

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

**JANUARY 28, 2021**  
**4:00 P.M.**

**MISSION STATEMENT**

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Michael Saunders, President  
Cindy Garcia, Vice President  
Mike Thornbrough, Treasurer  
Mitch Mac Donald, Director  
Vacant, Director

NOTICE: THIS MEETING WILL BE HELD IN ACCORDANCE WITH EXECUTIVE ORDER N-29-20, ISSUED BY CALIFORNIA GOVERNOR GAVIN NEWSOM ON MARCH 17, 2020, THE RALPH M. BROWN ACT (CALIFORNIA GOVERNMENT CODE SECTION 54950, ET SEQ.), AND THE FEDERAL AMERICANS WITH DISABILITIES ACT.

THIS MEETING WILL NOT BE PHYSICALLY OPEN TO THE PUBLIC. ALL MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING VIA VIDEO CONFERENCE AT

<https://us02web.zoom.us/j/81391903278?pwd=OFIBYzRLcjNtRmxHcC8zd1I3Myt0dz09>

MEETING ID: **813 9190 3278** AND PASSWORD: **475616** OR VIA TELECONFERENCE BY CALLING 1-669-900-6833, MEETING ID: **813 9190 3278** AND PASSWORD: **475646** AND WILL BE GIVEN THE OPPORTUNITY TO PROVIDE PUBLIC COMMENT. PLEASE NOTE THAT ANY PERSON ATTENDING VIA TELECONFERENCE WILL BE SHARING THE PHONE NUMBER FROM WHICH THEY CALL IN WITH THE BOARD AND THE PUBLIC.

We encourage Board members and participants to join the teleconference 15 minutes early. Due to high call volumes, we ask that Board members and participants retry calling in if there is a busy signal or if you cannot successfully connect to the meeting when you call in.

Out of respect for the meeting and others in attendance via teleconference and videoconference, please adhere to the guidance below for addressing the Board of Directors for both items on the agenda and a matter that is not on the agenda.

Pursuant to the Government Code Section 54954.3 (The Brown Act), members of the public shall be afforded the opportunity to speak on any agenda item, provided they are first recognized by the presiding officer. The Board President will call for public comment on each agenda item. Those wishing to address the Board on a matter that is not on the agenda and within the jurisdictional authority of the District may do so during the Public Forum portion of

the agenda. Please be aware of the following procedures for speaking during Public Forum or public comment sessions:

1. Please use the raise your hand feature when you wish to address the Board or, if participating via teleconference, dial 9\* to indicate you would like to speak. The President will call upon you by addressing you by the name or phone number indicated.
2. Comments are to be directed only to the Board.
3. The Board will not entertain outbursts from the audience.
4. There is a three-minute time limit per speaker.
5. The Board is not permitted to take action on items addressed under Public Forum.
6. Disruptive conduct shall not be permitted.
7. Persistence in disruptive conduct shall be grounds for removal of that person's privilege of address.

The Board President is responsible for maintaining an orderly meeting.

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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. 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.

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## **ANNOUNCE CLOSED SESSION AND ADJOURN OPEN SESSION TO CLOSED SESSION**

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

**A. Existing Litigation (Gov. Code, § 54956.9)**

Name of Case: *Georgetown Divide Taxpayers Association v. Georgetown Divide Public Utility District* (El Dorado County Superior Court case number PC20180211, Third Appellate District case number C091664)

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**ADJOURN CLOSED SESSION AND OPEN REGULAR SESSION**

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**REPORT OUT OF CLOSED SESSION**

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**5. NEW BUSINESS**

**A. Consideration of Rate Freeze**

**Possible Board Action:** Possible Adoption of Resolution (s)

**6. NEXT MEETING DATE AND ADJOURNMENT** – Next Regular Meeting is February 9, 2021, at 2:00 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 via teleconference, please contact Jeff Nelson by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on January 26, 2021.

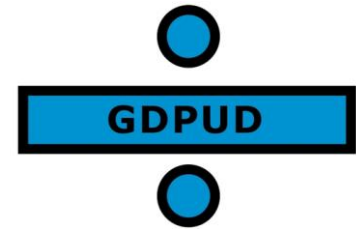


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Jeff Nelson, PE, Interim General Manager

January 26, 2021  
Date

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JANUARY 28, 2021  
AGENDA ITEM NO. 5.A.**



**AGENDA SECTION:**                    **NEW BUSINESS**

**SUBJECT:**                            **CONSIDERATION OF RATE FREEZE**

**PREPARED BY:**                    Jeff Nelson, General Manager

**APPROVED BY:**                    Jeff Nelson, General Manager

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**BACKGROUND**

The Georgetown Divide Public Utility District (District) Board of Directors (Board) voted during the January 8<sup>th</sup>, 2019 Regular Board meeting to enact a freeze on rate increases for both irrigation water and treated water rates, effective January 1<sup>st</sup>, 2019. The Board voted to continue the rate freeze through the end of the 2019. During the January 14<sup>th</sup>, 2020 Regular Board meeting, the Board voted to continue the rate freeze through the end of the 2019/20 fiscal year (FY), that being June 30<sup>th</sup>, 2020.

The rate freeze was not reestablished for treated water rates; therefore, the FY 2020/2021 operating budget for the District, which was approved by the Board on June 17<sup>th</sup>, 2020 is based on a 5% rate increase for treated water, beginning July 1<sup>st</sup>, 2020.

The board voted to extend the rate freeze for irrigated water customers through the end of the 2020 irrigation season, (September, 2020), but did not extend the rate freeze for the 2021 irrigation season. The irrigation season extends for five months (May 1<sup>st</sup> through September 30<sup>th</sup>), with the first two months of the irrigation season falling into one FY, and the last 3 months falling into the subsequent FY. The FY 2020/21 budget was approved by the Board on June 17<sup>th</sup>, 2020 and includes revenue associated with a 10% rate increase for the two months of the 2021 irrigation season (May/June) that fall into the 2020/21 FY.

**DISCUSSION**

The FY 2020/21 budget is based on a 5% increase in treated water rates for the entire fiscal year. This 5% rate increase resulted in additional revenue of \$128,850 for the entire 2020/21 FY, or \$21,475 per two month billing period. The additional revenue of \$128,850 associated with the 5% rate increase is included in the approved FY 2020/21 budget. The FY 2020/21 budget did not include an additional 5% rate increase beginning the calendar year January, 1<sup>st</sup>, 2021. A 5% rate increase beginning January 1<sup>st</sup>, 2021 would result in additional revenue of \$22,549 per two month billing period or approximately \$67,646 of additional revenue for the remainder of the FY 2020/21 FY; that is through June 30<sup>th</sup>, 2021.

The FY 2020/21 budget is based on a 10% increase in irrigation water rates for two months of the 5 month irrigation season that fall with the 2020/21 FY, that being May and June, 2021. This increase results in additional revenue of \$17,103 and is included in the approved FY 2020/2021 budget.

The District's State Revolving Fund (SRF) loan application to the State of California for the Automated Meter Reading and Replacement project includes a project 5% rate increase for both treated and irrigation water. Throughout the SRF approval process the District provided budget projections. These budget projections assumed progressive annual rate increases outlined in the RCAC rate study. At a minimum the District would need to provide adjusted rate projections for the SRF loan and submit to the State if the Board decided to freeze rates at the current scale. The State would need to conduct a second financial evaluation to see if the District would still qualify for low interest funding.

Key points:

- With the District's previous rate structure, we did not qualify for an SRF loan.
- Current estimated annual loss from consumption meter inaccuracies – 4 Million cubic feet.
- Current per cubic foot charge is  $\$0.0268 \times 4,000,000 = \$107,200$ . This represents estimated lost revenue due to inaccuracies of current meter system.

### **FISCAL IMPACT**

Freezing treated water rates will result in the loss of revenue of approximately \$22,549 per billing period, or \$67,646 for the remainder of the 2020/21 FY.

Freezing irrigation water rates for the first two months of the irrigation season will result in a loss of revenue of \$17,103 for FY 2020/21.

The District will need to notify the State regarding our State Revolving Fund loan application for the Automated Water Meter Reading and Replacement project about a reduction in the District's project revenue based on a rate freeze. The cost associated with this action is unknown at this time.

### **CEQA ASSESSMENT**

There is no CEQA action required associated with this item

### **RECOMMENDED ACTION**

Staff recommend the Board of Directors maintain the current rate structure until a new rate study can be completed and we can determine the potential risk to our SRF loan application for the Automated Water Meter Reading and Replacement project. Freezing rates will have a small negative impact on projected operating revenue for FY 2020/21.

District revenues are down slightly due to delinquent payments, probably related to the COVID-19 situation.

**ALTERNATIVES**

The Board may choose to freeze rates, or reduce the amount of the scheduled rate increase.

**ATTACHMENTS (Attachments 1-3 were provided earlier and are also available on line at the District's website)**

1. Attachment #12 of the Technical, Managerial Financial Assessment that was part of the Drinking Water State Revolving Fund Automated Meter Reading and Meter Replacement Project that detailed 5-year budget projection and capital improvement plan.
2. FY 2017/2018, 2018/2019, 2019/2020, and 2020/21 budgets
3. Final Audits for FY 2018/19 and 2019/2020
4. Draft Resolution 2021-XX Consideration of Rates

**RESOLUTION NO. 2021-XX**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**CONSIDERATION OF MAINTAINING TREATED AND WATER IRRIGATION RATES**  
**AT THE 2018 RATES UNTIL A NEW RATE STUDY CAN BE COMPLETED**

**WHEREAS**, Georgetown Divide Public Utility District (“District”) provides irrigation and treated water services to residents and businesses of the District; and

**WHEREAS**, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIID, Sec. 6), the Board adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services, with rates set to increase effective with the January/February 2019 billing period;

**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**, at the February 12, 2019 meeting the Board adopted Resolution 2019-14 which held the 2019 water rates at the 2018 water rates, and re-affirmed that water rates would increase effective with the January/February billing period each following year (2020, 2021, 2022); and

**WHEREAS**, during the January 14, 2020 Regular Board Meeting, the Board voted to continue the rate freeze through the end of the 2019/20 fiscal year, or June 30, 2020; and

**WHEREAS**, the rate freeze was not reestablished for treated water rates, therefore, the FY 2020/2021 operating budget for the District, which was approved by the Board on June 17, 2020, is based on a 5% rate increase for treated water, beginning July 1, 2020; and

**WHEREAS**, the Board voted to extend the rate freeze for irrigation water customers through the end of the 2020 irrigation season, but did not extend the rate freeze for the 2021 irrigation season; and

**WHEREAS**, the FY 2020/21 budget, approved by the Board July 17, 2020, and includes revenues associated with a 10% rate increase for the two months of the 2021 irrigation season that fall into the 2020/21 FY; and

**WHEREAS**, the District’s State Revolving Fund (SRF) loan application to the State of California for the Automated Meter Reading and Replacement (AMRR) Project includes a projected 5% rate increase for both treated and irrigation water; and

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT HEREBY RESOLVES THE FOLLOWING:**

**THE DISTRICT WILL MAINTAIN THE CURRENT RATE STRUCTURE UNTIL A NEW RATE STUDY CAN BE COMPLETED AND THE DISTRICT CAN DETERMINE THE POTENTIAL RISK TO THE SRF LOAN FOR THE AUTOMATED WATER METER READING AND REPLACEMENT PROJECT.**

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twenty-eighth day of January 2021, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

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Michael Saunders, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Attest:*

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Jeff Nelson, 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 2021-XX 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 twenty-eighth day of January 2021.

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Jeff Nelson, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT