	\$0	C	\$0	20	-1	\$0	21	2	\$0	25%	75%	\$0	\$0
														\$0	\$0
	T & D TREATED WATER #5400 (2)													\$0	\$0
0	Angel Camp Tank (0.5 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	25%	75%	\$0	\$0
0	Deer Ravine Tank (0.25 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	50%	50%	\$0	\$0
0	Pilot Hill Tank (0.47 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	25%	75%	\$0	\$0
0	Black Ridge Road Tank (0.06 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	75%	25%	\$0	\$0
0	Holchiss Hill Tank (0.06 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	75%	25%	\$0	\$0

Exhibit 11  
 Date: 10/20/17  
 System Number: 910013  
 Service Connections: 408



