

GEORGETOWN DIVIDE

Public Utility District

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The following information is from the June 17, 2008
Cost of Services Workshop
And Discussion of Rates

This was the fourth workshop in a series of workshops.

Previous workshop materials are part of the March 11th, April 8th and
May 13th Full Board Meeting Packets at www.gd-pud.org under the
Agenda and Minutes portion of the site.

Memo

To: Board of Directors

From: Mary Pat Frick, Business/Finance Manager *MPF*

Date: June 5, 2008

Re: Agenda Item 13. Cost of Service Analysis Workshop and Discussion of Rates

BACKGROUND/DISCUSSION:

On March 11, 2008, the first Public Cost of Service Analysis Workshop was conducted. A staff report outlining the Proposition 218 requirements and proposed timeline for examining the District's rates, as well as water related cost of services analyses and a 2008 rate comparison. Input was solicited for potential Cost of Service Analysis changes that may be required before the next workshop.

On April 8, 2008, a second Public Cost of Service Analysis Workshop was conducted. The second workshop utilized input from the first workshop and first Public Budget Committee Meeting for Fiscal Year 2008-09 to expand on the information provided at the previous workshop. The Auburn Lake Trails Wastewater cost of service analysis was discussed for the first time. At this meeting the Board of Directors decided to table discussions on a potential surcharge if the State takes local property taxes as part of the State's budget solution.

On May 13, 2008, a third public workshop was conducted. Information from the previous workshops as well as the second Public Budget Committee Meeting for Fiscal Year 2008-09 was utilized to develop revised rates for the Board of Directors consideration. The Board of Directors discussed the goals of gradually changing rates so that revenues better match expenses as well as sharing the local property tax more fairly among District activities. It was hoped that District staff would continue their entrepreneurial efforts to increase other revenues and minimize operating costs in an effort to keep District rates as low as possible. Direction to staff was:

- Propose a reasonable increase for most treated water customers with more tiers and wider tiers.
- Propose a flat rate for irrigation in a year or two without too severe of increase.
- Propose ALT Wastewater fees without 100% increase.
- Increase construction water rates to cost.

At this time, the staff has utilized the input from the previous public workshops and public budget committee meetings to develop a Draft Monthly Rate Schedule Alternative. The schedule has been developed to minimize the financial impact of the increases for the majority of customers. The schedule continues the practice of setting Auburn Lake Trials (ALT) wastewater fees to cover wastewater activities in accordance with Resolution 84-6, while moving water customer rates closer to the cost of service by incremental steps. Rates equal to the cost of service means that each customer is paying for the services that they are receiving and contributes to the financial stability of the District. Please note that Proposition 218 requires that rates not exceed the cost of service. The following chart depicts the proposed rates compared to the cost of service for treated water, irrigation and ALT wastewater activities.

Chart Comparing Revenue from Rates and Cost of Service

Activity	Fiscal Year 2006-07 Revenue	Fiscal Year 2006-07 Cost of Service	Per Cent Subsidy	Estimated Proposed Revenue	Revised Cost of Service	Estimated Per Cent Subsidy
Treated Water	\$1,496,244	\$2,357,243	36.53%	\$1,600,000	\$3,284,759	51.29%
Irrigation Water	\$171,473	\$819,066	79.06%	\$190,000	\$819,066	76.80%
ALT Wastewater	\$285,849	\$445,842	35.89% ⁽¹⁾ / 22.22% ⁽²⁾	\$340,000	\$466,077 ⁽³⁾	27.05% ⁽¹⁾ / 21.26% ⁽²⁾

(1) Calculated using revenue divided by cost of service.

(2) Calculated using \$99,077 as indirect cost divided by the cost of service.

(3) Cost of Service is the Fiscal Year 2008-09 Budget amount for ALT wastewater services plus estimated indirect costs of \$99,077 from Exhibit D.

The proposed rates decrease each activity's reliance on other District revenue except for treated water. The treated water subsidy increases due to the additional costs associated with the State Revolving Fund Loan debt for Greenwood Reservoir Water Treatment Plant. It is anticipated that the

proposed five year increases will bring the treated water subsidy to 38%. This means that additional years of increases will be needed to remove the subsidy.

A number of people have inquired about the change in costs for operating the District. The following information is provided for comparison. Please note that the Auburn Lake Trails Wastewater activities were in their infancy in 1985 and since 1985 regulatory requirements for water and wastewater have increased significantly.

Chart Comparing 1985 and Current Statistics

	1985	2007
Full Time Employees	21	26
Irrigation Customers	303	389
Treated Customers	2,200 estimated	3,589
Operating Revenue	\$504,550	\$2,066,059
Operating Expenses	\$1,187,534	\$3,622,151
U.S. Dept. of Commerce, Bureau of Economic Analysis, Implicit Price Deflator, State & Local Government Purchases of Goods and Services	64.7	124.2

The District provides this information so that you can draw your own conclusions about the District's change in costs.

Number of accounts per employee is another operations comparison. The following chart compares the District with El Dorado Irrigation District and Placer County Water Agency. Even with the differing operations of each entity, this benchmark is comparable.

Chart Comparing Number of Accounts per Employee

	GDPUD (1)	EID (2)	PCWA (3)
Total Water Accounts	3,975	37,677	37,832
Total Wastewater Accounts	996	19,918	-
Total Recycled Accounts	-	3,437	-
Account Grand Total	4,971	61,032	37,832
Employees	26	297	179
Accounts per Employee	191	205	211

Please note that the 26 employees represent positions approved in the budget. In reality, as some of the positions are less than full time, the full-time equivalent count is closer to 25. Using 25 employees, the accounts per employee is 199.

- (1) Information from 2007 Water Supply and Demand Summary and Proposed Fiscal Year 2008-09 Budget
- (2) From EID Comprehensive Annual Financial Report for the year ended December 31, 2006
- (3) From PCWA Comprehensive Annual Financial Report for the year ended December 31, 2006

Exhibit A – Draft Monthly Rate Schedule Alternative

This Draft Monthly Rate Schedule Alternative has changed significantly from the one proposed last month. The water rates were derived by a model utilized to develop rates to generate a revenue increase up to 10% for treated water, 10% for irrigation water and 18% for ALT wastewater services. The District realizes that the percentage increases may seem large; however, these increases are still well below the cost of providing services in most cases and in many cases represent only a few dollars more each month per customer. The following discussion highlights the impacts to most customers as well as explaining how the rates accomplish some of the goals of previous discussions.

Treated Water

The major reason for these rate increases is the financing of the new Greenwood Reservoir Water Treatment Plant. Even with the increases treated water revenue is only anticipated to cover approximately 49% of the cost of service in the first year. The proposed first year rates:

- Add an additional tier without being aggressive
- Impact 55% of residential customers by no more than \$2.25 per month
- Impact low water/fixed income users by \$1 per month or \$12 per year
- Impact 96% of residential customers by less than \$18 per month
- Impact very large residential customers (.2% of customers) by \$400 a month which should spur conservation
- Impact 80% of commercial customers by less than \$28 per month
- Impact some very large commercial customers significantly but bring them to where they are paying 50% of their cost of service

The rates increase 5% to 6% in each of the remaining four years. After five years, it is estimated that treated water revenue will cover approximately 62% of the cost of service.

Construction Water

These proposed rates increase by 80% in the first year and approach the cost of treated water in the fifth year. It is more efficient to charge one rate for construction water rather than separate rates for treated construction water and

raw construction water. The amount of raw construction water usage varies from year to year. In most years, the majority of the water sold is treated water. Therefore these rates are designed to be slightly less than the treated water cost.

Auburn Lake Trails Wastewater Fees

These proposed monthly fees are designed from the revised cost of service schedule incorporating specific identification of certain cost categories. The fees endeavor to cover the direct costs of the wastewater activities without the previous 100% increase for CDS customers. The needed increase for the CDS customer fees to better match the cost of service is phased in over the next three years. The proposed fees for the first year cover 73% of the cost of service. The increases in any of the five years are \$10 a month or less. After five years, it is estimated that ALT wastewater revenue will cover approximately 90% of the cost of service.

The proposed monthly fees are not adequate to cover the indirect costs of the District related to wastewater activities. Indirect costs are the administrative and general costs of the District. Board meetings, District bill paying, payroll and employee benefit administrative costs are among the many administrative and general costs. As in past years, the indirect costs related to wastewater activities have been and continue to be covered by local property taxes. There has been discussion about whether the wastewater fees should pay for any of the indirect costs as the District would have to pay these costs if there were no wastewater activities. The cost of service analyses for all the District's activities has endeavored to fairly allocate the indirect cost to each activity. This way no one District activity is burdened with all of the indirect costs but only their share. Another way to look at this is -- what general and administrative costs would each activity have to pay for if the other activities did not exist? Indirect costs like these are the ones that are allocated among the treated water, raw water and wastewater activities. Consequently, if local property taxes are not available to cover the wastewater portion of the indirect costs additional funding for wastewater activities will be needed.

Lastly, several other ALT wastewater fees have been reviewed and updated. Escrow inspections have been increased to more closely represent the amount of staff time involved. The additional inspection fee has been increased in an effort to encourage compliance with the original escrow inspection process and deter premature escrow inspection requests. The consultant assisting with designs has increased his charges so that District has increased the fees based on the consultant fee schedule and a slight increase for District staff's time. Lastly, the CDS connection fee remains the same.

Irrigation Water

The major reason for the rate increases is to move to a flat rate per miners' inch in preparation to bring the rates more in line with the cost to provide the service. Even with the increases irrigation revenue is only anticipated to cover 23% of the cost of service which attests to this less aggressive approach to increasing rates. These proposed first year rates:

- Impact most customers by less than \$3 per month
- Impact 92% of customers by \$8.23 per month or less (about \$41 per season)
- Impacts largest customer by about 30%
- Increases revenue by 10%
- Encourages conservation and may increase customer base or number of customers served

The rates increase 10% in each of the remaining four years. After five years, it is estimated that irrigation water revenue will cover approximately 33% of the cost of service.

The following exhibits have been included to complete this staff report. The exhibits have not changed since the last meeting. Please note that the basis for the detailed cost of service analyses is fiscal year 2007 audited information revised to include state revolving fund loan information. The final analyses are the result of input from previous meetings.

- *Exhibit B - Revised Cost of Service Treated Water*
- *Exhibit C - Revised Cost of Service Raw Water*
- *Exhibit D - Cost of Service Auburn Lake Trails Wastewater*
- *Exhibit E - Cost of Services Analysis Revised (Treated and Raw Water Analysis)*
- *Exhibit F - Schedule of Operating Expenses (ALT Wastewater Analysis)*
- *Exhibit G - 2008 Rate Comparison*
- *Exhibit H - May 13, 2008 Draft Monthly Rate Schedule Alternative*

RECOMMENDATION:

Staff recommends discussion of the draft monthly rate schedule alternative and related information so that the Board can provide direction to staff regarding meeting the District's financial needs. A decision on these matters will allow the District to carry out the steps required to implement any changes according to the following timeline.

The timing of the changes, if any, is at the Board of Directors' discretion. However, staff would like to mention that the SRF loan payments will have a significant impact on the future cash flow of the District. Consequently, it may be better to start small rate increases now rather than to require a large increase at a later date. In addition, the preparation of the Fiscal Year 2008-09 Budget reveals that the ALT wastewater reserves are being reduced significantly. The sooner new ALT fees are adopted, the sooner ALT wastewater reserves may be stabilized.

To comply with the Proposition 218 requirements, the following timeline has been proposed:

March 11, 2008	Cost of Service Analysis and Proposed Rates Workshop I
April 8, 2008	Proposed Rates Workshop II
May 13, 2008	Proposed Rates Workshop III
June 17, 2008	Proposed Rates Workshop IV
June 24, 2008	Deadline for mailing of proposed rate notices (this is tight)
August 5, 2008	Public Hearing regarding proposed rates
September 1, 2008	Proposed implementation of treated water rates and ALT wastewater fees
May 1, 2009	Proposed implementation of irrigation rates

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
DRAFT MONTHLY RATE SCHEDULE ALTERNATIVE
(Billed Bi-monthly with a post card format to save District customers money)

TREATED WATER SERVICE

Current Minimum	Existing	Sept. 1, 2008	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012
Residential to 1,000 cf	\$19.98	\$20.98	\$22.24	\$23.57	\$24.99	\$26.49
Commercial to 1,000 cf	\$25.16	\$25.16	\$25.16	\$25.16	\$25.16	\$26.49

Commodity Charge \$ per 100 cubic feet (cf)

1,001 to 2,000 cf	\$1.00	\$1.25	\$1.31	\$1.38	\$1.45	\$1.52
2,001 to 3,000 cf	\$1.16	\$1.50	\$1.58	\$1.65	\$1.74	\$1.82
3,001 to 4,000 cf	\$1.32	\$1.75	\$1.84	\$1.93	\$2.03	\$2.13
4,001 and over	\$1.32	\$2.00	\$2.10	\$2.21	\$2.32	\$2.43

CONSTRUCTION WATER (RATES TO BE EFFECTIVE SEPTEMBER 1, 2008 AND EACH APRIL 1ST THEREAFTER)

Charge per 1,000 gallons	\$2.50	\$4.00	\$4.25	\$4.50	\$4.75	\$5.00
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AUBURN LAKE TRAILS WASTEWATER FEES (RATES TO BE EFFECTIVE SEPTEMBER 1, 2008 AND EACH MAY 1ST THEREAFTER)

Lots Connecting to the Community Disposal System,

Vacant lot	\$17.60	\$18.17	\$18.17	\$19.07	\$19.07	\$20.02
Developed lot	\$35.20	\$45.20	\$55.20	\$65.20	\$68.50	\$71.50

Lots not associated with the Community Disposal System

Vacant lot	\$10.53	\$18.17	\$18.17	\$19.07	\$19.07	\$20.02
Conventional System	\$21.06	\$22.11	\$22.11	\$22.75	\$22.75	\$23.37
Other System	\$21.06	\$25.94	\$25.94	\$27.23	\$27.23	\$28.59

Other Auburn Lake Trails Wastewater Fees

Escrow inspections (one preliminary inspection, an escrow report and one follow up inspection): \$400.00

Additional inspections for the same escrow: \$200.00

Design and inspection fee for Standard septic system: \$1,175.00

Design and inspection fee for Pressure Dosed or Pumped septic systems: \$1,400.00

Design and inspection fee for Mound septic systems: \$1,600.00

Design and inspection fee for Sand Filter septic systems: \$1,600.00

Design and inspection fee for the Community Disposal System: \$900.00

Community Disposal System Connection Fee: \$1,500.00

IRRIGATION WATER SERVICE

Monthly Charge per Miner's Inch (m.i.) except 1/2 m.i. which is at stated rate

	Existing	May 1, 2009	May 1, 2010	May 1, 2011	May 1, 2012	May 1, 2013
Minimum:	\$30.00	-	-	-	-	-
1/2 m.i. rate	\$17.00	\$47.00	\$47.00	\$47.00	\$47.00	\$47.00
1 m.i.	\$27.25	\$60.11	\$66.12	\$72.74	\$80.01	\$88.01
1.5 m.i.	\$36.50	\$60.11	\$66.12	\$72.74	\$80.01	\$88.01
2 m.i.	\$41.00	\$60.11	\$66.12	\$72.74	\$80.01	\$88.01
2.5 to 4 m.i.	\$42.00	\$60.11	\$66.12	\$72.74	\$80.01	\$88.01
5 m.i.	\$42.50	\$60.11	\$66.12	\$72.74	\$80.01	\$88.01
6 to 10 m.i.	\$42.50	\$60.11	\$66.12	\$72.74	\$80.01	\$88.01
11 m.i. and above	\$43.00	\$57.25	\$66.12	\$72.74	\$80.01	\$88.01

Georgetown Divide Public Utility District
Cost of Service
Based on Fiscal Year 2007 Actuals
 (Revised for State Revolving Fund Loan Requirements)
revised 5/7/08
Treated Water

<u>Department</u>	<u>Allocation Basis</u>	<u>Amount</u>
Source of Water Supply	28% of Total Consumption	\$105,852
Transmission and Distribution - Raw Water	28% of Total Consumption	\$208,521
Water Treatment	Total Cost	\$1,973,249
Transmission and Distribution - Treated Water	Total Cost	\$732,911
Customer Service	90% of Total Water Customers	\$264,226
		<u><u>\$3,284,759</u></u>
Acre Feet Delivered in 2007	1,900	
Residential & Commercial Customers at June 30, 2007	3,565	
Treated Water Cost per Acre Foot	\$1,728.82	
Treated Water Cost per 1,000 Cubic Foot	\$39.69	
Treated Water Cost per 1,000 Gallon	\$5.31	
Existing Residential Rate per 1,000 Cubic Foot	\$19.98	
Existing Commercial Rate per 1,000 Cubic Foot	\$25.16	

Georgetown Divide Public Utility District
Cost of Service
Based on Fiscal Year 2007 Actuals

revised 5/7/08

Raw Water

<u>Department</u>	<u>Allocation Basis</u>	<u>Amount</u>
Source of Water Supply	72% of Total Consumption	\$266,079
Transmission and Distribution - Raw Water	72% of Total Consumption	\$524,156
Water Treatment	No Distribution	\$0
Transmission and Distribution - Treated Water	No Distribution	\$0
Customer Service	10% of Total Water Customers	\$28,831
		<u><u>\$819,066</u></u>

Acre Feet Delivered in 2007	4,776
Raw Water Customers at June 30, 2007	389
Total Raw Water Cost per Acre Foot	\$171.50
Raw Water Cost per Miners' Inch per Month	\$260.23
Raw Water Cost per 1,000 Gallon	\$0.53
Existing Rate per Miners' Inch	\$57.95

Georgetown Divide Public Utility District
Cost of Service
Based on Fiscal Year 2007 Actuals

revised 5/7/08

Auburn Lake Trails Wastewater

<u>Department</u>	<u>Allocation Basis</u>	<u>Amount</u>
Direct Auburn Lake Trails Wastewater	100% of costs	\$346,765
Administrative and General Indirect)	11% of Total Administrative and General	\$99,077
		\$445,842
<u>Total Cost by Customer Type</u>		
Non-community Disposal System Customers-Conventional Systems (494)		\$152,739
Non-community Disposal System Customers-Non-conventional Systems (368)		\$139,170
Community Disposal System Customers (134)		\$126,650
Vacant Lots (103)		\$27,283
		\$445,842

	<u>Customers</u> <u>@Dec. 31, 2007</u>	<u>Monthly Cost per Customer</u>		
		<u>Direct</u>	<u>Indirect</u>	<u>Total</u>
Non-CDS - Conventional	494	\$18.81	6.96	\$25.77
Non-CDS - Non-conventional	368	\$23.23	8.28	\$31.51
Community Disposal System Customers	134	\$70.41	8.35	\$78.76
Vacant Lots	103	\$15.71	6.36	\$22.07
Current Community Disposal System Vacant Lot Monthly Rate			\$17.60	
Current Community Disposal System with Home Monthly Rate			\$35.20	
Current Non-community Disposal System Vacant Lot Monthly Rate			\$10.53	
Current Non-community Disposal System with Home Monthly Rate			\$21.06	

Cost of Service Analysis Based on 2007 Actuals

Allocation Basis:	Transmission and Distribution - Raw Water		Transmission and Distribution - Treated Water		Administrative and General	A.L.T. On-Site Wastewater Disposal Zone	Total Cost 2007	Revised for additional loan costs	Total 2007 for additional loan costs
	Source of Water Supply Total	Usage from 2007	Usage from 2007	Usage from 2007					
Acres	6,676	6,676	1,900	1,900					
Customers			3,565			1,099			
Raw Water Costs:	\$266,079	\$524,156	\$28,831				\$819,066		\$171.50
Treated Water Costs:	\$105,852	\$208,521	\$1,045,733	\$732,911	\$264,226		\$2,357,243	\$3,284,759	\$1,240.65
Wastewater Costs:			\$371,931	\$732,677	\$1,045,733	\$732,911	\$293,057	\$445,842	\$3,622,151
Subtotal			\$0	\$0	\$0	\$445,842	\$445,842	\$445,842	not applicable

New costs related to State Revolving Fund Loans for treatment plant required changes:

Walton Lake:	Customer Accounts from June 30, 2007 Billing:	% of Total
Retrofit and filter loan annual debt service	Residential 3,420	86.49%
Retrofit and filter loan annual reserve requir	Commercial 145	3.67%
Retrofit and filter loan annual net income re	Irrigation 389	9.84%
	<u>3,954</u>	<u>100.00%</u>
Greenwood Reservoir:		
Plant loan annual debt service	Zone 1,099	
Plant loan annual reserve requirement		
Plant loan annual net income requirement	Customers with Zone <u>5,053</u>	
Subtotal for additional costs		Revised
	\$927,516	\$260.23
Revised subtotal for Water Treatment		\$28.48
		\$33.81
		\$0.00053
		\$0.00381

Water needed		
Sales	Total	% of Total
Ag Water 4,776	4,776	71.54%
Treated Water 1,900	1,900	28.46%
Total AF 6,676	6,676	100.00%

**Cost of Service Analysis Revised
Schedule of Operating Expenses
For the Fiscal Year Ended June 30, 2007
(From audited Basic Financial Statements)**

	Transmission and Distribution - Raw Water	Water Treatment	Transmission and Distribution - Treated Water	Customer Service	Administrative and General	A.L.T. On-Site Wastewater Disposal Zone	Administrative and General Allocation Base
Salaries and part-time labor	\$ 86,200	\$ 205,760	\$ 195,220	\$ 119,372	\$ 282,588	\$ 145,583	\$ 1,352,318
CalPERS benefits	16,917	35,154	46,736	61,415	20,884	32,670	281,106
ICMA benefits	-	-	-	-	-	-	-
Payroll taxes	7,671	16,194	15,985	8,762	21,459	10,793	98,269
Insurance - health and life plans	7,515	27,002	47,206	25,020	63,916	26,412	222,935
Insurance - workers' compensation	6,739	11,830	14,967	(447)	7,844	8,512	78,198
Insurance - District plan	-	(95)	820	-	9,634	-	10,359
Accounting and audit fees	-	-	-	-	7,000	-	7,000
Building maintenance and repairs	-	113	-	-	6,918	-	7,031
Director stipends	-	-	-	-	16,650	-	16,650
Engineering fees	-	-	740	-	660	-	1,400
Insurance - general	494	3,123	2,967	3,155	31,210	1,127	44,156
Legal - general	-	1,054	7,706	747	64,328	4,168	84,013
Supplies, rentals and durable goods	9,758	69,778	41,089	-	1,280	23,786	166,218
Office supplies	-	267	6,594	5,947	14,737	3,154	33,304
Outside services	43,498	13,902	10,842	75	79,065	24,929	183,595
Public relations	-	150	225	-	6,697	150	7,560
Retiree benefits	-	-	-	-	64,919	-	64,919
Development and travel	74	493	1,451	26	12,451	1,380	16,713
Utilities	96	206	5,742	502	15,736	5,175	168,977
Equipment and vehicle maintenance	3,713	10,542	5,657	405	10,220	3,238	35,198
Vehicle operations	6,667	12,297	10,894	-	3,819	4,354	42,515
Regulatory requirements and fees	13,450	30,139	401	-	6,206	21,786	72,032
Other - County election admin.	-	-	-	-	9,572	-	9,572
Other - County property tax admin.	-	-	-	-	26,548	-	26,548
Other - Memberships	-	-	150	109	10,100	300	10,659
Depreciation	91,040	28,247	195,524	-	52,046	29,118	528,191
Amortization	-	-	-	-	45,196	-	45,196
Other	1,097	1,862	2,228	16	2,056	130	7,519
Direct Cost Subtotal	294,929	553,485	613,144	225,104	893,739	346,765	3,622,151

**Schedule of Operating Expenses
For the Fiscal Year Ended June 30, 2007
(From audited Basic Financial Statements)**

Auburn Lake Trails Wastewater Activities Allocation

	A.L.T. On-Site Wastewater Disposal Zone		Administrative and General		TOTAL		Non-Community Disposal System		Community Disposal System		Vacant Lots		A.L.T. Zone Allocation Base	
	\$		\$		\$		Conventional	Non-conventional	Disposal System	Disposal System			TOTAL	Time Estimates
Salaries and part-time labor	145,583		38,458		184,041		73,823	70,657	26,041	13,521			184,041	Salaries
CalPERS benefits	32,670		2,842		35,512		14,245	13,634	5,025	2,609			35,512	Salaries
ICMA benefits	-		-		0		0	0	0	0			0	Salaries
Payroll taxes	10,793		2,920		13,713		5,501	5,265	1,940	1,007			13,713	Salaries
Insurance - health and life plans	26,412		8,699		35,111		14,084	13,480	4,968	2,579			35,111	Salaries
Insurance - workers' compensation	8,512		1,068		9,580		3,843	3,678	1,355	704			9,580	Salaries
Insurance - District plan	-		1,311		1,311		526	503	186	96			1,311	Salaries
Accounting and audit fees	-		890		890		400	298	108	83			890	All Customers
Building maintenance and repairs	-		941		941		423	315	115	88			941	All Customers
Director stipends	-		3,621		3,621		1,628	1,213	442	339			3,621	All Customers
Engineering fees	-		84		84		38	28	10	8			84	All Customers
Insurance - general	1,127		4,247		5,374		2,156	2,063	760	395			5,374	Salaries
Legal - general	4,168		2,798		6,966		1,258	937	4,509	262			6,966	CDS/All
Supplies, rentals and durable goods	23,786		174		23,960		1,200	894	21,850	16			23,960	Specific Identification/All
Office supplies	3,154		2,006		5,160		2,466	1,837	669	188			5,160	Customers/All
Outside services	24,929		3,439		28,368		5,994	4,465	16,658	1,250			28,368	Specific Identification/All
Public relations	150		851		1,001		450	335	122	94			1,001	All Customers
Retiree benefits	-		8,835		8,835		3,544	3,392	1,250	649			8,835	Salaries
Development and travel	1,380		1,694		3,074		1,446	1,077	392	159			3,074	Customers/All
Utilities	5,175		2,000		7,175		899	670	5,419	187			7,175	CDS/All
Equipment and vehicle maintenance	3,238		1,299		4,537		2,190	1,631	594	122			4,537	Customers/All
Vehicle operations	4,354		485		4,839		2,378	1,771	645	45			4,839	Customers/All
Regulatory requirements and fees	21,786		-		21,786		9,334	7,365	3,140	1,946			21,786	Specific Identification/All
Other - County election admin.	-		-		0		0	0	0	0			0	Not Applicable
Other - County property tax admin.	-		1,155		1,155		519	387	141	108			1,155	All Customers
Other - Memberships	300		2,197		2,497		1,136	846	308	206			2,497	Customers/All
Depreciation	29,118		6,615		35,733		2,973	2,215	29,925	620			35,733	CDS/All
Amortization	-		-		0		0	0	0	0			0	Customers
Other	130		447		577		286	213	78	0			577	Customers
Direct Cost Subtotal	\$346,765		99,077		445,842		152,739	139,170	126,650	27,283			445,842	

Monthly cost per customer 25.77 31.51 78.76 22.07

See next page for key statistics and terms

Key statistics @ December 31, 2007:

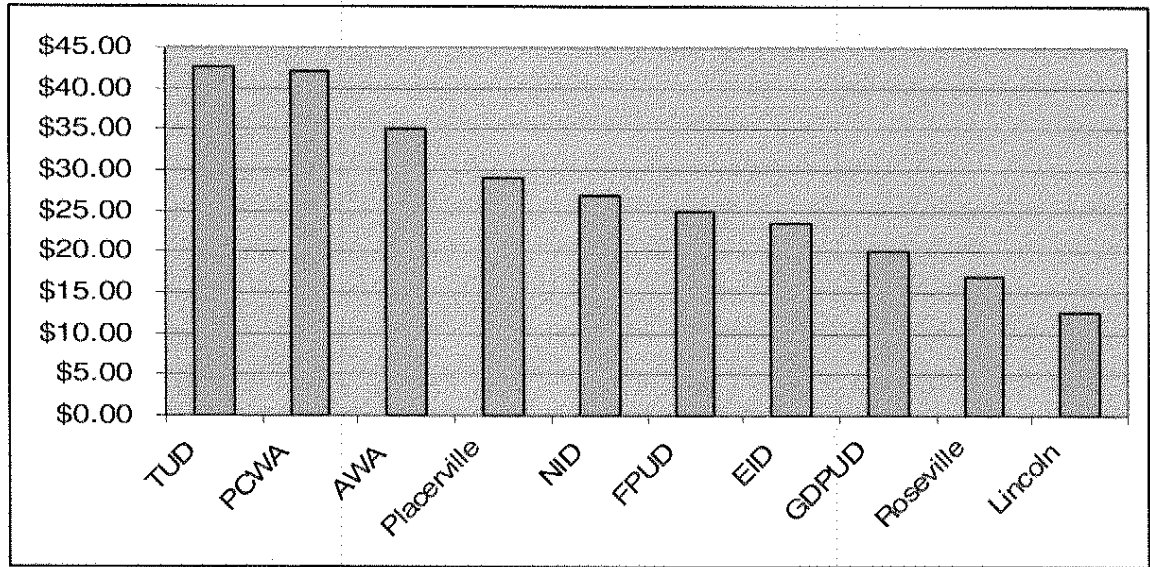
Non-community disposal system conventional residences	494
Non-community disposal system nonconventional residences	368
Community disposal system residences	134
Vacant lots	103
	<u>1,099</u>

Terms:

"All Customers" represent non-CDS, CDS and vacant
 "Customers" represent non-CDS and CDS only
 CDS or Customers with "/All" means that the direct costs
 are allocated based on the term before the slash and the
 indirect costs are allocated based on the term after the slash

2008 RATE COMPARISON
April 8, 2008

The 2008 Rate Comparison shows how the District's rates compare to other utility rates. The following graph shows how the District's treated water rates for 1,000 cubic feet of residential treated water for one month compares to other utilities.



AWA = Amador Water Agency
 EID = El Dorado Irrigation District
 FPUD = Foresthill Public Utility District
 GDPUD = Georgetown Divide PUD
 NID = Nevada Irrigation District
 PCWA = Placer County Water Agency
 TUD = Tuolumne Utilities District

Treated Water

(monthly rates include 1,000 cubic feet of treated water)

	Residential	Commercial
GDPUD existing – 2008	\$19.98	\$25.16
Amador Water Agency – 2007	35.13	35.13
City of Lincoln – 2006 (PCWA & well water)	12.50	12.50
City of Placerville – 2006	29.09	29.09
City of Roseville – 2008		
Inside City	16.90	16.90
Outside City	27.05	27.05
El Dorado Irrigation District – 2008		
Gravity service	23.49	23.49
Pumped service	24.47	24.47
Foresthill Public Utility District – 2007	25.00 to 31.50	25.00 to 31.50
Nevada Irrigation District – 2007		
Inside District	26.79	33.50
Outside District	33.50	41.90
Placer County Water Agency – 2008		
Zone 1	42.18	41.52
Zone 2	41.70	41.70
Zone 3	51.48	49.92
Zone 4	53.98	-
Tuolumne Utilities District – 2007	42.47	42.47

2008 RATE COMPARISON*April 8, 2008***Raw Water**

(monthly charge for one miner's inch service)

GDPUD existing – 2008	\$57.25
Amador Water Agency - 2007	\$288.48
El Dorado Irrigation District – 2008	91.99
Nevada Irrigation District – 2007	
Inside District	211.31
Outside District	260.89
Placer County Water Agency – 2008	
Zone 1 irrigation per month	56.47
Zone 3 irrigation per month	78.20
Tuolumne Utilities District – 2007	136.10

Wastewater
(monthly fees)

GDPUD existing – 2008	
Vacant Lot Zone	\$10.53
Single Family Residence Zone	21.06
Vacant Lot Community Disposal System (CDS)	17.55
Single Family Residence CDS	35.20
Amador Water Agency – 2007	
Vacant Lot	21.00 to 39.60
User Rate	73.50 to 80.00
City of Lincoln Sewer Service – 2006	16.00
City of Placerville Waste Water Rates – 2006	47.62
City of Roseville – 2008	24.65
El Dorado Irrigation District – 2008	75.33
Tuolumne Utilities District – 2007	33.93

Treated Water Tiers

Amador Water Agency – 2007	1) \$1.51 per one hundred cubic feet (ccf)
City of Lincoln – 2006	1) \$1.64 per 134 cubic feet (cf) for 1,337 to 2,674 cf 2) \$1.59 per 134 cf for 2,675 to 8,021 cf 3) \$1.47 per 134 cf for 8,022 to 46,791 cf 4) \$1.13 per 134 cf for 46,792 cf and over
City of Placerville – 2006	1) \$1.98 per ccf 0 to 2,500 cf 2) \$2.37 per ccf 2,501 to 20,000 cf 3) \$2.57 per ccf for 20,001 cf and over
City of Roseville – 2008	1) \$0.27 per ccf for 0 to 1,200 cf 2) \$0.54 per ccf for 1,201 to 5,000 cf 3) \$0.81 per ccf for 5,001 cf and over
El Dorado Irrigation District – 2008	1) \$0.844 per ccf for 0 to 1,500 cf 2) \$0.912 per ccf for 1,501 to 20,000 cf 3) \$1.075 per ccf for 20,001 cf and over
Foresthill PUD – 2007	1) \$2.04 per 134 cf for 1,337 cf and over
Nevada Irrigation District – 2007	1) \$1.157 per ccf for 200 to 6,000 cf 2) \$1.290 per ccf for 6,001 to 40,000 cf 3) \$1.387 per ccf for 40,001 cf and over
Placer County Water Agency – 2008 (excludes Zone 4)	1) \$0.94 to \$1.07 per ccf for 0 to 400 cf 2) \$1.07 to \$1.33 per ccf for 401 to 1,000 cf 3) \$1.14 to \$1.33 per ccf for 1,001 to 2,000 cf 4) \$1.18 to \$1.33 per ccf for 2,001 to 4,000 cf 5) \$1.35 per ccf for 4,001 to 5,800 cf 6) \$1.65 per ccf for 5,801 to 7,700 cf 7) \$1.88 per ccf for 7,701 cf and over
Tuolumne Utilities District – 2007	1) \$1.50 per ccf for 0 to 1,500 cf 2) \$1.61 per ccf for 1,501 to 5,000 cf 3) \$1.96 per ccf for 5,001 cf and over

Units of Water Measurement

Volume

One cubic foot	=	7.48 gallons
One acre foot	=	amount required to cover one acre with one foot deep of water
	=	43,560 cubic feet
	=	325,851 gallons

Flow

One miner's inch	=	11.25 gallons per minute
	=	675 gallons per hour
	=	16,200 gallons per day
	=	486,000 gallons per month
	=	64,973 cubic feet per month
	=	1.49 acre feet per month
One cubic foot/second	=	7.48 gallons per second
	=	448.8 gallons per minute
	=	26,928 gallons per hour

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
DRAFT MONTHLY RATE SCHEDULE ALTERNATIVE
(Billed Bi-monthly with a post card format to save District customers money)

TREATED WATER SERVICE

<u>Current Minimum</u>	<u>Existing</u>	<u>Sept. 1, 2008</u>	<u>May 1, 2009</u>	<u>May 1, 2010</u>	<u>May 1, 2011</u>	<u>May 1, 2012</u>
Residential to 1,000 cf	\$19.98	\$21.97	\$23.07	\$24.23	\$25.50	\$26.78
Commercial to 1,000 cf	\$25.16	\$25.16	\$25.16	\$25.16	\$25.50	\$26.78

Commodity Charge \$ per 100 cubic feet (cf)

1,001 to 2,000 cf	\$1.00	\$1.15	\$1.21	\$1.27	\$1.34	\$1.41
2,001 to 3,000 cf	\$1.16	\$1.38	\$1.45	\$1.53	\$1.61	\$1.69
3,001 and over	\$1.32	\$1.73	\$1.82	\$1.92	\$2.02	\$2.13

CONSTRUCTION WATER

Charge per 1,000 gallons	\$2.50	\$2.75	\$3.00	\$3.25	\$3.50	\$3.75
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AUBURN LAKE TRAILS WASTEWATER FEES (RATES TO BE EFFECTIVE SEPTEMBER 1, 2008 AND EACH MAY 1ST THEREAFTER)

Lots Connecting to the Community Disposal System

Vacant lot	\$17.60	\$16.00	\$16.00	\$16.80	\$16.80	\$17.65
Developed lot	\$35.20	\$70.00	\$70.00	\$73.50	\$73.50	\$77.00

Lots not associated with the Community Disposal System

Vacant lot	\$10.53	\$16.00	\$16.00	\$16.80	\$16.80	\$17.65
Conventional System	\$21.06	\$19.00	\$19.00	\$20.00	\$20.00	\$21.00
Other System	\$21.06	\$23.00	\$23.00	\$24.00	\$24.00	\$25.00

Other Auburn Lake Trails Wastewater Fees

Escrow inspections (one preliminary inspection, an escrow report and one follow up inspection): \$400.00

Additional inspections for the same escrow: \$200.00

Design and inspection fee for Standard septic system: \$1,175.00

Design and inspection fee for Pressure Dosed or Pumped septic systems: \$1,400.00

Design and inspection fee for Mound septic systems: \$1,600.00

Design and inspection fee for Sand Filter septic systems: \$1,600.00

Design and inspection fee for the Community Disposal System: \$900.00

Community Disposal System Connection Fee: \$1,500.00

IRRIGATION WATER SERVICE

Monthly Charge per Miner's Inch (m.i.) except ½ m.i. which is at stated rate

	<u>Existing</u>	<u>May 1, 2009</u>	<u>May 1, 2010</u>	<u>May 1, 2011</u>	<u>May 1, 2012</u>	<u>May 1, 2013</u>
Minimum:	\$30.00	-	-	-	-	-
½ m.i. rate	\$17.00	\$47.00	\$47.00	\$47.00	\$47.00	\$47.00
1 m.i.	\$27.25	\$69.50	\$81.75	\$94.00	\$94.00	\$94.00
1.5 m.i.	\$36.50	\$69.50	\$81.75	\$94.00	\$94.00	\$94.00
2 m.i.	\$41.00	\$69.50	\$81.75	\$94.00	\$94.00	\$94.00
2.5 to 4 m.i.	\$42.00	\$69.50	\$81.75	\$94.00	\$94.00	\$94.00
5 m.i.	\$42.50	\$57.63	\$69.75	\$81.88	\$94.00	\$94.00
6 to 10 m.i.	\$42.50	\$57.63	\$69.75	\$81.88	\$94.00	\$94.00
11 m.i. and above	\$43.00	\$55.38	\$65.04	\$74.69	\$84.35	\$94.00