

AGENDA
REGULAR MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CA 95634
TUESDAY, JANUARY 9, 2018
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.
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1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

2. ADOPTION OF AGENDA

3. BOARD REORGANIZATION

A. Oath of Office of Appointed Director David Souza, Administered by Legal Counsel

B. Adopt Resolution 2018-07 Establishing the Policy for the Election of Board Officers and Confirming the Election of Officers for Calendar Year 2018

Possible Board Action: Receive nominations and elect officers. Adopt Resolution 2018-07 establishing a policy of electing officers and confirming officers for calendar year 2018.

- 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.

5. CONSENT CALENDAR

A. Approval of Minutes

1. Regular Meeting of December 12, 2017
2. Special Meeting of December 13, 2017

B. Financial Reports

1. Month End Cash Disbursements Report
2. Statement of Cash and Investment Balances

C. Adopt Resolution 2018-01 Authorizing the Change of Bank Signatory Authority

Possible Board Action: Adopt Resolution 2018-01 authorizing change of bank signatory authority.

- D. Adopt Resolution 2018-02 Authorizing the General Manager to Execute an Amendment to the Professional Services Agreement with EN2, Extending the Term of the Agreement.**

Possible Board Action: Adopt Resolution 2018-02 authorizing the Amendment to the Agreement with EN2.

6. INFORMATIONAL ITEMS

- A. President's**
- B. Board Reports**
- C. General Manager's Report**
- D. Operation Manager's Report**
- E. ALT Treatment Plant Update**
- F. Presentation on the Operation of ALTWTP**

7. NEW BUSINESS

- A. Review and Accept the 2016 Audit Report**

Possible Board Action: Receive and file.

- B. Adopt Resolution 2018-03 Authorizing the General Manager to Execute an Amendment to the Professional Services Agreement with VTD, Adding Services and Increasing the Amount by \$53,760.**

Possible Board Action: Adopt Resolution 2018-03 authorizing the amendment to the Agreement with Vavrinek, Trine, Day & Co., LLP.

- C. Consider Funding for Automated Meter Replacement Funding**

Possible Board Action: Provide direction on whether to proceed with the SRF loan application.

- D. Adopt Resolution 2018-04 Low-Income Assistance Program Policy**

Possible Board Action: Determine dollar amount for discount being offered by the program and adopt Resolution 2018-03 approving the Low-Income Rate Assistance Program Policy.

- E. Adopt Resolution 2018-06 Policy Guidelines for Developing Board Position on Legislation**

Possible Board Action: Adopt Resolution 2018-06 approving the policy guidelines and by motion action designate a Director as the legislative liaison.

8. ADJOURN TO CLOSED SESSION -

- A. CONFERENCE WITH LEGAL COUNSEL - LABOR NEGOTIATION.** Pursuant to Government Code Section 54954.5(f) and Government Code 54957.6)

District Representatives: General Manager Steven Palmer; District General Counsel
Employee Organization: International Union of Operating Engineers Stationary Engineers, Local No. 39

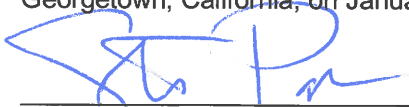
- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION.** Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code section 54956.9 (one potential case).

C. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION. Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code section 54956.9 (one case).

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.

10. NEXT MEETING DATE AND ADJOURNMENT – Next regular meeting is February 13, 2018, at 2:00 PM, at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, CA 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 5, 2017.



Steven Palmer, PE, General Manager

1/5/18

Date

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

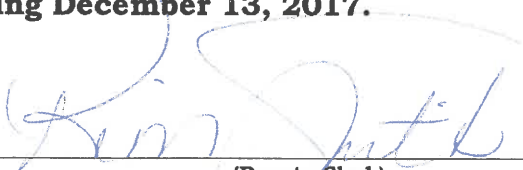
District

CERTIFICATE OF APPOINTMENT AND OATH OF OFFICE

STATE OF CALIFORNIA }
COUNTY OF EL DORADO } ss.

I, WILLIAM E. SCHULTZ, Recorder-Clerk-Registrar of Voters of the County of El Dorado, State of California, do hereby certify that the Board of Directors of the Georgetown Divide Public Utility District at a regular meeting held on December 13, 2017 did appoint Dave Souza to serve as Director of the Georgetown Divide Public Utility District for the term commencing December 13, 2017.

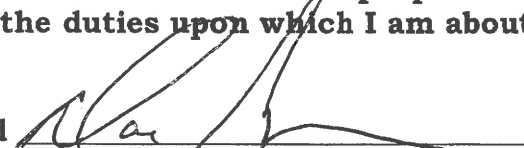
Dated: December 19, 2017.



(Deputy Clerk)

STATE OF CALIFORNIA }
COUNTY OF EL DORADO } ss.

I, Dave Souza do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely; without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Signed 

Subscribed and sworn to before me,
9 day of January, 2018.



(District Secretary)

Term: 12/05/2014 to 12/07/2018
(Carl Hoelscher resigned 10/17/2017)
(This is an unexpired short term)

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 9, 2018
AGENDA ITEM NO. 3B**

GDPUD

AGENDA SECTION: BOARD REORGANIZATION

SUBJECT: ELECTION OF OFFICERS FOR CALENDAR YEAR 2018

PREPARED BY: Gloria Omania, Board Secretary 

APPROVED BY: Steven Palmer, PE, General Manager 

BACKGROUND

The Board of Directors has historically conducted an annual election of officers in December or January for the upcoming calendar year, according to a review of past Board minutes.

Nominations will be taken from the floor and officers duly elected to serve as President, Vice-President, and Treasurer.

DISCUSSION

This process of electing new officers annually is not formalized in the District's Policy Manual.

FISCAL IMPACT

None.

CEQA ASSESSMENT

Not a CEQA Project

RECOMMENDED ACTION

Staff recommends that the Board of Directors of the Georgetown Divide Public Utility District adopt Resolution 2018-07 adopting a policy for the election of officers and confirming the election of officers for the 2018 calendar year.

ALTERNATIVES

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

ATTACHMENTS

Resolution

RESOLUTION 2018-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
ESTABLISHING A POLICY FOR THE ELECTION OF OFFICERS
AND THE ELECTION OF OFFICERS OF THE 2018 CALENDAR YEAR

WHEREAS, the Georgetown Divide Public Utility District has historically conducted an election of officers in December or January for the upcoming calendar year; and

WHEREAS, the District desires to formalize a policy for electing Officers of the Board of Directors on an annual basis; and

WHEREAS, since District Board elections are held during even years in November requiring a reorganization of the Board in December, the election of officers during even years shall be conducted in December to coincide with the installation of newly elected Directors;

WHEREAS, the election of officers during odd years shall be conducted during the January regular meeting of the Board;

WHEREAS, the nominations were received from the floor during the Board's regular Board meeting of January 9, 2018, and the following Directors elected to serve for the 2018 calendar year:

President: Londres Uso
Vice President: Jesse Hanschild
Treasurer: David Halpin

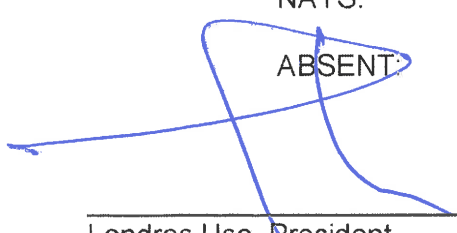
NOW THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, El Dorado County, California, that the election of officers shall be conducted annually and the slate of officers elected are confirmed to serve for the 2018 calendar year.

PASSED AND ADOPTED at a regularly held meeting of the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT on the 9th day of January 2018, by the following vote:

AYES: Halpin, Hanschild, Souza, Uso, Waddle

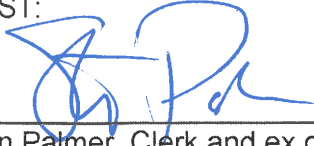
NAYS:

ABSENT:



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

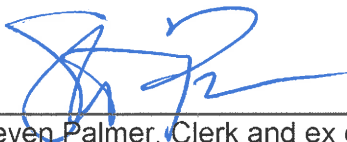
ATTEST:



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 2018-07 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 9th day of January 2017.



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

CONFORMED AGENDA
REGULAR MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CA 95634
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- 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 2:00 PM. Director Hanschild led in the Pledge of Allegiance.

Directors Present: David Halpin, Jesse Hanschild, Lon Uso, and Dane Wadle

Staff Present: General Manager Steven Palmer, Engineering Consultant George Sanders, and Board Assistant Gloria Omania. Legal Counsel: Barbara Brenner, Churchwell White, LLP

2. ADOPTION OF AGENDA

Legal Counsel Barbara Brenner stated the case of Mecklenberg vs. Georgetown Divide PUD should be added to the closed session agenda.

Motion by Director Wadle to adopt the Agenda with the addition of Mecklenberg vs. GDPUD to the closed session agenda. Second by Director Hanschild.

Public Comment: None.

The motion passed unanimously.

3. BOARD REORGANIZATION

A. Oath of Office of Appointed Director David Souza, Administered by Legal Counsel

Legal Counsel Barbara Brenner administered the Oath of Office to David Souza. Director Souza signed the Certificate of Appointment and took his seat at the dais.

B. Adopt Resolution 2018-07 Establishing the Policy for the Election of Board Officers and Confirming the Election of Officers for Calendar Year 2018

Possible Board Action: Receive nominations and elect officers. Adopt Resolution 2018-07 establishing a policy of electing officers and confirming officers for calendar year 2018.

Motion by Director Wadle to adopt the Resolution 2018-07 establishing the annual election of Board officers, and electing the current officers to continue for the 2018 calendar year. Second by Director Hanschild.

Public Comment: None

The motion passed unanimously.

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 Dowd read a statement regarding the Prop 218 process citing issues he had with the process and the Board's action to increase the rates. Mr. Dowd served Directors Hanschild, Halpin, Uso and Wadle with a Notice of Intention to Circulate a Recall Petition.

5. **CONSENT CALENDAR**

A. Approval of Minutes

1. Regular Meeting of December 12, 2017
2. Special Meeting of December 13, 2017

B. Financial Reports

1. Month End Cash Disbursements Report
2. Statement of Cash and Investment Balances

C. Adopt Resolution 2018-01 Authorizing the Change of Bank Signatory Authority

Possible Board Action: Adopt Resolution 2018-01 authorizing change of bank signatory authority.

D. Adopt Resolution 2018-02 Authorizing the General Manager to Execute an Amendment to the Professional Services Agreement with EN2, Extending the Term of the Agreement.

Possible Board Action: Adopt Resolution 2018-02 authorizing the Amendment to the Agreement with EN2.

Motion by Director Hanschild to approve the Consent Calendar. Second by Director Halpin.

Public Comment: None

The motion passed unanimously.

6. **INFORMATIONAL ITEMS**

A. President's Report

No report.

B. Board Reports

No reports.

C. General Manager's Report

General Manager Steve Palmer provided an update on staffing, indicating the Water Resources Manager position will soon be filled, and interviews are being scheduled to fill the vacant Administrative Aide 2 position.

Mr. Palmer stated that his reports will now include information on matters that will be coming up for the Board's consideration. He provided brief information on the following upcoming agenda items:

- ❖ Approving Board attendance at the ACWA Spring Conference.*
- ❖ Standardizing District Purchasing Policy with Government Practices.*
- ❖ Approving Mid-year Budget Adjustments.*
- ❖ Setting a Goal-setting Board Workshop.*
- ❖ Approving Updates to the District's Policy Manual.*
- ❖ Approving an Agreement with the El Dorado Water Agency for a Cost-Sharing Program.*
- ❖ Reviewing Wastewater Zone Fees.*
- ❖ Conducting a Mid-Year Update to the 5-year Capital Improvement Plan.*
- ❖ Approving a PGE Request for an Antenna Lease Agreement at the Hotchkiss Hill Tank.*
- ❖ Approving Updates to the Personnel Manual.*
- ❖ Approving Updates to the Capital Facilities Charge.*
- ❖ Approving Plans and Specifications for the CABY Canal Lining Project.*

Mr. Palmer stated that the Finance Committee is currently comprised of three members and is scheduled to meet the following week. The District is advertising for new members with the intention of leaving the application period open to make sure those interested will have an opportunity to apply and be considered for a Board appointment.

Lastly, the General Manager announced that Monday is the Dr. Martin Luther King holiday so the office will be closed.

D. Operation Manager's Report

Mr. Palmer gave the Operation Manager's Report on behalf of Darrell Creeks who was at training.

Things are operating normally, as of yesterday, the spilling that is great news for us. Crews dealing with fewer leaks, normal during the winter. Cleaning 4,000 feet of ditches. Starting hydrant flushing program to make sure the system works and the District can report his will affect home owner's insurance. Report that the district does this to give customers a benefit for a reduced insurance rate. Director Souza offered to assist in this effort.

E. ALT Treatment Plant Update

Engineering Consultant George Sanders indicated that because several members of the public are present and with a new Board member, he would provide additional background on the ALT to provide attendees a greater understanding of the work activities that occurred during the month of December. He stated that much of the activities centered around the filter building.

Mr. Sanders explained that the loan with the State is on a draw as needed basis. Thus far, the District has captured six payments for a total of approximately \$3M from the SRF loan.

Mr. Sanders stated that Legal Counsel successfully negotiated the loan agreement with State that minimized that amount of funds required of the District for the project. Both Mr. Sanders and Director Uso explained the State's requirement that the District collect funds to cover an extra year's loan payments.

Mr. Sanders reported that the project continues to be on time and on budget.

F. Presentation on the Operation of ALTWTP

Mr. Sanders stated that this presentation was requested by the Board after discussions that have progressed over a lengthy period relative to the operational needs of the new facility.

The purpose of this presentation is to help the community understand the existing system and what we will have when the ALT Water Treatment Plant project is hopefully completed in December. Additionally, questions have been raised as to whether the technology in the new plant could result in a reduction or a decrease in operational needs. Mr. Sanders explained that the District has two plants with a dedicated plant operator for each. Coverage less than that is unrealistic and a conclusion as to operational needs will not likely be reached until the new plant is complete.

Through a Power Point presentation, Mr. Sanders provided a comparison of the existing plant and the new plant through schematic drawings and photos describing key elements of the water treatment process.

7. NEW BUSINESS

A. Review and Accept the 2016-2017 Audit Report

Possible Board Action: Receive and file.

Craig Fechter of Fechter & Company reported there were no specific findings or recommendations in the audit report. He stated that overall there was positive income in the fiscal year so there have been improvements financially.

Director Wadle referenced the obligations listed in the report. He stated that people should understand how the District is impacted by forces beyond our control, such as the pension liability. The Board was receptive to Mr. Fechter's offer to provide the Board with a presentation on PERS.

Director Wadle reiterated Mr. Fechter's comments that it was a clean audit and internal controls are good. Mr. Fechter further stated that the current arrangement of having outside independent auditors was a positive thing for the District.

B. Adopt Resolution 2018-03 Authorizing the General Manager to Execute an Amendment to the Professional Services Agreement with VTD, Adding Services and Increasing the Amount by \$53,760.

Possible Board Action: Adopt Resolution 2018-03 authorizing the amendment to the Agreement with Vavrinek, Trine, Day & Co., LLP.

Mr. Palmer described the current staffing changes and indicated that VTD has provided a very capable staff person skilled in accounting to take over Accounts Payable duties.

Motion by Director Wadle to adopt Resolution 2018-03 authorizing the General Manager to execute an amendment to the agreement with VTD. Second by Director Halpin.

Public Comment: Steve Dowd commented on the high cost of consultants.

Cherie Carlyon asked how the job openings were advertised wanting to be sure that the District reached out locally. Mr. Palmer indicated the job announcement was posted on the website and a press release was issued.

Vote: *The motion passed unanimously.*

C. Consider Funding for Automated Meter Replacement Project

Possible Board Action: Provide direction on whether to proceed with the SRF loan application.

The General Manager provided a summary of the automated meter replacement project and described the funding options that have been considered for the approximately \$1.7M project.

Rick Gillespie stated that the previous Finance Committee reviewed and supported the proposal to replace meters with the thought that the District could gain revenue by improving the system for calculating usage.

The Board directed Staff to proceed with researching funding options and an application for a 10-year SRF loan. Mr. Palmer indicated that staff will keep the Board updated on the process.

D. Adopt Resolution 2018-04 Low-Income Assistance Program Policy

Possible Board Action: Determine dollar amount for discount being offered by the program and adopt Resolution 2018-03 approving the Low-Income Rate Assistance Program Policy.

Mr. Palmer provided an overview of the proposed program policy.

Director Halpin commented that the if there was 100% participation in the program at a 25% discount, it would total to \$75,000. The General Manager stated that it is not realistic to expect a 100% participation. In fact, a review of similar programs, showed the participation level to be no more than 6%.

Director Halpin stated that the State is considering a LIRA Program and the District should wait to see what the State does. Director Uso stated that if the State comes up with a LIRA plan; the District's program would stop. Director Wadle stated that he heard the State's proposal is being pushed back.

Director Uso stated that this is an opportunity to start a program that has never been done before. We have a reasonable format with a 25% subsidy for some of these folks on a first-

come, first-serve basis. He stated that he feels this was a commitment by the Board when \$35,000 was set aside for this program during the rate increase process.

Director Hanschild stated that ratepayers were told that the District would come up with an assistance program for customers in need.

Director Wadle asked that the Board consider spending the next four to five months marketing the program and begin accepting applications.

Director Uso questioned the amount the General Manager estimated for administrative costs. Director Halpin agreed. Mr. Palmer stated it is for staff time and resources for outreach as requested by the Board.

Director Halpin stated the Board's Mission Statement doesn't even vaguely suggest that this is part of our mission. It's not a good idea. We should be focused on our mission.

Director Souza stated that he thinks the Board should hold off implementing this program until finances are back in order, get a greater understanding of participation levels and costs, and then decide whether to move forward.

Director Hanschild stated that the LIRA could be implemented during the second billing cycle and during those four months gather applications to get a better idea of participation level, and how staff time will be impacted.

Director Hanschild asked if a volunteer could manage the program; Legal Counsel indicated this was not possible because customer information is confidential.

Mr. Palmer stated that this is not yet budgeted and a budget adjustment will need to be done in February. He agreed that it is better to wait to adopt the policy and to do it in conjunction with the mid-year budget adjustment.

Director Uso emphasized that the District cannot use ratepayers' money to fund this program. The only reason we can do this is with ad valorem funds. We must wait for the ad valorem funds to come in before we can initiate this program.

Director Wadle stated that he shares concern for the low-income community, but he wants to do this right. This should be done during the budget planning process in the next 4-5 months. Director Halpin agreed.

In response to Director Uso, the General Manager indicated that hopefully the mid-year budget adjustment can be considered at next month's meeting.

Motion by Director Souza to table the Low-Income Rate Assistance Program to next month and direct Staff to bring this back for Board consideration in conjunction with the mid-year budget adjustment. Second by Director Halpin.

Public Comment: Cherie Carlyon commented that this assistance is not a drop in the bucket for those in need and added that she strongly disagrees with the high administrative costs.

Vote: The motion passed unanimously.

E. Adopt Resolution 2018-06 Policy Guidelines for Developing Board Position on Legislation

Possible Board Action: Adopt Resolution 2018-06 approving the policy guidelines and by motion action designate a Director as the legislative liaison.

Mr. Palmer provided some background on the need for this policy.

Director Wadle was designated as the Legislative Liaison.

Motion by Director Halpin adopt Resolution 2018-06. Second by Director Wadle.

Public Comment: None.

The motion passed.

8. ADJOURN TO CLOSED SESSION - at 5:15 PM.

A. CONFERENCE WITH LEGAL COUNSEL - LABOR NEGOTIATION. Pursuant to Government Code Section 54954.5(f) and Government Code 54957.6)

District Representatives: General Manager Steven Palmer; District General Counsel
Employee Organization: International Union of Operating Engineers Stationary Engineers, Local No. 39

B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code section 54956.9 (one potential case).

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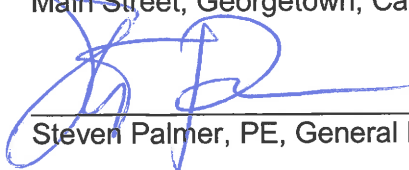
The Board returned to open session at 6:24 with one reportable action relative to the Mecklenberg case. Legal Counsel Barbara Brenner stated that Mecklenberg will dismiss the lawsuit with prejudice and take no reward. Each party to bear their own costs.

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.

10. NEXT MEETING DATE AND ADJOURNMENT – Next regular meeting is February 13, 2018, at 2:00 PM, at the Georgetown Divide Public Utility District, 6425 Main Street, Georgetown, CA 95634.

The Board adjourned to the next regular meeting at 6:26 PM.

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 5, 2017.



Steven Palmer, PE, General Manager

March 27 2018

Date



**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
MONTH END CASH DISBURSEMENT REPORTS**

December 2017

Date...: Jan 5, 2018
 Time...: 10:20 am
 Run by.: Christina Cross

Georgetown Divide PUD
 BOARD CHECK REVIEW

Page: 1
 List: BOAR
 ID #: PYDMPH

Check#	Check Date	Vend#	Vendor Name	Description	Check Amount
028443	12/20/17	AAR01	AARP MEDICARERX SAVER PLUS, PD	AARP MEDICARE M DAVIS JANUARY 2018	44.20
Sub-Total: (1)					44.20
Sub-Count: 1					
028444	12/20/17	ACW05	ACWA/JPIA HEALTH	HEALTH INSURANCE PREMIUMS JANUARY 2018	3357.11
028444	12/20/17	ACW05	ACWA/JPIA HEALTH	HEALTH INSURANCE PREMIUMS JANUARY 2018	7090.16
028444	12/20/17	ACW05	ACWA/JPIA HEALTH	HEALTH INSURANCE PREMIUMS JANUARY 2018	4537.16
028444	12/20/17	ACW05	ACWA/JPIA HEALTH	HEALTH INSURANCE PREMIUMS JANUARY 2018	10227.84
028444	12/20/17	ACW05	ACWA/JPIA HEALTH	HEALTH INSURANCE PREMIUMS JANUARY 2018	2242.15
028444	12/20/17	ACW05	ACWA/JPIA HEALTH	HEALTH INSURANCE PREMIUMS JANUARY 2018	7537.87
028444	12/20/17	ACW05	ACWA/JPIA HEALTH	HEALTH INSURANCE PREMIUMS JANUARY 2018	2232.79
028444	12/20/17	ACW05	ACWA/JPIA HEALTH	HEALTH INSURANCE PREMIUMS JANUARY 2018	4090.46
Sub-Total: (1)					41315.54
Sub-Count: 8					
028445	12/20/17	ADT01	ADT SECURITY SERVICES	SECURITY SERVICES 12/20/17-01/09/18 8180 BALDERSTO	42.08
028445	12/20/17	ADT01	ADT SECURITY SERVICES	SECURITY SERVICE 12/21/17-01/20/18 6425 MAIN ST	153.84
Sub-Total: (1)					195.92
Sub-Count: 2					
028446	12/20/17	AME08	AMERICAN MESSAGING	PAGER SERVICE 12/1/17-2/28/18	15.86
028446	12/20/17	AME08	AMERICAN MESSAGING	PAGER SERVICE 12/1/17-2/28/18	31.74
028446	12/20/17	AME08	AMERICAN MESSAGING	PAGER SERVICE 12/1/17-2/28/18	15.87
Sub-Total: (1)					63.47
Sub-Count: 3					
028447	12/20/17	BLU01	ANTHEM BLUE CROSS	Prepaid HEALTH INSURANCE J. MANZER 1/1-1/31/18	265.19
028447	12/20/17	BLU01	ANTHEM BLUE CROSS	Prepaid HEALTH INSURANCE H. MANZER 1/1-1/31/18	265.19
028447	12/20/17	BLU01	ANTHEM BLUE CROSS	Prepaid HEALTH INSURANCE R. PRINCE JR 1/1-1/31/18	227.97
028447	12/20/17	BLU01	ANTHEM BLUE CROSS	Prepaid HEALTH INSURANCE 1/1-1/31/18	292.50
Sub-Total: (1)					1050.85
Sub-Count: 4					
028448	12/20/17	CAL16	CALTRONICS BUSINESS SYSTEMS CO	COPIER CONTRACT 11/14-12/13/17	543.49
Sub-Total: (1)					543.49
Sub-Count: 1					
028449	12/20/17	CHU02	CHURCHWELL WHITE, LLP	GENERAL COUNSEL	3815.69
028449	12/20/17	CHU02	CHURCHWELL WHITE, LLP	MECKLENBERG V. GDPUD	3587.94
028449	12/20/17	CHU02	CHURCHWELL WHITE, LLP	PROP 218 - 2017	1444.00
028449	12/20/17	CHU02	CHURCHWELL WHITE, LLP	HR	6693.36
Sub-Total: (1)					15540.99
Sub-Count: 4					
028450	12/20/17	CLS01	CLS LABS	ANNUAL TITLE 22 MONITORING	735.98
028450	12/20/17	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
028450	12/20/17	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
028450	12/20/17	CLS01	CLS LABS	ANNUAL TITLE 22 MONITORING	1293.60
028450	12/20/17	CLS01	CLS LABS	MONTHLY TREATMENT - RAW	78.40
028450	12/20/17	CLS01	CLS LABS	DIST. SPECIAL SAMPLES	29.40
Sub-Total: (1)					2225.58
Sub-Count: 6					
028451	12/20/17	DEL05	DELAGE LANDEN, INC	COPIER CONTRACT 12/1-12/31/17	228.20
028451	12/20/17	DEL05	DELAGE LANDEN, INC	FORMAX FOLDING MACHINE CONTRACT 12/1-12/31/17	185.65
Sub-Total: (1)					413.85
Sub-Count: 2					
028452	12/20/17	FER01	FERRELLGAS	Utilities-PROPANE	616.19
Sub-Total: (1)					616.19

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Sub-Count: 1					
028453	12/20/17	FIS01	MICHAEL FISHER	WORK PANTS PER MOU REIMBURSEMENT	100.00
Sub-Total: (1)					100.00

Sub-Count: 1					
028454	12/20/17	MED01	MEDICAL EYE SERVICES	VISION INSURANCE JAN 2018	18.74
028454	12/20/17	MED01	MEDICAL EYE SERVICES	VISION INSURANCE JAN 2018	46.85
028454	12/20/17	MED01	MEDICAL EYE SERVICES	VISION INSURANCE JAN 2018	18.74
028454	12/20/17	MED01	MEDICAL EYE SERVICES	VISION INSURANCE JAN 2018	46.85
028454	12/20/17	MED01	MEDICAL EYE SERVICES	VISION INSURANCE JAN 2018	28.11
028454	12/20/17	MED01	MEDICAL EYE SERVICES	VISION INSURANCE JAN 2018	191.11
028454	12/20/17	MED01	MEDICAL EYE SERVICES	VISION INSURANCE JAN 2018	9.37
Sub-Total: (1)					359.77

Sub-Count: 7					
028455	12/20/17	PRO04	PAUL FUNK	CLEANING SERVICES FOR DEC 2017	250.00
Sub-Total: (1)					250.00

Sub-Count: 1					
028456	12/20/17	SCH06	DONALD SCHWAGEL	MEDICAL OVERPAYMENT REIMBURSEMENT	137.50
028456	12/20/17	SCH06	DONALD SCHWAGEL	MEDICAL OVERPAYMENT REIMBURSEMENT	-31.50
Sub-Total: (1)					106.00

Sub-Count: 2					
028457	12/20/17	SWR01	SWRCB ACCOUNTING OFFICE	ANNUAL PERMIT FE TREATED WATER 7-01/17-6/30/18	500.00
028457	12/20/17	SWR01	SWRCB ACCOUNTING OFFICE	ANNUAL PERMIT FEE 7/01/17-6/30/18	14929.00
028457	12/20/17	SWR01	SWRCB ACCOUNTING OFFICE	ANNUAL PERMIT FEE 7/1/17-6/30/18	2088.00
Sub-Total: (1)					17517.00

Sub-Count: 3					
028458	12/20/17	UNI06	UNITEDHEALTHCARE INSURANCE CO	PREPAID HEALTH INSURANCE D SCHWAGEL 1/1-1/31/18	149.25
Sub-Total: (1)					149.25

Sub-Count: 1					
028459	12/20/17	UNI07	UNITEDHEALTHCARE CLAIM DIVISIO	PREPAY HEALTH INSURANCE J ST DENNIS 1/1-1/31/18	153.85
Sub-Total: (1)					153.85

Sub-Count: 1					
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	COSTCO	34.31
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	ANSWERING SPECIALISTS INC	144.95
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	COSTCO	12.54
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	MICROSOFT	16.00
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	MICROSOFT	12.00
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	MICROSOFT	73.50
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	MICROSOFT	122.23
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	COSTCO	400.00
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	STAMPS.COM	15.99
028460	12/20/17	USB05	U.S. BANK CORPORATE PAYMENT SY	STAMPS.COM	
Sub-Total: (1)					831.52

Sub-Count: 9					
028461	12/20/17	VAV01	VAVRINEK, TRINE, DAY & CO., LL	2017 PROFESSIONAL SERVICE AGREEMENT	370.00
Sub-Total: (1)					370.00

Sub-Count: 1					
028462	12/20/17	YOU01	YOUNGDAHL CONSULTING GRP.	PROFESSIONAL SERVICES THROUGH 11/30/17	1411.00
Sub-Total: (1)					1411.00

Sub-Count: 1					

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028463	12/20/17	CAL18	California State Disbursement	PAYROLL CLEARING-N.TILMAN	366.92
Sub-Total: (1)					366.92
Sub-Count: 1					
028464	12/20/17	ICM02	ICMA-R.T.-457 (ee)	Payroll withholding-ICMA	1349.75
Sub-Total: (1)					1349.75
Sub-Count: 1					
028465	12/20/17	IUO01	IUOE, LOCAL 39	Union Dues Payable-LOCAL 39	343.53
Sub-Total: (1)					343.53
Sub-Count: 1					
028466	12/20/17	IUO02	PEU LOCAL #1	UNION DUES-LOCAL 1	129.99
Sub-Total: (1)					129.99
Sub-Count: 1					
028467	01/03/18	AFL01	AMERICAN FAMILY LIFE INS	AFLAC Premiums	1345.58
Sub-Total: (1)					1345.58
Sub-Count: 1					
028468	01/03/18	CAL18	California State Disbursement	PAYROLL CLEARING-N.TILMAN	366.92
Sub-Total: (1)					366.92
Sub-Count: 1					
028469	01/03/18	ICM02	ICMA-R.T.-457 (ee)	Payroll withholding-ICMA	1349.75
Sub-Total: (1)					1349.75
Sub-Count: 1					
028470	01/03/18	IUO01	IUOE, LOCAL 39	Union Dues Payable-LOCAL 39	343.53
Sub-Total: (1)					343.53
Sub-Count: 1					
028471	01/03/18	IUO02	PEU LOCAL #1	UNION DUES-LOCAL 1	143.33
Sub-Total: (1)					143.33
Sub-Count: 1					
028472	01/03/18	SWR04	STATE WATER RESOURCES CONTROL	PRINCIPAL PAYMENT THROUGH JUNE 30, 2017	253.62
028472	01/03/18	SWR04	STATE WATER RESOURCES CONTROL	PRINCIPAL PAYMENT THROUGH NOV 22, 2017	15516.54
Sub-Total: (1)					15770.16
Sub-Count: 2					
028473	01/09/18	ALL01	ALLEN KRAUSE	UNIT #10 FUEL REPLACEMENT	231.71
Sub-Total: (1)					231.71
Sub-Count: 1					
028474	01/09/18	AME08	AMERICAN MESSAGING	PAGECOPY USAG JAN 22 2017	10.33
Sub-Total: (1)					10.33
Sub-Count: 1					
028475	01/09/18	AND01	ANDERSON'S SIERRA PIPE CO	MATERIAL AND SUPPLIES	266.06
Sub-Total: (1)					266.06
Sub-Count: 1					

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028476	01/09/18	ANS01	ANSWERING SPECIALISTS INC	ANSWERING SERVICE PACKAGE	45.03
Sub-Total:(1)					45.03
Sub-Count: 1					
028477	01/09/18	AQU01	AQUA SIERRA CONTROLS INC.	FLOW METER INSTALLATION	3392.90
Sub-Total:(1)					3392.90
Sub-Count: 1					
028478	01/09/18	ATT02	AT&T	UTILITIES - PHONE 530-333-9442 12/14/18-01/13/18	104.13
028478	01/09/18	ATT02	AT&T	UTILITIES- PHONE 234-371-7957 12/14/17-1/13/18	66.89
028478	01/09/18	ATT02	AT&T	UTILITIES- PHONE 530-333-4356 12/14/17-1/13/18	154.50
028478	01/09/18	ATT02	AT&T	UTILITIES- PHONE 530-333-4356 12/14/17-1/13/18	154.50
028478	01/09/18	ATT02	AT&T	UTILITIES- PHONE 530-333-4356 12/14/17-1/13/18	103.00
028478	01/09/18	ATT02	AT&T	UTILITIES-PHONE 530-333-1119	136.85
028478	01/09/18	ATT02	AT&T	UTILITIES- PHONE 530-885-6287	131.31
028478	01/09/18	ATT02	AT&T	UTILITIES-PHONE 234-343-7252	66.89
Sub-Total:(1)					918.07
Sub-Count: 8					
028479	01/09/18	BAR07	BARBOUR, CHRIS	WATER TREATMENT EXAMINATION	100.00
Sub-Total:(1)					100.00
Sub-Count: 1					
028480	01/09/18	BEA01	BUTTE EQUIPMENT RENTALS	TRUCKING DITCH CAMP	550.00
028480	01/09/18	BEA01	BUTTE EQUIPMENT RENTALS	ROCK FOR PIPE JOB	842.62
Sub-Total:(1)					1392.62
Sub-Count: 2					
028481	01/09/18	BEN04	BENNETT ENGINEERING SERVICES	PROFESSIONAL SERVICES THROUGH 11/1-11/30/17	15144.09
Sub-Total:(1)					15144.09
Sub-Count: 1					
028482	01/09/18	CAR08	CSI	MONTHLY SERVICE FEE JANUARY 2018	59.00
Sub-Total:(1)					59.00
Sub-Count: 1					
028483	01/09/18	CCS01	CCSINTERACTIVE	JAN MONTHLY WEBSIT HOSTING	69.00
Sub-Total:(1)					69.00
Sub-Count: 1					
028484	01/09/18	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
028484	01/09/18	CLS01	CLS LABS	ROUTINE DIST. SYST. BACTERIA	44.10
028484	01/09/18	CLS01	CLS LABS	ROUTINE DIST SYST BACTERIA	44.10
Sub-Total:(1)					132.30
Sub-Count: 3					
028485	01/09/18	CON01	CONTINENTAL SUPPLY CO.	CRUMBLES #8	1088.64
Sub-Total:(1)					1088.64
Sub-Count: 1					
028486	01/09/18	CWS01	CORBIN WILLITS SYS. INC.	MONTHLY CHARGE FOR JAN 2017	573.20
Sub-Total:(1)					573.20
Sub-Count: 1					
028487	01/09/18	DIV05	PLACERVILLE AUTO PARTS, INC	OIL	54.67
028487	01/09/18	DIV05	PLACERVILLE AUTO PARTS, INC	PARTS FOR CAT TRACTOR	10.45

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028487	01/09/18	DIV05	PLACERVILLE AUTO PARTS, INC	PARTS FOR CAT TRACTOR	10.45
028487	01/09/18	DIV05	PLACERVILLE AUTO PARTS, INC	PARTS FOR CAT TRACTOR	10.45
028487	01/09/18	DIV05	PLACERVILLE AUTO PARTS, INC	PARTS FOR CAT TRACTOR	10.44
028487	01/09/18	DIV05	PLACERVILLE AUTO PARTS, INC	MATERIAL AND SUPPLIES	106.67
028487	01/09/18	DIV05	PLACERVILLE AUTO PARTS, INC	AUTOMOTIVE V-BELT	12.86
Sub-Total: (1)					215.99
Sub-Count: 7					
028488	01/09/18	ECO01	ECORP CONSULTING, INC.	PROFESSIONAL SERVICES FOR OCTOBER 2017	1909.86
028488	01/09/18	ECO01	ECORP CONSULTING, INC.	PROFESSIONAL SERVICES FOR NOVEMBER 2017	1909.86
028488	01/09/18	ECO01	ECORP CONSULTING, INC.	JULY 11, 2017 PSA	597.50
028488	01/09/18	ECO01	ECORP CONSULTING, INC.	JULY 11, 2017 PSA	10439.84
Sub-Total: (1)					14857.06
Sub-Count: 4					
028489	01/09/18	EDL01	ISAAC EDELMAN	JEAN REIMBURSEMENT	100.00
Sub-Total: (1)					100.00
Sub-Count: 1					
028490	01/09/18	ELD16	EL DORADO DISPOSAL	UTILITIES-GARBAGE 6425 MAIN ST 12/1-12/31/17	103.58
028490	01/09/18	ELD16	EL DORADO DISPOSAL	UTILITIES- GARBAGE 3650 SWEETWATER 12/1-12/31/17	105.17
028490	01/09/18	ELD16	EL DORADO DISPOSAL	UTILITIES-GARBAGE 8180 BALDERSTON 12/1-12/31/17	105.17
Sub-Total: (1)					313.92
Sub-Count: 3					
028491	01/09/18	FER02	FERGUSON ENTERPRISES INC	DRESSER	1026.13
Sub-Total: (1)					1026.13
Sub-Count: 1					
028492	01/09/18	GAR02	GARDEN VALLEY FEED & HDW.	MATERIAL AND SUPPLIES	1145.76
Sub-Total: (1)					1145.76
Sub-Count: 1					
028493	01/09/18	GEI02	GEI Consultants, Inc.	2017 PROFESSIONAL SERVICE AGREEMENT	10293.52
Sub-Total: (1)					10293.52
Sub-Count: 1					
028494	01/09/18	GEO01	GEORGETOWN ACE HDW	MATERIAL AND SUPPLIES - BATTERIES	30.53
028494	01/09/18	GEO01	GEORGETOWN ACE HDW	MATERIAL AND SUPPLIES FOR TRUCK #10 & #11	8.57
028494	01/09/18	GEO01	GEORGETOWN ACE HDW	PIPE JOB	92.18
028494	01/09/18	GEO01	GEORGETOWN ACE HDW	PIPE JOB	20.37
028494	01/09/18	GEO01	GEORGETOWN ACE HDW	PIPE JOB	20.37
028494	01/09/18	GEO01	GEORGETOWN ACE HDW	PIPE JOB	5.31
028494	01/09/18	GEO01	GEORGETOWN ACE HDW	PIPE JOB	5.31
028494	01/09/18	GEO01	GEORGETOWN ACE HDW	PARTS FOR SERVICE REPAIR	71.45
Sub-Total: (1)					254.09
Sub-Count: 8					
028495	01/09/18	GEO03	STEPHANIE BECK	NOTARY-TRANSFER OF TITLE DMV	15.00
028495	01/09/18	GEO03	STEPHANIE BECK	DONUT FOR STAFF MEETING	25.90
028495	01/09/18	GEO03	STEPHANIE BECK	POSTAGE FOR SAFETY VIDEO RETURN	3.96
028495	01/09/18	GEO03	STEPHANIE BECK	DONUTS FOR STAFF MEETING	23.90
028495	01/09/18	GEO03	STEPHANIE BECK	POSTAGE FOR SAFETY VIDEO RETURN	6.65
028495	01/09/18	GEO03	STEPHANIE BECK	MATERIALS FOR OFFICE	9.20
028495	01/09/18	GEO03	STEPHANIE BECK	DONUTS FOR STAFF MEETING	24.90
028495	01/09/18	GEO03	STEPHANIE BECK	BATTERY FOR ANGEL CAMP TANK	35.55
028495	01/09/18	GEO03	STEPHANIE BECK	POSTAGE FOR SAFETY VIDEO RETURN	6.65
Sub-Total: (1)					151.71
Sub-Count: 9					

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028496	01/09/18	GEO04	DIVIDE SUPPLY ACE HARDWARE	MATERIAL AND SUPPLIES FOR CDS	13.70
028496	01/09/18	GEO04	DIVIDE SUPPLY ACE HARDWARE	MATERIAL AND SUPPLIES FOR PUMP STATIONS	35.53
Sub-Total: (1)					49.23
Sub-Count: 2					
028497	01/09/18	GEO12	GEORGE SANDERS	CABY DECEMBER 2017	560.00
028497	01/09/18	GEO12	GEORGE SANDERS	AUBURN LAKE TRAILS WATER TREATMENT PLANT PROJECT	5613.80
Sub-Total: (1)					6173.80
Sub-Count: 2					
028498	01/09/18	GEO15	GEOCON CONSULTANTS INC	RATE SCHEDULE LABO THROUGH 10/30-11/26/17	1300.00
Sub-Total: (1)					1300.00
Sub-Count: 1					
028499	01/09/18	HAC01	HACH COMPANY	QUARTERLY REAGENTS FOR TREATMENT PLANTS	675.67
Sub-Total: (1)					675.67
Sub-Count: 1					
028500	01/09/18	HAR03	HARRIS INDUSTRIAL GASES	6 MONTH LEASE 12/2017-6/2018	48.00
Sub-Total: (1)					48.00
Sub-Count: 1					
028501	01/09/18	HOL03	HOLT OF CALIFORNIA	PARTS FOR TRACTOR	243.94
028501	01/09/18	HOL03	HOLT OF CALIFORNIA	PARTS FOR TRACTOR	243.94
028501	01/09/18	HOL03	HOLT OF CALIFORNIA	PARTS FOR TRACTOR	243.95
028501	01/09/18	HOL03	HOLT OF CALIFORNIA	PULLY FOR DOZER	125.31
028501	01/09/18	HOL03	HOLT OF CALIFORNIA	PULLY FOR DOZER	125.31
028501	01/09/18	HOL03	HOLT OF CALIFORNIA	PULLY FOR DOZER	125.30
Sub-Total: (1)					1107.75
Sub-Count: 6					
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 11/27-11/29/17	548.80
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 11/27-11/29/17	19.60
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 11/27-11/29/17	19.60
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 12/4-12/7/17	588.00
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 12/4-12/7/17	176.40
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 12/11-12/15/17	568.40
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 12/11-12/15/17	39.20
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 12/18-12/24/17	470.40
028502	01/09/18	MJT01	MJT ENTERPRISES, INC.	TEMPORARY EMPLOYEE WAGES G OMANIA 12/18-12/24/17	19.60
Sub-Total: (1)					2450.00
Sub-Count: 9					
028503	01/09/18	MOB01	MOBILE MINI, LLC-CA	STORAGE RENTAL 12/27/17-1/23/18	184.39
Sub-Total: (1)					184.39
Sub-Count: 1					
028504	01/09/18	NBS01	NBS	QUARTERLY ADMIN FEES 1/1-3/31/18	678.69
028504	01/09/18	NBS01	NBS	QUARTERLY ADMIN FEES 1/1-3/31/18	339.29
Sub-Total: (1)					1017.98
Sub-Count: 2					
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 7727208388-0	2307.03
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 0967683154-9	5706.03
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 9644745072-5	67.99
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 1383483826-3	23.43
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 8019291332-7	19.74
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 9592050405-7	25.44
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 7269328928-1	21.03
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 9103062795-3	250.92

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028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRI 0800178691-5	50.40
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRIC 2102211877-8	134.47
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRIC 7804325001-4	10.82
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRIC 2060545213-3	380.83
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRIC 2060545213-3	126.94
028505	01/09/18	PAC02	PACIFIC GAS & ELECTRIC	Utilities-ELECTRIC 6228064022-8	452.84
Sub-Total: (1)					9577.91
Sub-Count: 14					
028506	01/09/18	POW01	POWERNET GLOBAL COMM.	Utilities- LONG DISTANCE 11/19-12/19/17	129.19
Sub-Total: (1)					129.19
Sub-Count: 1					
028507	01/09/18	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE JANUARY 2018	167.34
028507	01/09/18	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE JANUARY 2018	223.12
028507	01/09/18	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE JANUARY 2018	55.78
028507	01/09/18	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE JANUARY 2018	278.90
028507	01/09/18	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE JANUARY 2018	167.34
028507	01/09/18	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE JANUARY 2018	1785.33
028507	01/09/18	PRE01	PREMIER ACCESS INS CO	DENTAL INSURANCE JANUARY 2018	111.56
Sub-Total: (1)					2789.37
Sub-Count: 7					
028508	01/09/18	PSO01	PSOMAS	PROFESSIONAL SERVICES 10/27-11/23/17	6305.00
Sub-Total: (1)					6305.00
Sub-Count: 1					
028509	01/09/18	PUL01	PULFER, JEFF	WATER TREATMENT CERT. EXAM FEE	70.00
Sub-Total: (1)					70.00
Sub-Count: 1					
028510	01/09/18	ROB01	DON ROBINSON	HIGH PERFORMANCE MIX	2668.38
Sub-Total: (1)					2668.38
Sub-Count: 1					
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	T & D RAW WATER FUEL USAGE ALLOCATION	589.65
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	WATER TREATMENT FUEL USAGE ALLOCATION	188.55
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	T & D TREATED WTR FUEL USAGE ALLOCATION	1209.02
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	ZONE FUEL USAGE ALLOCATION	90.27
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	UPCOUNTRY FUEL USAGE ALLOCATION	229.71
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	ADMIN. FUEL USAGE ALLOCATION	.00
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	T & D RAW WATER FUEL USAGE ALLOCATION	334.73
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	WATER TREATMENT FUEL USAGE ALLOCATION	220.65
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	T & D TREATED WTR FUEL USAGE ALLOCATION	720.94
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	ZONE FUEL USAGE ALLOCATION	94.15
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	UPCOUNTRY FUEL USAGE ALLOCATION	164.20
028511	01/09/18	ROB02	ROBINSON ENTERPRISES	ADMIN. FUEL USAGE ALLOCATION	.00
Sub-Total: (1)					3841.87
Sub-Count: 12					
028512	01/09/18	ROC02	KENNETH D. WELSH	9" SREEL TRIM BLADES SET & SHARPEN	150.00
028512	01/09/18	ROC02	KENNETH D. WELSH	9" SREEL TRIM BLADES SET & SHARPEN	150.00
Sub-Total: (1)					300.00
Sub-Count: 2					
028513	01/09/18	ROT03	ROTO-ROOTER	USED HYDRO JETTER	355.00
Sub-Total: (1)					355.00
Sub-Count: 1					
028514	01/09/18	ROY01	KENNETH ROYAL	Utilities-PORTABLE RESTROOM SERV	460.00

Date...: Jan 5, 2018
Time...: 10:20 am
Run by.: Christina Cross

Georgetown Divide PUD
BOARD CHECK REVIEW

Page: 8
List: BOAR
ID #: PYDMPH

Check#	Check Date	Vend#	Vendor Name	Description	Check Amount
-----					-----
Sub-Total: (1)					460.00
Sub-Count: 1					
028515	01/09/18	SAN02	Santander Leasing	TRUCK LEASE PAYMENT	112.11
028515	01/09/18	SAN02	Santander Leasing	TRUCK LEASE PAYMENT	1118.77
-----					1230.88
Sub-Total: (1)					
Sub-Count: 2					
028516	01/09/18	SIE12	MICHAEL S. SALLAC	#22 REPAIRS	70.00
028516	01/09/18	SIE12	MICHAEL S. SALLAC	#22 REPAIRS	70.00
028516	01/09/18	SIE12	MICHAEL S. SALLAC	#22 REPAIRS	70.00
028516	01/09/18	SIE12	MICHAEL S. SALLAC	#22 REPAIRS	70.00
028516	01/09/18	SIE12	MICHAEL S. SALLAC	#22 PARTS FOR DOZER	70.00
028516	01/09/18	SIE12	MICHAEL S. SALLAC	#22 PARTS FOR DOZER	70.00
028516	01/09/18	SIE12	MICHAEL S. SALLAC	#22 PARTS FOR DOZER	70.00
028516	01/09/18	SIE12	MICHAEL S. SALLAC	#22 PARTS FOR DOZER	70.00
-----					560.00
Sub-Total: (1)					
Sub-Count: 8					
028517	01/09/18	SIR01	REBECCA SIREN	PROFESSIONAL SERVICES 12/5/17-1/2/18	2625.00
028517	01/09/18	SIR01	REBECCA SIREN	PROFESSIONAL SERVICES 12/5/17-1/2/18	1050.00
-----					3675.00
Sub-Total: (1)					
Sub-Count: 2					
028518	01/09/18	USB02	US BUREAU OF RECLAMATION	OTTER CREEK LOAN PAYMENT #40	4538.51
-----					4538.51
Sub-Total: (1)					
Sub-Count: 1					
028519	01/09/18	VAU01	VAUGHN JOHNSON	PROFESSIONAL SERVICES DEC 2017	1500.00
-----					1500.00
Sub-Total: (1)					
Sub-Count: 1					
028520	01/09/18	WAL02	WALKER'S OFFICE SUPPLY	OFFICE SUPPLIES	1531.53
-----					1531.53
Sub-Total: (1)					
Sub-Count: 1					
028521	01/09/18	WEL02	WELLS FARGO BANK, NA	WALTON LAKE ANNUAL RESERVE FEB 2018	2296.95
-----					2296.95
Sub-Total: (1)					
Sub-Count: 1					
028522	01/09/18	\W001	WRIGHT, THOMAS	MQ CUSTOMER REFUND FOR WRI0035	57.84
-----					57.84
Sub-Total: (1)					
Sub-Count: 1					
-----					-----
Grn-Total:					211443.31
Ttl-Count: 212					

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 STATEMENT OF CASH AND INVESTMENT BALANCES DECEMBER 31, 2017

	BEGINNING BALANCE	CASH RECEIPTS	CASH DISBURSEMENTS	TRANSFERS IN (OUT)	ENDING BALANCE
8 SMUD Fund	324,069.00				324,069.00
9 CABY Grant	(24,315.75)		(630.95)		(24,946.70)
10 General Fund	1,107,366.50	98,528.11	(279,021.17)		926,873.44
12 Retiree	510,333.46	2,143.89	(5,594.61)		506,882.74
14 Stewart Mine	30,082.01				30,082.01
25 Bayne Road & Other Assessment Districts	45,208.28				45,208.28
17 Water Development	404,927.85				404,927.85
19 Stumpy Meadows Emergency Reserve Fund (SMERF)	1,051,614.53				1,051,614.53
43 Capital Reserve Cash Clearing	687,365.23		(11,945.30)		675,419.93
53 Pilot Hill North	(7,480.80)				(7,480.80)
54 Pilot Hill South	53.68				53.68
51 Kelsey North	111,392.79				111,392.79
52 Kelsey South	55,124.83				55,124.83
29 State Revolving Fund	54,957.05	2,296.95	(2,296.95)		54,957.05
30 Small Hydro Fund	652,821.67	1,939.12	(66.89)		654,693.90
31 Pipeline Extension Holding Fund to 26	0.00				0.00
20 ALT	(31,459.13)	550,310.00	(107,939.40)		410,911.47
35 Environmental Protection Agency	(90,530.11)				(90,530.11)
37 Garden Valley Water Improvement District	72,087.42				72,087.42
39 Capital Facility Charges	1,723,439.40	4,600.00			1,728,039.40
24 ALT - WTP Capital Reserve	656,905.16				656,905.16
40 Auburn Lake Trails (ALT) Zone Fund	953,180.78	11,967.17	(61,871.24)		903,276.71
41 ALT Tank Replacement Loans & Repair Activity	39,293.79		(450.00)		39,293.79
42 ALT CDS Reserve Connection Fund	200,134.92				199,684.92
	8,526,572.56	671,785.24	(469,816.51)	0.00	8,728,541.29

Totals by Type of Account:

El Dorado Savings Bank Checking	134,403.02	Rate Information:	0.03%
El Dorado Savings Bank Savings	1,579,309.43		0.14%
Wells Fargo State Revolving Fund Debt Accounts	44,558.27		2.00%
Wells Fargo Brokered Time Deposits	6,970,270.57		1.08%
Local Agency Investment Fund			
Grand Total	\$8,728,541.29		

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH AND INVESTMENT BALANCES DECEMBER 31, 2017**

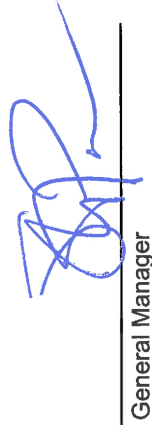
Accounting Basis Unrestricted, Designated and Restricted Funds Recap:
 Unrestricted Undesignated Funds \$926,873.44
Designated Funds are in Italics 3,844,638.56
 Restricted Funds are Shaded **3,957,029.29**
\$8,728,541.29

District Designated Funds/Reserve Policy Funds Recap:	Estimated 2016-17 Budget	Calculated from 2014-15 Audited	
Water - Operations	926,873	510,000	Two month operations expense
Water - Cash Flow	209,000	197,222	10% Water Sales
Water - Capital:			
Stumpy Meadows Emergency Reserve Fund	1,051,615		
Capital Facility Charges	1,728,039		
Replacement Reserve (required by USDA)	656,905		
Other reserves	685,607	7,871,516	50% Accumulated Depreciation
Sub Total - Water	5,049,040	8,578,738	
Debt Service	289,338	480,991	Actual amounts
Retiree Health	506,883	421,765 *	Actual amount
Hydroelectric	654,694	461,219	Actual amount
Wastewater - Operations	903,277	45,978	Two month operations expense
Zone - Capital	5,000	5,000	Amount set at \$5,000
Community Disposal System - Capital	238,979	250,211	50% Accumulated Depreciation
Sub Total - Wastewater/Zone	1,142,255	307,000	
	7,642,209.89	10,816,673.00	

Actual total reserves as of June 30, 2015
Actual total reserves as of June 30, 2014
Actual total reserves as of June 30, 2013
Actual total reserves as of June 30, 2012

Approved:


 Treasurer


 General Manager

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF January 9, 2018
AGENDA ITEM NO. 5C**



AGENDA SECTION: CONSENT CALENDAR

SUBJECT: AUTHORIZING CHANGE OF BANK SIGNATORY AUTHORITY

PREPARED BY: Stephanie Beck 

APPROVED BY: Steven Palmer, PE, General Manager 

BACKGROUND

The District has utilized the local services of El Dorado Savings Bank since approximately 2002. The bank requires a resolution to be adopted by the Board of Directors that specifies the authorized signers on an account.

DISCUSSION

With a newly appointed Director and Election of Board Officers for 2018, there is a need to provide a Resolution (**Attachment 1**) authorizing the change of signatory authority.

FISCAL IMPACT

None.

CEQA ASSESSMENT

Not a CEQA project.

RECOMMENDED ACTION

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District adopt the Resolution 2018-01 authorizing the change of bank signatory authority.

ALTERNATIVES

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

ATTACHMENT

Resolution

RESOLUTION 2018-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
AUTHORIZING THE CHANGE OF SIGNATORY AUTHORITY FOR
ACCOUNTS ESTABLISHED WITH EL DORADO SAVINGS BANK**

WHEREAS, the Georgetown Divide Public Utility District (“District”) utilizes the banking services of El Dorado Savings Bank (“Bank”); and

WHEREAS, the Bank requires a Resolution of the Board of Directors to specify or amend the signatory authority of the District’s accounts with the Bank; and

WHEREAS, the District desires to amend the signatory authority of the District’s accounts at the Bank to reflect the addition of the new Board of Director and the change of officers of the President, Vice President and Treasurer.

NOW THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, El Dorado County, California, as follows:

1. That any of the following individuals may sign checks or other instruments withdrawing funds from the accounts:

Londres Uso, President
Jesse Hanschild, Vice-President
David Halpin, Treasurer
David Souza, Director
Dane Wadle, Director
Steven Palmer, General Manager

2. That the Bank may honor and pay all checks or other instruments signed in accordance with this Resolution, including those payable checks or other instruments payable to the District whether they are endorsed in writing or by stamp.
3. That this authorization remains in force until the Board of Directors gives written notice to the Bank to the contrary.
4. That the General Manager is authorized to execute and the signers are authorized to sign the required signature cards and any other documents required by the Bank for maintenance of the existing accounts.
5. That the General Manager or Office Manager is authorized to enter into certificates of deposit on behalf of the District.

6. That the General Manager or Office Manager is authorized to initiate wire transfers as needed for District business.
7. That the District funds on deposit with El Dorado Savings Bank will be collateralized pursuant to the Contract for Deposit of Moneys document dated January 9, 2018.
8. That the District requires two signatures for all checks.

PASSED AND ADOPTED at a regularly held meeting of the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT on the 9th day of January 2017, by the following vote:

AYES: *Holpin, Hanschild, Souza, Uso, Nadle*

NAYS:

ABSENT:

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

ATTEST:

Steven Palmer
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 2018-01 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 9th day of January 2017.

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

REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 9, 2018
AGENDA ITEM NO. 5D



AGENDA SECTION: CONSENT CALENDAR

**SUBJECT: AUTHORIZE GENERAL MANAGER TO EXECUTE AMENDED
PROFESIONAL SERVICES AGREEMENT WITH EN2
EXTENDING THE CONTRACT TERM**

PREPARED BY: George Sanders, Engineering Consultant

APPROVED BY: Steven Palmer, PE, General Manager

A handwritten signature in blue ink, appearing to be "S. Palmer", is written over the name of the General Manager.

BACKGROUND

The District has an existing matching grant through the Department of Water Resources (DWR) under the Consumes, American, Bear, and Yuba ("CABY") Integrated Regional Water Management Grant Project in the amount of \$860,894. State funding under this program is dedicated to projects that benefit water conservation, supply reliability, and environmental protection.

The consulting firm of *EN2 Resources Inc. ("Consultant")* assisted the District, under a separate contract with the El Dorado County Water Agency, in the development and submittal of the original CABY grant application.

On March 21, 2016, the Board authorized the General Manager to enter into a contract with the EN2 Resources, Inc., in the amount of \$85,350 for consulting services associated with the environmental permitting, project design, and preparation of bid documents for the CABY Project.

DISCUSSION

Due to delays in obtaining environmental review by the resource agencies, the work under this contract is not yet complete, and is anticipated to be completed by December 31, 2018. The District and Consultant acknowledge and agree that the term of the current Agreement has expired and have the desire to extend the term to December 31, 2018. The amended Agreement is included in this report as **Attachment 1**.

FISCAL IMPACT

The contract amount is already budgeted. This amended agreement does not make any changes to the contract amount and is only an extension of time.

CEQA ASSESSMENT

A Notice of CEQA Categorical Exemption was filed on October 19, 2016, at the California State Clearinghouse, and on October 24, 2016, with the County of El Dorado.

RECOMMENDED ACTION

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District adopt Resolution 2018-02, **Attachment 2**, authorizing the General Manager to execute the Amended Agreement extending the term to December 31, 2018.

ALTERNATIVES

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

ATTACHMENTS

1. Amended Professional Services Agreement
2. Resolution

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 9th day of January 2018, (the “Effective Date”) by and between the Georgetown Divide Public Utilities District, a California Public Utilities District (“District”), and EN2 RESOURCES, INC. (“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 for the Environmental Permitting, Project Design and Preparation of Bid Documents in connection with the Cosumnes, American, Bear, and Yuba (“CABY”) Integrated Regional Water Management Grant 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 according to the rate schedule included in the scope of proposed consultant services attached hereto as **Exhibit B** (the “Rates”).

D. District and Consultant acknowledge and agree that portions of the work identified in **Exhibit A** (“Services”) are complete and were performed under the terms and conditions of a prior **PROFESSIONAL SERVICES AGREEMENT**, entered into the 21st day of March 2016, between the District and the Consultant.

E. District and Consultant acknowledge and agree that the Term of the prior **PROFESSIONAL SERVICES AGREEMENT**, as identified in **Recital D** above, has expired. District and Consultant have a desire to extend the Term through the execution of this Agreement.

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 19 of this Agreement, Section 1 through 19 shall prevail.

2. Consulting Services. Consultant agrees, during the term of this Agreement, to perform the Services for 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

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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. The District acknowledges and approves Domenichelli and Associates as a subconsultant working under the direction of EN2 RESOURCES, INC. No subcontract shall be awarded or other 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**, for a time and materials cost not to exceed eighty-five thousand three hundred fifty (\$85,350) as full remuneration for the performance of the Services. The total compensation identified under this Agreement is that as set forth in the Original Agreement and is not in addition to. 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. Reimbursement. District shall pay Consultant for reimbursable expenses related to travel, lodging, conference calls, reproduction and other costs incurred related to Consultant's performance of the Services. Such reimbursable costs shall be invoiced and billed to the District on a monthly basis, provided that in no event shall reimbursable expenses exceed the total compensation as identified in item 3 above, Compensation.

5. Term. This Agreement shall become effective on the Effective Date and will continue in effect until December 31, 2018, unless terminated earlier as provided in Section 6 or 7 below (the "Term").

6. 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.

7. Termination for Cause. Notwithstanding Section 6 above, this Agreement may be terminated by 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.

8. 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.

9. 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.

10. 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.

11. Representations of Consultant. District relies upon the following representations by Consultant in entering into this Agreement:

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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.

12. 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.

13. 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.

14. 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
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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. 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.

D. 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.

15. 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

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If to Consultant:

EN2 RESOURCES, INC.
Attention: Rick Lind, President
P.O. Box 2260
Placerville, CA 95667

19. 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 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.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last day and date below written.

DISTRICT:

GEORGETOWN DIVIDE PUBLIC
UTILITIES DISTRICT, a California Public
Utilities District

By:


Steven V. Palmer, General Manager

Date:

1/9/18


Approved as to Form:


Barbara A. Brenner, General Counsel

CONSULTANT:

EN2 RESOURCES, Inc.
a California Corporation

By:


Rick Lind, President

Date:

January 4, 2018

Exhibit A

SCOPE OF SERVICES

PROFESSIONAL SERVICES AGREEMENT

Georgetown Divide Public Utility District

And

EN2 RESOURCES, INC.

**Georgetown Divide Public Utility District Water Conservation, Supply Reliability,
and Environmental Protection Project**

Tasks and Deliverables

EN2 and D&A propose to complete the following tasks, which are outlined under Task 3 (Planning/ Design/ Engineering/Environmental Documentation) of the Project Work Plan specified in the Cosumnes, American, Bear, and Yuba (CABY) Integrated Regional Water Management (IRWM) Department of Water Resources (DWR) Proposition 84 IRWM 2014 Drought Grant (Grant) Agreement:

Task 3a Surveying and Geotechnical Services deliverable

- Survey Mapping and Geotechnical Findings memo

Task 3b Design deliverable

- 50% Design Plans
- Final Plans and Specifications

Task 3c CEQA Documentation deliverable

- Notice of Exemption and documentation supporting the determination that the Project is eligible for a Categorical Exemption

Task 3d Permitting deliverables (as applicable)

- Section 404 Nationwide Permit with the Army Corps of Engineers (Corps)
- 1600 Streambed Alteration Agreement (SAA) with the California Department of Fish and Wildlife (CDFW)
- 401 Water Quality Certification (WQC) with the Regional Water Quality Control Board (RWQCB)

Task 3e Project Monitoring Plan

- Project Monitoring Plan

EN2 and D&A have organized the above task deliverables set forth in the Project Work Plan into the following proposed scope of services for purposes of the proposed consulting services agreement with the District.

Task 1: Reporting

EN2 will draft the District's sections for the quarterly progress report due to the Nevada Irrigation District (NID) to meet DWR reporting requirements including the appropriate task deliverables. This will be a maximum of two quarterly progress reports.

Deliverables:

- Two Quarterly Progress Reports

Task 2: Surveying and Design

Survey Mapping

- The District will provide site survey data for the project reaches. Mapping of the reaches will be on “Google” base aerial mapping showing the extent of the lining and the total length for each reach. District personnel will stake the end points and measure the lineal footage of lining for each reach and show the information with stationing on “Google Earth”.
- The District will provide cross-sections points (minimum 4 points) including top of bank and toe of bank on each side of the channel. These cross-sections will be at a maximum 100ft interval. No vertical control will be provided, only relative elevations of points at each cross-section.
- The District will locate (by station) any structures such as culverts, turnouts, trees to be removed, bridges and any other obstructions that will affect the lining project. Sizes of trees, culverts and turnout dimensions will also be provided.
- The District will provide a length and surface profile for the alignment of the proposed pipeline at the Dewarte reach.

Geotechnical Memorandum

- A brief one day geotechnical review of the sites will be conducted to address compaction requirements and any slope stability issues to be addressed by the design engineers.
- A short memorandum of findings will be provided to discuss finding of the geotechnical review.

Design Services

- Design Engineers will create the overall design plans and specifications for applicable sections of canal lining showing project reaches, lengths, typical sections and any related construction details. Also provided will be one section (1,500 ft) of pipeline to replace a reach of ditch.
- Based on the surveying scope above, no vertical or horizontal control or alignments will be provided with the designs, only approximate locations shown on “Google” background. Right of way descriptions will not be provided nor will temporary construction easements.
- Technical specifications will be in a separate document coordinated with the District’s front end specifications and special conditions.

Deliverables:

- 50% design documents to be reviewed by the District and for use in the environmental documents.
- 90% bid documents to be reviewed by the District for final approval.
- Final bid documents in electronic format for distribution by the District.

Task 3: CEQA Documentation

The Grant Agreement between the State of California, Department of Water Resources (State or DWR) and NID under basic conditions states, "prior to the commencement of construction or implementation activities, Grantee shall submit Environmental Documentation:

- i. Grantee submits to the State all applicable environmental permits,
- ii. Documents that satisfy the CEQA process are received by the State
- iii. State has completed its CEQA compliance review as a Responsible Agency, and
- iv. Grantee receives written concurrence from the State of Lead Agency's CEQA documents and State notice of verification of environmental permit submittal."

As assumed in the Grant work plan, a Notice of Exemption will be prepared to satisfy the requirements of CEQA. The Project qualifies for Categorical Exemption 15301, Existing Facilities, Class 1, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

As a component of CEQA, the District will be required to perform a Phase I Cultural Review and provide a summary of consultation with Native American tribes per requirements of AB 52. Consultation under AB 52 requires that the District provide written notification of its decision to undertake a project to Native American tribes. The notification is to be sent to those tribes that have requested to be on the District's Notice List for Projects. Tribes have 30 days to request consultation and the District then has 30 days to begin consultation after receiving the request. The District will provide the list of Native American Tribes which have requested Notification of Projects under AB 52 to EN2 to complete this task.

Deliverables:

- Filed CEQA Notice of Exemptions
- Cultural Review Consultation Documentation
- Summary of Notification and Consultation per AB 52 requirements

Task 4: Permitting

To meet permit requirements, a Corps Preliminary Wetland Delineation report will be drafted and sent to the Corps, which will determine and formally acknowledge the project as being exempt. According to the Corps Regulatory Guidance Letter No. 07-02, construction or maintenance of irrigation ditches and maintenance of drainage ditches under section 404 of the Clean Water Act qualifies for an exemption.

According to the CDFW, if appropriate design measures have already been developed through the Section 404 and CEQA processes, CDFW may not require additional mitigation as part of the Section 1600 Lake or Streambed Alteration Agreement. Pending consultation with the ACOE, additional permitting requirements through CDFW will possibly need to be met before construction can proceed.

EN2 will complete the required consultations and permit review processes. EN2 will submit draft and final permit packages to the District for review before sending them to the applicable regulatory agencies. In order to meet the basic conditions of the Grant Agreement, EN2 will supply the District with the required environmental documentation needed to submit to DWR via Nevada Irrigation District.

Deliverables:

- Preliminary Wetland Delineation Report
- Draft and Final CDFW 1600 Streambed Alteration Agreement (if required)

Task 5: Project Monitoring Plan

D&A and EN2 will assist the District in developing the Project Monitoring Plan as described in the Grant Agreement.

Deliverables:

- Draft and Final Project Monitoring Plan

Key Assumptions

The proposed timeline and cost estimate for the proposed Project assumes that:

- The cultural resources investigation will indicate that subsurface cultural resources are unlikely to be found and that there are no tribal or other Native American issues to be addressed.
- No detailed protocol-level field surveys (cultural or biological) will be needed.
- The District will be responsible for all CEQA filing and permit application fees.
- EN2 will coordinate with the District to post notices and file CEQA documents.
- EN2 assumes that a CDFW 1600 permit will be required.
- EN2 assumes that a Corps 404 and State Water Resources Control Board 401 permit will not be required. If initial findings conclude that these permits are required then EN2 will prepare an amendment to this scope of work and budget in coordination with the District.
- EN2 will coordinate with the District to file permit applications.
- All deliverables will be sent to the District electronically as either Word or PDF format. If the District prefers, a few paper copies and CDs can be submitted.

The estimated labor and direct expenses to prepare and process the environmental documentation and permits applications are presented on the attached page. The attached cost estimate reflects the above assumptions.

We appreciate your consideration of this draft proposal. If you have questions on the above or the attached, please feel free to contact myself or Melissa Marquez at (530) 626-1401.

Exhibit B
RATE SCHEDULE

PROFESSIONAL SERVICES AGREEMENT
Georgetown Divide Public Utility District
And
EN2 RESOURCES, INC.

**Georgetown Divide Public Utility District Water Conservation, Supply Reliability,
and Environmental Protection Project**

Estimated Labor Hours

	Hourly Rate	Estimated Hours					Total Hours	Estimated Cost
		Task 1 Reporting	Task 2 Design	Task 3 CEQA	Task 4 Permits	Task 5 Plan		
EN2 Resources								
Rick Lind	\$176.00	4	6	6	18	6	40	\$7,040
Kris Kiehne	\$127.00			16	22	4	42	\$5,334
Melissa Marquez	\$108.00	6	12	10	48	14	90	\$9,720
Krystle Heaney	\$80.00				22	16	38	\$3,040
GIS Technician	\$92.00		8	18	20	12	58	\$5,336
Administrative Assistant	\$63.00	4		6	10	10	30	\$1,890
Sub-Total		14	26	56	140	62	298	\$32,360
Domenichelli & Associates								
Joe Domenichelli	\$170.00	2	54			6	62	\$10,540
Brian Hammer	\$125.00	4	130			6	140	\$17,500
Jim Cade	\$95.00	4	160			6	170	\$16,150
Paragon Geotechnical (sub-contract)								\$8,800
Sub-Total		10	324	0	0	18	352	\$52,990
Total		24	350	56	140	80	670	\$85,350

Hours and budget may vary by individual and task but total budget will not be exceeded.

RESOLUTION NO. 2018-02

OF THE BOARD OF DIRECTORS
OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT
TO THE PROFESSIONAL SERVICES AGREEMENT WITH EN2
EXTENDING THE TERM OF THE CONTRACT TO DECEMBER 31, 2018

WHEREAS, a Professional Services Agreement between the Georgetown Divide Public Utility District ("District") and EN2 Resources, Inc. ("Consultant") was entered into the 21st day of March 2016; and

WHEREAS, the District and Consultant negotiated a scope of work to develop a Project Work Plan for the Environmental Permitting, Project Design and Preparation of Bid Documents related to the Cosumnes, American, Bear, and Yuba ("CABY") Integrated Regional Water Management Grant Project (the "Project"); and

WHEREAS, the District and Consultant acknowledge and agree that the term of the prior Professional Services Agreement has expired; and District and Consultant have a desire to extend the Term to December 31, 2018, through the execution of this Amended Agreement; and

NOW, THEREFORE, IT IS HEREBY RESOLVED that the General Manager is authorized to execute an Amendment to the Professional Services Agreement with EN2 to extend the term of the contract to December 31, 2018.

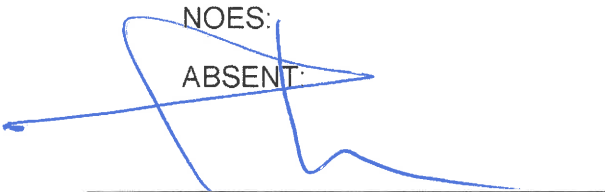
PASSED AND ADOPTED on this 9th day of January 2018, by the following vote:

AYES:

Halpin, Hanschild, Souza, Uso, Wadke


NOES:

ABSENT:



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

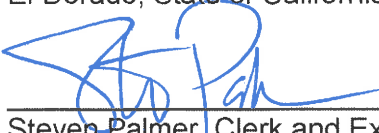
ATTEST:



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 2017-13 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 9th day of January 2018.



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

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 9, 2018
AGENDA ITEM NO. 6C**



AGENDA SECTION: INFORMATIONAL ITEMS

SUBJECT: GENERAL MANAGER'S REPORT

PREPARED BY: Steven Palmer, PE, General Manager

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

RECRUITMENTS

The second round of interviews have been completed for the Water Resources Manager position and a selection has not yet been made.

Approximately 29 applications were received for the Administrative Aide II position (Accounts Payable) that was vacated when Christina Cross accepted the Management Analyst position. Applications are being reviewed for potential interviews with candidates.

UPCOMING BOARD ITEMS

February

- Approve ACWA Conference Attendance
- Purchasing Policy
- Mid-Year Budget Adjustment
- Board of Director Goal Setting

Future

- Board policy updates
- Approve Cost Sharing Applications with El Dorado County Water Agency
 - GIS Update
 - Asset Management Program
- Wastewater Fee Review
- Five-Year Capital Improvement Plan Update
- PG&E Hotchkiss Hill Antenna Lease
- Personnel Manual
- Capital Facility Charge Update
- Approve plans and specifications and authorize bid for canal lining project

FINANCE COMMITTEE

Working on agenda and coordinating a meeting for later this month

HOLIDAY SCHEDULE

District offices will be closed Monday, January 15, 2018 in observance of Martin Luther King, Jr. Day.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Operations Manager's Report for December 2017

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

January 9, 2018, AGENDA ITEM #6D

Water Production for the Month of

December

Auburn Lake Trails Water Treatment Plant

12.532 million gallons
404,258 gallons/day average

Walton Lake Water Treatment Plant

15.294 million gallons
493,354 gallons/day average

Water Quality Monitoring

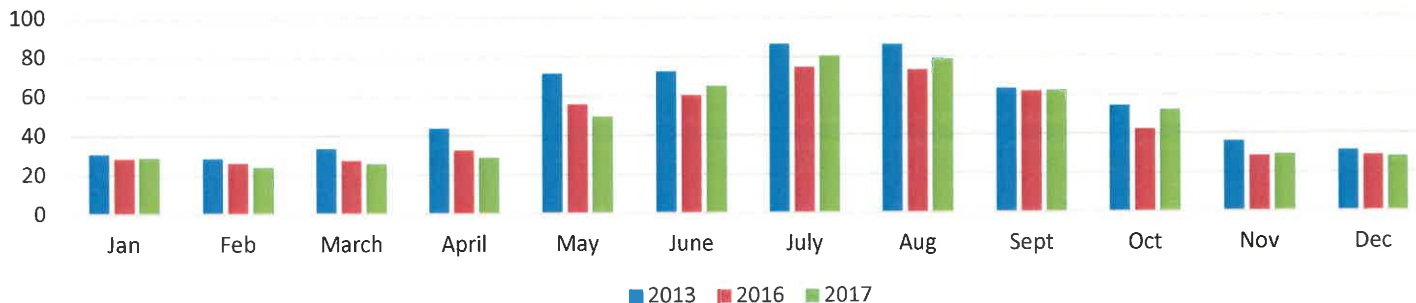
Monitoring has been completed and reports have been submitted to the State Water Resources Control Board.

- ✓ 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)



Waste Water: Auburn Lake Trails

The Leachfield Capacity Report and Water Balance Report was submitted to the State on November 25th. Smoke testing of sewer lines was completed September 21.

Average daily flows in the community disposal system were 23,209 gallons per day. This value does not exceed the limit of 71,800 gallons per day as identified in the Waste Discharge Requirements. A new magnetic flowmeter has been installed to improve accuracy..

The District has, to date, completed all required laboratory monitoring of groundwater, surface water and wastewater effluent.

The District is currently up to date in the monitoring of waste water systems in the zone.

Summary of Field Work Activities

Distribution Crew

- ✓ Repaired leaks: 6
- ✓ Repair/replace meters: 1
- ✓ Installed new service: 0 treated
- ✓ Adjusted altitude and pressure reducing valves

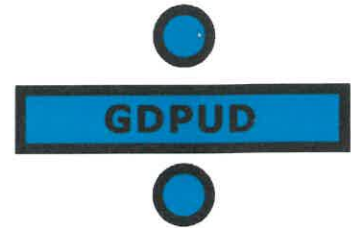
Maintenance Crew

The maintenance crew continued to use the excavator and brush cutters to clean over 4000 feet of canal.

Georgetown Divide Public Utility District

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

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 9, 2018
Agenda Item No. 6E**



AGENDA SECTION: INFORMATIONAL ITEMS

SUBJECT: ALT WATER TREATMENT PLANT PROJECT UPDATE

PREPARED BY: George Sanders, Engineering Consultant

APPROVED BY: Steven Palmer, PE, General Manager

This is a summary of the various work activities at the ALT Treatment Plant for the month of December. Attachment 1 is the eighth in a series of update flyers 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 December, continue to concentrate work activities in three areas. These are identified as the Filter Building, Raw Water Pump Station Building, and Sludge Drying Beds.

- 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. The Chlorine Contact Basin is below grade and under the center portion of this building. The concrete work on this building is now complete. Work activities during this reporting period continue to concentrate on the fabrication of the metal building. The columns, beams and roof rafters are now in place along with portions of the framing for the doors. The three high service pumps (700 gpm each) for the Chlorine Contact Basin are in place as well as the one Filter Backwash Pump (2100 pgm).
- Raw Water Pump Station Building – This is a metal building on a concrete slab with exterior footings, consisting of approximately 1350 SF. The building fabrication is complete and the Contractor is preparing to install the piping and raw water pumps.

-
- Sludge Drying Beds – These are concrete bays, 4 in number, covering a total area of approximately 4,000 SF. The concrete walls and slabs are now in place consisting of approximately 30 individual pours. Upcoming work activities will include installation of the sumps and curtain drains.

PSOMAS

This firm is under contract with the District to provide Engineering Support during construction. Primary functions consist of the review of contractor submittals, requests for information (RFI) and to provide added clarity on various construction related matters. As of this date, the total number of contractor submittals is 171 and the number of requests for information is 119. PSOMAS continues to provide Engineering Support.

Youngdahl Consulting Group

This firm is under contract to provide the material testing of soils and concrete. Material testing during this reporting period includes the testing of concrete (air entrainment, temperature, slump and compressive strength) for multiple concrete pours within the Sludge Drying Beds.

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. During the month of December the site experienced one qualifying rain event that yielded 0.7 inch of rain.

NEXGEN

This firm is under contract with the District to provide Construction Management services. NEXGEN is currently providing construction inspection at the site daily.

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	\$4,874,111	\$11,249,000
Construction Engineering, Construction Management, and Environmental	\$ 383,804	\$ 1,076,226
Total	\$5,257,915	\$12,325,226

Contract Change Orders

No Contract Change Orders were processed during this reporting period. 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. 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. 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.

EPA Grant and State SRF Payment Requests

There is no change in the reporting under this activity from that of the Board meeting in October. All monies have been received under the EPA Grant. Staff is currently working on the final reporting as required to close out the Grant.

The District has received six reimbursement payments from the State Revolving Fund Loan Agreement for a total amount of \$ 3,253,558. The first payment was received during the month of June in the amount of \$ 1,157,141. The second payment was received in August in the amount of \$ 439,850. The third payment was received in September in the amount of \$ 68,457. The fourth payment was received in October in the amount of \$540, 675. The fifth payment was received in November in the amount of \$497,125. The sixth payment was received in December in the amount of \$550,310. At the time of this report, the District has one (#7) outstanding reimbursement requests. Reimbursement Request #7 is for the amount of \$1,047,320.

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



GDPUD

Georgetown Divide Public Utility District

Update No. 8 ♦ Dec 31, 2017

AUBURN LAKE TRAILS WATER TREATMENT PLANT



PROJECT UPDATE

UPCOMING ACTIVITIES:

- Filter Bldg.- Bldg. Const.
- Raw Water Pump Station – Install Pumps and Pipes
- Sludge Drying Beds – Concrete Apron & Drains

COMPLETED ACTIVITIES:

- Mobilization
- Raw Water Siphon
- Temporary Finish Water Bypass Line
- Concrete Pours- Filter Bldg. Chlorine Contact Basin, Filter Pedestals & Floor Slabs
- Raw Water Pump Station Footing, Slab & Building
- Concrete Pour – Sludge Drying Beds- Slab & Walls

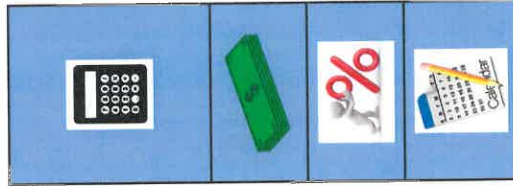
CONTRACT UPDATE:

Original Contract Amount: \$ 10,249,000
 Contract Change Order #1: \$ 39,772
 Contract Change Order #2: (\$ 970)
 Contract Change Order #3: No Cost
New Contract Amount \$10,287,802

Expended thru December 2017 \$4,874,802

Percent Complete 47%

Anticipated Completion Date December 2018



PROJECT CONSTRUCTION SCHEDULE

2017												2018											
J	F	M	A	M	J	J	J	A	S	O	N	J	D	J	J	M	A	J	J	A	S	O	N
		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	Erect Filter Building						100% Complete Sludge Drying Beds	100% Filter Building Structure	100% Complete Raw Water Pump Station		100% Backwash Recovery Basin	100% Complete Site Work	100% Complete Filter Building	Operator Training
PROJECT 100% COMPLETE																							

**GEORGETOWN DIVIDE
PUBLIC UTILITY DISTRICT**
 6425 Main Street
 P.O. Box 4240

Georgetown, CA 95634
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 or
 Call (530) 333-4356



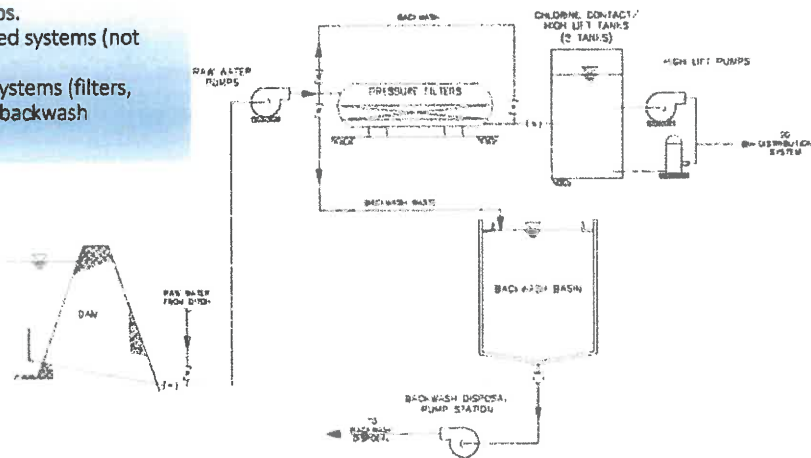
Auburn Lake Trails Water Treatment Plant A Comparison of Systems Operations and Treatment Processes Between Existing and New Facilities

Georgetown Divide Public Utility District
Board of Directors
January 9, 2018

Existing Plant:

- 1. Three sets of pumps.
- 2. Three chemical feed systems (not shown)
- 3. Three treatment systems (filters, chlorination, and backwash setting)

Existing Plant
Schematic



Engineering drawing information block including:
- Project: AUBURN LAKE TRAILS WATER TREATMENT PLANT
- Title: EXISTING PLANT PROCESS SCHEMATIC
- Date: 1/5/18
- Scale: AS SHOWN
- Drawing No.: 15-00000-001
- Revision: 1
- Designer: J. H. ...
- Checker: ...
- Engineer: ...
- Approver: ...
- Scale: AS SHOWN
- Drawing No.: 15-00000-001
- Revision: 1
- Designer: J. H. ...
- Checker: ...
- Engineer: ...
- Approver: ...

Background on the ALTWTP (con't)

- New Design - completed in March 2016.
- SRF Loan in place August 2016. The amount of the SRF funding is \$10,000,000.
- Contract with Myers & Sons, executed in February 2017 in the amount of \$10,249,000.
- Project Improvements currently 50% complete with final construction scheduled for December 2018.

Treatment Improvement: Filter System

The existing plant utilizes an In-Line Filter System which is no longer recognized by the State as an acceptable system.

The new plant will incorporate a Two Stage Contact Filter System.

This two stage system consists of Clarification in addition to Filtration and has become a standard throughout the industry as a State Approved System.

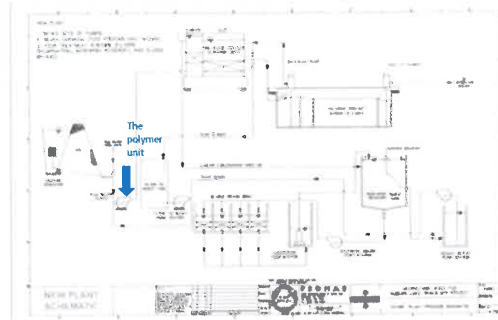
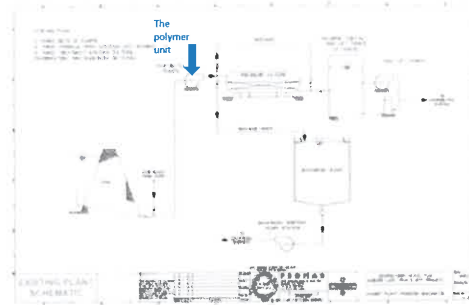


Treatment Improvement Polymer Injection

Polymer is used to enhance the coagulation of particulate matter in the raw water.

The existing plant injects polymer immediately upstream (20 feet) from the In-Line Filter System which exposes coagulated material to turbulent water, thus diminishing the effectiveness of the process.

The new plant injects and mixes polymer at the raw water pump station and provides a uniform flow into the Two Stage Contact Filter units approximately 250 feet distant, thus greatly enhancing the coagulation process.



Treatment Improvement: Recycling of Backwash Water

The media within the filter systems are cleaned through backwashing. The process of backwashing is common to both the existing and new filter systems.

The existing plant has historically discharged backwash water into an open, unlined settling pond. Current State regulations do not recognize this as an acceptable method of discharging backwash water.



The new plant will discharge backwash water into concrete lined beds which will recycle and recover the backwash water through a multistage process of decanting the liquids and separating the solids.

Treatment Improvement: Chlorine Residual

Chlorine is added to the water as a final process to eliminate the growth of bacteria in the system.

The existing plant injects chlorine, which mixes with the water as it passes through two separate tanks. Each of the tanks are relatively small in size, provide poor baffling and limit the ability of the operator to maintain a uniform residual amount of chlorine in the system.



The new system will allow the operator to maintain a more consistent and uniform chlorine residual, resulting in an overall superior product to the customer.

New Technology Supervisory Control and Data Acquisition (SCADA)

Existing WTP Pumps & Processes

- Interruptions in the treatment process currently notify operators through a radio pager, in the form of an alarm. Often times these notices are time sensitive as they commonly relate to high tank levels, power outages and pump failures. Plant operators must be on-site to assess the deficiency and at the controls to affect any changes in the operation.

New WTP Pumps and Processes

Using new technology, (SCADA) via an internet connection, personnel will have the ability to monitor, modify processes and control equipment from a satellite location.

Automatically log information required for State reporting.

Efficiently manage the Plant operations through the tracking of power usage and equipment maintenance needs.

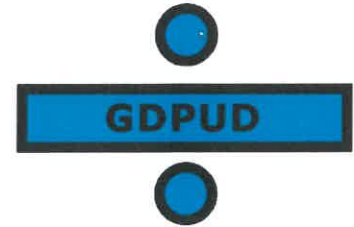
Operational Tasks Required at New Plant

- ❖ Chlorine Contact Basin
 - Operator Monitoring of Level and Flow (common to both existing and new facility).
- ❖ Raw Water Pump Station
 - Streaming Current Meter and Polymer Injection System (common to both existing and new facility).
 - Pre-Chlorination Injection
- ❖ Backwash Water Recovery Basin
 - Dewatering Polymer Injection
 - Solids Separation
 - Decant Basin and Pumps

Operational Tasks Required at New Plant (con't)

- ❖ Sludge Drying Beds
 - Solids Drying Sequence Rotation
 - Sand Bed Cleaning and Maintenance
- ❖ Filter to Waste Collection Tank
 - Recycle Water Metering

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 9, 2018
AGENDA ITEM NO. 7A**



AGENDA SECTION: NEW BUSINESS

SUBJECT: FY 2016-17 Audited Financial Statements

PREPARED BY: Kristen West, Finance Consultant

APPROVED BY: Steven Palmer, PE, General Manager

A handwritten signature in blue ink, appearing to be "SP", is placed to the right of the name Steven Palmer.

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 and reliable. An annual independent financial audit of financial statements is a requirement of the Comptroller of the United States of America in accordance with the Governmental Auditing Standards. In order to meet these requirements Georgetown Divide Public Utility District ("District") contracted with the CPA firm, Fechter & Company, to administer the audit and provide an opinion for fiscal years ending 2016, 2017 and 2018.

DISCUSSION

The District's financial goals for providing timely, complete, accurate and reliable financial statements include an annual audit with issued financial statement reports no later than 180 days after the close of the fiscal year.

For fiscal year ended June 30, 2017, Fechter & Company conducted their year-end audit fieldwork the week of October 16th and provided final financial statements on December 29, 2017, effectively meeting the goals of the District. The auditors issued a clean opinion that the District's audited financial statements 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. Hard copies of the financial statements are to be distributed to the Board and key personnel. At this time an electronic copy is available for review (Exhibit A), after which it will be published on the District's website for public access.

Craig Fechter, of Fechter & Company, will be in attendance to present the audited financial statements.

FISCAL IMPACT

None.

RECOMMENDED ACTION

Upon verbal presentation from Fechter & Company, accept and file the audited financial statements.

ATTACHMENTS

1. Exhibit A - Fiscal Year 2016-17 Financial Statements
2. Fechter & Co Management Report

GDPUD Board Meeting of 1/9/2018
AGENDA ITEM NO. 7A
Attachment 1

**GEORGETOWN DIVIDE PUBLIC
UTILITY DISTRICT**

**ANNUAL FINANCIAL REPORT
WITH INDEPENDENT AUDITOR'S REPORT
THEREON**

JUNE 30, 2017

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Annual Financial Report
June 30, 2017

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INDEPENDENT AUDITOR'S 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 fiduciary fund of the Georgetown Divide Public Utility District (District) as of and for the fiscal year ended June 30, 2017, and the related notes to the 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

To the Board of Directors of the
Georgetown Divide Public Utility District
Georgetown, California

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and fiduciary fund of the District as of June 30, 2017, and the respective changes in financial position and cash flows for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, the Schedule of Funding Progress for Other Postemployment Benefits on page 44, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 45, and the Schedule of Pension Contributions on page 46 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Georgetown Divide Public Utility District's basic financial statements. The Schedules of Operating Expenses and Restricted Plant Benefit Charges and Disclosures are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Operating Expenses and Restricted Plant Benefits Charges and Disclosures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Operating Expenses and Restricted Plant Benefits Charges and Disclosures are fairly stated in all material respects in relation to the basic 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 29, 2017, on our consideration 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 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 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.

Fechter & Company,
Certified Public Accountants



Sacramento, California
December 29, 2017

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis June 30, 2017

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, 2017. 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, 2017 was \$5,141,124, an increase of \$1,088,841 or 26.87% from the previous fiscal year. Total expenses were \$4,119,887, a decrease of \$269,844 or 6.04% from the previous fiscal year. The increase in net position was \$941,237 for the fiscal year.

Operating revenue totaled \$2,224,000 for the fiscal year ended June 30, 2017, an increase of \$264,001 or 13.47% from the previous fiscal year. Operating expenses totaled \$4,119,004 a decrease of \$317,713 or 7.16% from the previous fiscal year.

Non-operating revenue was \$2,917,124, an increase of \$824,840 or 39.42%. Non-operating expense was \$80,883, an increase of \$47,869 or 145%. The remaining non-operating revenue supplements operating revenue to cover operating expenses and capital improvements.

Other significant financial activities were:

- Hiring a full time General Manager to fill the vacant position.
- Investing \$2,410,219 towards the design of the Auburn Lake Trails Water Treatment Plant Retrofit Project.
- Water sales beginning to recover from the Statewide drought, which impacted operating revenues from rates.

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, 2017; the Statement of Activities for the fiscal year ended June 30, 2017 at the government-wide level; the Statement of Net Position – Proprietary Funds at June 30, 2017; the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds for the fiscal year ended June 30, 2017; and the Statement of Cash Flows – Proprietary Funds for the fiscal year ended June 30, 2017 at the fund level. 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 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis June 30, 2017

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.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the changes occurs, regardless of the timing of the related cash flows.

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, liabilities, and net assets as of June 30, 2017. Net Position increased by \$941,237 to \$17,188,262 in fiscal year 2017. Total assets and deferred outflows increased by 3,997,302 and liabilities and deferred inflows increased by \$3,056,065 from the previous fiscal year. A summary of the District's Statement of Net Position is presented in Table A-1.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis June 30, 2017

**Table A-1
Condensed Statement of Net Position**

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change	Percent Change
Current Assets	\$ 6,752,497	\$ 7,163,033	\$ (410,536)	-5.73%
Restricted Assets	4,114,818	2,994,909	1,119,909	37.39%
Capital Assets, Net of Accumulated Depreciation	14,460,695	12,270,069	2,190,626	17.85%
Total Assets	25,328,010	22,428,011	2,899,999	12.93%
Deferred pensions	1,582,032	484,729	1,097,303	226.37%
Total Assets and Deferred Outflows of Resources	26,910,042	22,912,740	3,997,302	17.45%
Current Liabilities	378,898	223,574	155,324	69.47%
Current Restricted Liabilities	1,122,600	8,090	1,114,510	13776.39%
Long-term Liabilities	7,985,590	6,235,173	1,750,417	28.07%
Deferred Inflows of Resources	234,692	198,878	35,814	18.01%
Total Liabilities and Deferred Inflows of Resources	9,721,780	6,665,715	3,056,065	45.85%
Invested in Capital Assets, Net of Related Debt	12,526,296	11,389,428	1,136,868	9.98%
Restricted Net Assets for Facilities	2,365,593	2,265,880	99,713	4.40%
Restricted Net Assets for Debt Service	358,941	397,952	(39,011)	-9.80%
Unrestricted Net Assets	1,937,432	2,193,765	(256,333)	-11.68%
Total Net Assets	\$ 17,188,262	\$ 16,247,025	\$ 941,237	5.79%

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 exceeded expenses by \$941,237. Ending net position totaled \$17,188,262. Total revenues increased by \$1,088,841 in 2017 totaling \$5,141,124. Operating revenue increased by \$264,001. 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis June 30, 2017

Table A-2
Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change	Percent Change
Operating Revenues	\$ 2,224,000	\$ 1,959,999	\$ 264,001	13.47%
Non-operating Revenues and Contributions	2,917,124	2,092,284	824,840	39.42%
Total Revenues	5,141,124	4,052,283	1,088,841	26.87%
Operating Expenses	4,119,004	4,436,717	(317,713)	-7.16%
Non-operating Expenses	80,883	33,014	47,869	145.00%
Total Expenses	4,199,887	4,469,731	(269,844)	-6.04%
Net Income (Loss)	941,237	(417,448)	1,358,685	-325.47%
Beginning Net Assets	16,247,025	16,664,473	(417,448)	-2.51%
Ending Net Assets	<u>\$ 17,188,262</u>	<u>\$ 16,247,025</u>	<u>\$ 941,237</u>	<u>5.79%</u>

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 slightly this year. The end of dry weather conditions and easing of the statewide drought have resulted in a light rebound in revenue from water sales. The remaining operating revenues were close to expectations. Operating revenues are depicted in Table A-3.

Table A-3
Condensed Operating Revenues

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change	Percent Change
Water Sales - Residential	\$1,350,610	\$1,244,193	\$106,417	8.55%
Water Sales - Commercial	224,924	177,031	47,893	27.05%
Water Sales - Irrigation	224,156	135,218	88,938	65.77%
Water Disposal Fees and Charges	347,582	346,429	1,153	0.33%
Penalties	43,652	39,885	3,767	9.44%
Connections	33,044	15,232	17,812	116.94%
Other Operating Revenues	32	2,011	(1,979)	-98.41%
Total Operating Revenues	<u>\$2,224,000</u>	<u>\$1,959,999</u>	<u>\$264,001</u>	<u>13.47%</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis
June 30, 2017

Operating Expenses by Department

Total operating expenses decreased \$317,713 or 7.16% to \$4,119,004. One significant (\$176,834) decrease in expenses was realized in Transmission and Distribution – Raw Water activities largely due to a reduction in staffing and termination of the General Manager. The other significant decrease in expenses (\$149,427) is due to a reduction in annual depreciation as many District assets have reached the end of their useful life and are fully depreciated. On-site Wastewater Disposal expenses increased due to increased staffing necessary for increased real estate transactions. The hydroelectric activities are combined with the administrative activities as they are not material enough to present separately. Source of Supply expenses decreased due to a reduction in staffing. Operating expenses are depicted in Table A-4.

Table A-4
Operating Expenses by Department

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change	Percent Change
Source of Supply	\$ 291,251	\$ 351,861	\$ (60,610)	-17.23%
Transmission and Distribution – Raw Water	416,978	593,812	(176,834)	-29.78%
Water Treatment	576,938	546,119	30,819	5.64%
Transmission and Distribution – Treated Water	692,748	728,310	(35,562)	-4.88%
Customer Service	245,576	250,023	(4,447)	-1.78%
Administrative and Hydroelectric	956,416	966,505	(10,089)	-1.04%
Depreciation and Amortization	666,864	816,291	(149,427)	-18.31%
On-site Wastewater Disposal Zone	272,233	183,796	88,437	48.12%
Total Operating Expenses	\$4,119,004	\$4,436,717	\$(317,713)	-7.16%

Operating Revenues vs. Operating Expenses

The District's operating loss decreased by \$581,714. 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 2017	Fiscal Year 2016	Dollar Change	Percent Change
Operating Revenues	\$ 2,224,000	\$ 1,959,999	\$264,001	13.47%
Operating Expenses	4,119,004	4,436,717	(317,713)	-7.16%
Operating Loss	\$(1,895,004)	\$(2,476,718)	\$581,714	-23.49%

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis
June 30, 2017

Non-operating Revenues and Expenses

The District's non-operating income is vital to covering operations. Interest income, Capital Facility Payments and Capital Contributions had significant increases this fiscal year. In addition, the District collected an additional Surcharge. Table A-6 compares non-operating revenues and expenses.

Table A-6
Non-Operating Revenues and Expenses

	Fiscal Year 2017	Fiscal Year 2016	Dollar Change	Percent Change
Property Taxes – General	\$ 1,524,159	\$ 1,447,381	\$ 76,778	5.30%
Interest Income	67,984	45,883	22,101	48.17%
Capital Facility Payments	53,200	18,400	34,800	189.13%
Lease Revenue	65,795	60,230	5,565	9.24%
Hydroelectric Royalty Payments	49,655	43,259	6,396	14.79%
SMUD Payment	107,729	108,515	(786)	-0.72%
Gain on sale of asset		1,527	(1,527)	-100.00%
Surcharge	328,751		328,751	100.00%
Capital contributions	715,365	339,606	375,759	110.65%
Other	4,486	27,483	(22,997)	-83.68%
Total Non-Operating Revenues (Including Property Owner Contributions)	<u>2,917,124</u>	<u>2,092,284</u>	<u>824,840</u>	<u>39.42%</u>
Total Non-operating Expenses	<u>80,883</u>	<u>33,014</u>	<u>47,869</u>	<u>145.00%</u>
Non-operating Income less Non-operating Expense	<u>\$ 2,836,241</u>	<u>\$ 2,059,270</u>	<u>\$ 776,971</u>	<u>37.73%</u>

Capital Assets

The District's investment in capital assets for the fiscal year was \$2,857,491, which includes \$2,465,524 capital improvements. Additions to capital assets are:

- \$2,410,219 Auburn Lake Trails Water Treatment Plant Retrofit project
- \$55,305 Water Conservation, Supply Reliability, and Environmental Protection Project (CABY)
- \$47,833 2017 Ford F350
- \$69,086 John Deer 50G Excavator
- \$23,262 2017 Ford 150
- \$166,347 Walton Storage Tank Recoating
- \$85,439 other miscellaneous assets

Additional information about District capital assets can be obtained in Note 4 of the notes to the financial statements.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis June 30, 2017

Long-term Debt and Debt Administration

At June 30, 2017, the District had \$7,985,590 in long-term debt, including compensated absences and other postemployment benefits obligations, \$1,750,417 more than the prior fiscal year. 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 6 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.

Postemployment Benefits Other Than Pensions

The District has been endeavoring to fund these benefit commitments for many years and implemented *Governmental Accounting Standards Board Statement No. 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in fiscal year 2010. 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. A calculation of the future liability for these benefits has been prepared utilizing the simplified method allowed by the statement for small employers. Utilizing this method, it is estimated that the District saved approximately \$850,000 by instituting the caps. The estimated actuarial liability at June 30, 2015 is \$1,533,647. 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 14 of the notes to the financial statements.

Economic Factors and Rates

The District's customer base continues to grow at a slow rate. The District completed a Water System Reliability Study in fiscal year 2002. This study has been utilized as a basis for long-term maintenance and capital improvement plans for the District. The District reviewed its financial reserves and updated its financial reserve policy in fiscal year 2006. The updated reserve policy provides a guide for development of future rates and fees to adequately support the capital and operation needs of the District.

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). 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017
(with comparative totals for June 30, 2016)

	Business-Type Activities	
	2017	2016
ASSETS		
Current Assets:		
Cash and investments	\$ 6,094,134	\$ 6,646,096
Receivables:		
Accounts	511,658	366,806
Interest	9,711	7,081
Inventory	42,990	41,826
Deposits and prepaid expenses	94,004	101,224
Total current assets	6,752,497	7,163,033
Restricted Assets:		
Cash and investments	3,933,223	2,717,114
Receivables:		
Interest	6,907	281
Assessments	174,688	277,514
Total restricted assets	4,114,818	2,994,909
Capital assets, net	14,460,695	12,270,069
TOTAL ASSETS	25,328,010	22,428,011
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pensions	1,582,032	484,729
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 26,910,042	\$ 22,912,740
LIABILITIES		
Current Liabilities:		
Accounts payable	301,942	146,833
Accrued expenses	47,701	51,489
Deposits payable	7,900	-
Unearned revenue	21,355	25,252
Total Current Liabilities	378,898	223,574
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	5,403	5,646
Accounts payable	1,116,026	1,273
Unearned revenue	1,171	1,171
Total Current Liabilities Payable from Restricted Assets	1,122,600	8,090
Noncurrent Liabilities:		
Due in one year	128,536	137,481
Due in more than one year	7,857,054	6,097,692
Total Noncurrent Liabilities	7,985,590	6,235,173
TOTAL LIABILITIES	9,487,088	6,466,837
DEFERRED INFLOWS OF RESOURCES		
Deferred pensions	234,692	198,878
NET POSITION		
Net investment in capital assets	12,526,296	11,389,428
Restricted for new facilities	2,365,593	2,265,880
Restricted for debt service	358,941	397,952
Unrestricted	1,937,432	2,193,765
TOTAL NET POSITION	17,188,262	16,247,025
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 26,910,042	\$ 22,912,740

The accompanying notes are an integral part of these financial statements.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017
(with comparative totals for June 30, 2016)

Functions/Programs	Expenses	Program Revenues		Net Changes in Net Position	
		Charges for Services	Capital Contributions and Grants	2017	2016
Business-Type Activities:					
Water	\$ 3,903,623	\$ 1,876,418	\$ 715,365	\$ (1,311,840)	\$ (2,304,889)
Wastewater Disposal	296,264	347,582	-	51,318	134,763
Total business-type activities	<u>\$ 4,199,887</u>	<u>\$ 2,224,000</u>	<u>\$ 715,365</u>	<u>(1,260,522)</u>	<u>(2,170,126)</u>
General Revenues:					
				1,524,159	1,447,381
				328,751	-
				67,984	45,883
				<u>280,865</u>	<u>259,414</u>
				Total general revenues	2,201,759
				Change in net position	<u>941,237</u>
				Net position - beginning of year	<u>16,247,025</u>
				Net position end of year	<u>\$ 17,188,262</u>

The accompanying notes are an integral part of these financial statements.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017
(with comparative totals for June 30, 2016)

	Enterprise Funds		Totals	
	Water	Wastewater Disposal	2017	2016
ASSETS				
Current Assets:				
Cash and investments	\$ 5,201,730	\$ 892,404	\$ 6,094,134	\$ 6,646,096
Receivables:				
Accounts	508,410	3,248	511,658	366,806
Interest	7,517	2,194	9,711	7,081
Inventory	42,990	-	42,990	41,826
Deposits and prepaid expenses	92,122	1,882	94,004	101,224
Total current assets	<u>5,852,769</u>	<u>899,728</u>	<u>6,752,497</u>	<u>7,163,033</u>
Restricted Assets:				
Cash and investments	3,679,895	253,328	3,933,223	2,717,114
Receivables:				
Interest	6,310	597	6,907	281
Assessments	174,688	-	174,688	277,514
Total restricted assets	<u>3,860,893</u>	<u>253,925</u>	<u>4,114,818</u>	<u>2,994,909</u>
Capital assets, net	<u>14,253,129</u>	<u>207,566</u>	<u>14,460,695</u>	<u>12,270,069</u>
TOTAL ASSETS	<u>23,966,791</u>	<u>1,361,219</u>	<u>25,328,010</u>	<u>22,428,011</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	<u>1,534,571</u>	<u>47,461</u>	<u>1,582,032</u>	<u>484,729</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 25,501,362</u>	<u>\$ 1,408,680</u>	<u>\$ 26,910,042</u>	<u>\$ 22,912,740</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	299,134	2,808	301,942	146,833
Accrued expenses	45,364	2,337	47,701	51,489
Deposits payable	7,900	-	7,900	-
Unearned revenue	21,355	-	21,355	25,252
Total Current Liabilities	<u>373,753</u>	<u>5,145</u>	<u>378,898</u>	<u>223,574</u>
Current Liabilities Payable from Restricted Assets:				
Accrued interest payable	5,403	-	5,403	5,646
Accounts payable	1,116,026	-	1,116,026	1,273
Unearned revenue	1,171	-	1,171	1,171
Total Current Liabilities Payable from Restricted Assets	<u>1,122,600</u>	<u>-</u>	<u>1,122,600</u>	<u>8,090</u>
Noncurrent Liabilities:				
Due in one year	127,100	1,436	128,536	137,481
Due in more than one year	7,694,963	162,091	7,857,054	6,097,692
Total Noncurrent Liabilities	<u>7,822,063</u>	<u>163,527</u>	<u>7,985,590</u>	<u>6,235,173</u>
TOTAL LIABILITIES	<u>9,318,416</u>	<u>168,672</u>	<u>9,487,088</u>	<u>6,466,837</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	<u>227,651</u>	<u>7,041</u>	<u>234,692</u>	<u>198,878</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>227,651</u>	<u>7,041</u>	<u>234,692</u>	<u>198,878</u>
NET POSITION				
Net investment in capital assets	12,318,730	207,566	12,526,296	11,389,428
Restricted for new facilities	2,111,668	253,925	2,365,593	2,265,880
Restricted for debt service	358,941	-	358,941	397,952
Unrestricted	1,165,956	771,476	1,937,432	2,193,765
TOTAL NET POSITION	<u>15,955,295</u>	<u>1,232,967</u>	<u>17,188,262</u>	<u>16,247,025</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 25,501,362</u>	<u>\$ 1,408,680</u>	<u>\$ 26,910,042</u>	<u>\$ 22,912,740</u>

The accompanying notes are an integral part of these financial statements.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(with comparative totals for June 30, 2016)

	Enterprise Funds		Totals	
	Water	Wastewater Disposal	2017	2016
Operating revenues:				
Water sales:				
Residential	\$ 1,350,610	\$ -	\$ 1,350,610	\$ 1,244,193
Commercial	224,924	-	224,924	177,031
Irrigation	224,156	-	224,156	135,218
Installations and connections	33,044	-	33,044	15,232
Waste disposal:				
Zone charges	-	311,477	311,477	311,629
Design fees	-	6,600	6,600	1,200
Escrow fees	-	29,505	29,505	33,600
Penalties	43,652	-	43,652	39,885
Other	32	-	32	2,011
Total operating revenues	<u>1,876,418</u>	<u>347,582</u>	<u>2,224,000</u>	<u>1,959,999</u>
Operating expenses:				
Source of supply	291,251	-	291,251	351,861
Transmission and distribution - raw water	416,978	-	416,978	593,812
Pumping and power	576,938	-	576,938	546,119
Transmission and distribution - treated water	692,748	-	692,748	728,310
Customer service	245,576	-	245,576	250,023
Administration and hydroelectric	956,416	-	956,416	966,505
Depreciation	642,833	24,031	666,864	816,291
On-Site Wastewater Disposal Zone	-	272,233	272,233	183,796
Total operating expenses	<u>3,822,740</u>	<u>296,264</u>	<u>4,119,004</u>	<u>4,436,717</u>
Operating income (loss)	<u>(1,946,322)</u>	<u>51,318</u>	<u>(1,895,004)</u>	<u>(2,476,718)</u>
Non-operating revenues (expenses):				
Tax revenue - general	1,524,159	-	1,524,159	1,447,381
Surcharge	328,751	-	328,751	-
Interest income	59,478	8,506	67,984	45,883
Lease revenue	65,795	-	65,795	60,230
SMUD payment	107,729	-	107,729	108,515
Hydroelectric royalty payments	49,655	-	49,655	43,259
Capital facility charge	53,200	-	53,200	18,400
Gain on sale of assets	-	-	-	1,527
Other revenue	4,486	-	4,486	27,483
Interest expense	(25,210)	-	(25,210)	(25,882)
Other expense	(55,673)	-	(55,673)	(7,132)
Total non-operating revenues, net	<u>2,112,370</u>	<u>8,506</u>	<u>2,120,876</u>	<u>1,719,664</u>
Income (loss) before capital contributions and transfers	<u>166,048</u>	<u>59,824</u>	<u>225,872</u>	<u>(757,054)</u>
Capital contributions	715,365	-	715,365	339,606
Transfers in	65,736	32,000	97,736	1,198,358
Transfers out	(56,377)	(41,359)	(97,736)	(1,198,358)
Capital contributions and transfers in (out), net	<u>724,724</u>	<u>(9,359)</u>	<u>715,365</u>	<u>339,606</u>
Change in net position	<u>890,772</u>	<u>50,465</u>	<u>941,237</u>	<u>(417,448)</u>
Beginning net position	15,064,523	1,182,502	16,247,025	16,664,473
Prior period adjustment	-	-	-	-
Beginning net position, restated	<u>15,064,523</u>	<u>1,182,502</u>	<u>16,247,025</u>	<u>16,664,473</u>
Ending net position	<u>\$ 15,955,295</u>	<u>\$ 1,232,967</u>	<u>\$ 17,188,262</u>	<u>\$ 16,247,025</u>

The accompanying notes are an integral part of these financial statements.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(with comparative totals for June 30, 2016)

	Enterprise Funds		Totals	
	Water	Wastewater Disposal	2017	2016
Cash flows from operating activities:				
Receipts from customers	\$ 1,731,771	\$ 349,080	\$ 2,080,851	\$ 2,028,117
Payments to suppliers	(1,175,499)	(113,654)	(1,289,153)	(1,397,223)
Payments to employees	(2,175,576)	(192,539)	(2,368,115)	(2,093,953)
Net cash provided (used) by operating activities	<u>(1,619,304)</u>	<u>42,887</u>	<u>(1,576,417)</u>	<u>(1,463,059)</u>
Cash Flows from non-capital financing activities:				
Property taxes received	1,524,159	-	1,524,159	1,447,381
Surcharge	328,751	-	328,751	-
Assessment receivable payments	102,826	-	102,826	72,676
Receipts from capacity charges	53,200	-	53,200	18,400
SMUD payment	107,729	-	107,729	108,515
Hydroelectric royalty payments	49,655	-	49,655	43,259
Other revenue	4,486	-	4,486	27,483
Other expense	(55,673)	-	(55,673)	(7,132)
Transfers (to) from other funds	9,359	(9,359)	-	-
Receipts from cellular antenna rentals	65,795	-	65,795	60,230
Net cash provided (used) by non-capital financing activities	<u>2,190,287</u>	<u>(9,359)</u>	<u>2,180,928</u>	<u>1,770,812</u>
Cash flows from capital and related financing activities:				
Principal payments on long-term debt	(103,382)	-	(103,382)	(90,972)
Loan proceeds	1,157,141	-	1,157,141	-
Interest payments on long-term debt	(25,453)	-	(25,453)	(26,784)
Capital grant	715,365	-	715,365	339,606
Proceeds from sale of capital assets	-	-	-	1,527
Acquisition and construction of capital assets	(1,742,763)	-	(1,742,763)	(277,793)
Net cash used by capital and related financing activities	<u>908</u>	<u>-</u>	<u>908</u>	<u>(54,416)</u>
Cash flows from investing activities:				
Investment income received	51,656	7,072	58,728	44,712
Net cash provided by investing activities	<u>51,656</u>	<u>7,072</u>	<u>58,728</u>	<u>44,712</u>
Net increase in cash and cash equivalents	623,547	40,600	664,147	298,049
Cash and cash equivalents, beginning of year	8,258,078	1,105,132	9,363,210	9,065,161
Cash and cash equivalents, end of year	<u>\$ 8,881,625</u>	<u>\$ 1,145,732</u>	<u>\$ 10,027,357</u>	<u>\$ 9,363,210</u>
Reconciliation to the Statement of Net Position:				
Cash and investments, unrestricted	\$ 5,201,730	\$ 892,404	\$ 6,094,134	\$ 6,646,096
Restricted cash and investments	3,679,895	253,328	3,933,223	2,717,114
Total cash and investments	<u>\$ 8,881,625</u>	<u>\$ 1,145,732</u>	<u>\$ 10,027,357</u>	<u>\$ 9,363,210</u>
Noncash investing/financing activities:				
Issuance of capital lease	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,406</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(with comparative totals for June 30, 2016)

	Enterprise Funds		Totals	
	Water	Wastewater Disposal	2017	2016
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (1,946,322)	\$ 51,318	\$ (1,895,004)	\$ (2,476,718)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	642,833	24,031	666,864	816,291
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	(146,350)	1,498	(144,852)	58,364
Inventory	(1,164)	-	(1,164)	5,309
Deposits and prepaid expenses	7,812	(592)	7,220	(5,084)
Deferred outflow - pension	(1,066,323)	(30,980)	(1,097,303)	(179,567)
Accounts payable	158,113	(4,955)	153,158	55,918
Accrued expenses	(4,149)	2,337	(1,812)	21,061
Deposits payable	2,300	-	2,300	-
Compensated absences	(6,174)	677	(5,497)	19,097
Postemployment benefits	87,848	-	87,848	78,182
Deferred inflow - pension	35,535	279	35,814	(639,531)
Net pension liability	615,034	(726)	614,308	773,865
Unearned revenue	1,703	-	1,703	9,754
Net cash provided (used) by operating activities	\$ (1,619,304)	\$ 42,887	\$ (1,576,417)	\$ (1,463,059)

The accompanying notes are an integral part of these financial statements.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2017
(with comparative totals for June 30, 2016)

	Totals	
	2017	2016
ASSETS		
Current Assets:		
Cash and investments	\$ 84,638	\$ 103,299
Prepaid expenses	-	(955)
Receivables:		
Interest	-	67
Assessments	154,919	163,527
	\$ 239,557	\$ 265,938
	\$ 239,557	\$ 265,938
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 746	\$ -
Accrued interest payable	2,246	2,996
Unearned revenue	52,718	73,738
Total current liabilities	55,710	76,734
Noncurrent Liabilities:		
Due in one year	5,553	5,358
Due in more than one year	178,294	183,846
Total noncurrent liabilities	183,847	189,204
	\$ 239,557	\$ 265,938

The accompanying notes are an integral part of these financial statements.

BASIC FINANCIAL STATEMENTS

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies

A. Organization and Description

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.

Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the primary government (District). These statements include the financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Business-type activities are financed in whole or in part by fees charged to external parties.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies - continued

C. Basis of Presentation - continued

Government-Wide Statements - continued

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the District's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational need of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

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. All remaining funds are aggregated and reported as nonmajor funds.

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.

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 nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies - continued

C. Basis of Presentation - continued

Fund Financial Statements - continued

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. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies - continued

E. Basis of Accounting

The government-wide 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide financial statements and proprietary funds financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and proprietary funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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 supplies 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies - continued

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.

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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 1: Significant Accounting Policies - continued

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.

P. Pension Plans

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 CalPERS. 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 2: Cash and Investments

Classification

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	\$ 6,094,134
Restricted cash and investments	<u>3,933,223</u>
Cash and investments, Statement of Net Position	10,027,357
Cash and investments, Statement of Fiduciary Assets and Liabilities	<u>84,638</u>
 Total Cash and Investments	 <u>\$ 10,111,995</u>

Cash and investments as of June 30, 2017, consist of the following:

Cash on hand	\$ 450
Deposits with financial institutions	110,841
Investments	<u>10,000,704</u>
 Total Cash and Investments	 <u>\$ 10,111,995</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

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

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 (LAI F), 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 2: Cash and Investments – continued

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:

Investment Type	Remaining Maturity (in Months)
	12 Months or Less
State Investment Pool (LAIF)	\$ 6,935,485
Money Market Funds	3,032,145
Held by Debt Trustees:	
Money Market Funds	33,074
	<u>\$ 10,000,704</u>

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)	\$ 6,935,485	N/A	\$	\$ 6,935,485
Money Market Funds	3,032,145	N/A		3,032,145
Held by Debt Trustees:				
Money Market Funds	33,074	N/A	33,074	
	<u>\$ 10,000,704</u>		<u>\$ 33,074</u>	<u>\$ 9,967,630</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 2: Cash and Investments - continued

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, 2017, \$2,782,146 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 2: Cash and Investments - continued

F. Investment in State Investment Pool - continued

Restricted cash and investments are identified by use as follows at June 30, 2017:

	<u>Water</u>	<u>Waste Disposal</u>	<u>Total</u>
Debt Service:			
Kelsey South	\$ 232,172	\$	\$ 232,172
Kelsey North	126,769		126,769
State Revolving Fund	57,128		57,128
Total Debt Service			
Cash and Investments	<u>416,069</u>		<u>416,069</u>
 New Facilities:			
Capital Facility Charges	1,703,842		1,703,842
Water Development	402,843		402,843
Auburn Lake Trails Retrofit Project	1,157,141		1,157,141
Community Disposal System			
Replacement and Expansion		253,328	253,328
Total New Facilities Cash and			
Investments	<u>3,263,826</u>	<u>253,328</u>	<u>3,517,154</u>
 Total Restricted Cash and			
Investments	<u>\$ 3,679,895</u>	<u>\$ 253,328</u>	<u>\$ 3,933,233</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, 2017, were as follows:

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
Water Restricted Assessments Receivable	\$ 24,906	\$ 149,782	\$ 174,668
Fiduciary Assessments Receivable	5,329	149,590	154,919
Total Assessments Receivable	<u>\$ 30,235</u>	<u>\$ 299,372</u>	<u>\$ 329,587</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

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, 2017, consisted of the following:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Nondepreciable Capital Assets:				
Land and land right	\$ 770,975	\$	\$	\$ 770,975
Construction in progress	1,046,483	2,465,524		3,512,007
Total nondepreciable capital assets	<u>1,817,458</u>	<u>2,465,524</u>		<u>4,282,982</u>
Depreciable Capital Assets:				
General plant equipment and facilities	1,273,069			1,273,069
Water treatment	5,601,841	166,347		5,768,188
Transmission and distribution	13,302,475	225,620		13,528,095
Auburn Lake Trails septic facilities	847,140			847,140
Source of supply	6,784,396			6,784,396
Total depreciable capital assets	<u>27,808,921</u>	<u>391,967</u>		<u>28,200,888</u>
Less: accumulated depreciation	<u>(17,356,310)</u>	<u>(666,864)</u>		<u>(18,023,174)</u>
Net depreciable capital assets	<u>10,452,611</u>	<u>(274,897)</u>		<u>10,177,714</u>
Net capital assets	<u>\$ 12,270,069</u>	<u>\$ 2,190,627</u>	<u>\$</u>	<u>\$ 14,460,695</u>

Depreciation Allocations

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program was as follows:

Business-Type Activities:

Water	\$ 642,833
Wastewater Disposal	<u>24,031</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 666,864</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 5: Long-Term Debt

A. 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. These vested benefits are reported as part of the noncurrent liabilities on the Statement of Net Position and totaled \$65,105 at June 30, 2017. It is anticipated that \$35,237 of these benefits will be used during the fiscal year ending June 30, 2017.

B. Notes Payable

Balance
June 30, 2017

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.

\$ 270,414

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 1 and October 1, beginning April of 1993 and ending October 1, 2022, includes interest on the outstanding note balance at 3.41%. Payments are made from assessments collected from the Assessment District.

177,518

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 of 2010 and ending April 1, 2030, include interest on the outstanding note balance at 2.2836%.

280,474

Total Department of Water Resources Notes Payable

728,406

United 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.

4,538

Total Notes Payable

\$ 732,944

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 5: Long-Term Debt - continued

B. Notes Payable – continued

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%. No payment due until construction is completed estimated in fiscal year 2018-2019. Loan approved to \$10 million. \$ 1,157,141

Future minimum debt service requirements for notes payable are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 75,029	\$ 21,034	\$ 96,063
2019	72,692	18,833	91,525
2020	74,942	16,583	91,525
2021	77,327	14,198	91,525
2022	79,728	11,797	91,525
2023-2027	265,827	31,275	297,102
2028-2031	87,399	3,171	90,570
	<u>\$ 732,944</u>	<u>\$ 116,891</u>	<u>\$ 849,835</u>

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. The balance of the capital lease at June 30, 2017, was \$5,963.

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 balance of the lease at June 30, 2017, was \$38,351. The accumulated depreciation and related depreciation expense on the truck for the year ended June 30, 2017 was \$13,602 and \$10,881, respectively.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 5: Long-Term Debt – continued

C. Capital Leases – continued

Future minimum debt service requirements for capital leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 18,270	\$ 1,269	\$ 19,539
2019	13,963	807	14,770
2020	12,081	228	12,309
	<u>\$ 44,314</u>	<u>\$ 2,304</u>	<u>\$ 46,618</u>

D. Change in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2017, was as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Notes payable	\$ 805,874	\$	\$ (72,930)	\$ 732,944	\$ 75,029
Loan payable		1,157,141		1,157,141	
Post-employment benefits	495,200	186,034	(98,186)	583,048	
Capital lease	74,767		(30,453)	44,314	18,270
Compensated absences	70,602		(5,497)	65,105	35,237
Net pension liability	4,788,730	614,308		5,403,038	
Total	<u>\$ 6,235,173</u>	<u>\$ 1,957,483</u>	<u>\$ (207,066)</u>	<u>\$ 7,985,590</u>	<u>\$ 128,536</u>

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, 2017, and June 30, 2016, was \$183,846 and \$189,204, respectively.

Construction relating to various improvement districts has been financed in part by assessment of benefited property owners in the form of special assessment bonds authorized under the Improvement Bond Act of 1915. Bonds in the amount of \$774,002 have been issued for the benefit of Greenwood, Cool-Cherry Acres, Spanish Dry Diggins, and Line Extensions 77-5 water improvement districts. These bonds were originally issued through Farmers Home Administration, later transferred to General Electric Capital Corporation and subsequently acquired by CapMark. During 2009, CapMark was acquired by Berkadia. The notes were paid in full during the fiscal year ending June 2017.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

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.

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 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

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.

Net Position Restrictions

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.

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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 9: Net Position - continued

Unrestricted Net Position - continued

Restricted and unrestricted net position is identified by use as follows as of June 30, 2017:

	<u>Water</u>	<u>Wastewater Disposal</u>	<u>Total</u>
Restricted Net Position:			
New Facilities:			
Water Development	\$ 403,798	\$	\$ 403,798
Capital Facility Charges	1,707,870		1,707,870
C.D.S. Replacement		39,184	39,184
C.D.S. Expansion		214,741	214,741
Total New Facilities Net Position	<u>2,111,668</u>	<u>253,925</u>	<u>2,365,593</u>
Debt Service:			
Kelsey North	\$ 126,769	\$	\$ 126,769
Kelsey South	232,172		232,172
Total Debt Service Net Position	<u>358,941</u>		<u>358,941</u>
Total Restricted Net Position	<u>\$ 2,470,609</u>	<u>\$ 253,925</u>	<u>\$ 2,724,534</u>
Unrestricted Net Position:			
Unrestricted Designated Net Position:			
Stumpy Meadows Emergency Reserve	\$ 1,043,889	\$	\$ 1,043,889
Short-lived Asset Replacement	770,015		770,015
Capital Reserve	1,081,388		1,081,388
EPA	975,200		975,200
Garden Valley	105,722		105,722
Hydroelectric	575,365		575,365
Total Unrestricted Designated Net Position	<u>4,551,578</u>		<u>4,551,578</u>
Unrestricted Undesignated Net Position	<u>(3,385,621)</u>	<u>771,476</u>	<u>(2,614,144)</u>
Total Unrestricted Net Position	<u>\$ 1,165,958</u>	<u>\$ 771,476</u>	<u>\$ 1,937,434</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

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 (ACWAJPIA), a public entity risk pool currently operating as a common risk carrier management and insurance program for member agencies. The purpose of ACWAJPIA 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 ACWAJPIA for its general liability, automobile, property, fidelity coverage, and workers' compensation. The agreement for formation of the ACWAJPIA provides that the ACWAJPIA 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 officials liability) for each insured event, except for workers compensation which will reinsure for claims in excess of \$2,000,000. The deductibles for the ACWAJPIA do not exceed \$2,500. Total premiums paid for fiscal year 2017 were \$114,901.

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. CalPERS 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 services are eligible to retire at age 50 with statutorily reduces 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 11: Defined Benefit Pension Plan - continued

A. General Information About the Pension Plans – continued

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

Hire Date	Miscellaneous		
	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	55	55	55
Monthly benefits, as a % of eligible compensation	2.7%	2.7%	2%
Required employee contribution rates	8%	8%	6.25%
Required employer contributions rates	12.878%+\$398,214	11.008%+\$10,368	6.555%+\$12

Contributions – Section 20814 (c) of the California Public Employees' Retirement Law 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. Funding contribution for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Local Government is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2017, the contributions recognized as part of pension expense for each Plan were as follows:

	Tier I	Tier II	PEPRA
Contributions -- employer	\$443,912	\$68,895	\$19,931
Contributions -- employee (paid by employer)	28,388	42,534	18,663

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 11: Defined Benefit Pension Plan – continued

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017, the Local Government reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
	<hr/>
Miscellaneous	\$5,403,038

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. The Local Government's proportion of the net pension liability was based on a projection of the Local Government's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Local Government's proportionate share of the net pension liability for each Plan as of June 30, 2015, and 2017, was as follows:

	<u>Miscellaneous</u>
Proportion -- June 30, 2015	\$4,788,730
Proportion -- June 30, 2016	5,403,038
Change -- Increase (Decrease)	614,308

For the year ended June 30, 2017, the Local Government recognized pension expenses of \$182,261. At June 30, 2017, the Local Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 17,319	\$ 3,968
Change in assumptions		163,853
Difference between projected and actual investment	852,801	
Difference between employer's contribution and proportionate share of contributions	71,158	66,870
Change in employer's proportion	108,016	
Pension contributions made subsequent to the measurement date	532,738	
Total	<u>\$1,582,032</u>	<u>\$ 234,691</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 11: Defined Benefit Pension Plan – continued

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions – continued

\$532,738 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period June 30,	Deferred Outflows/(Inflows) of Resources
2018	\$ 85,808
2019	93,657
2020	414,253
2021	220,886

Actuarial Assumptions – The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
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. Refer to the 2014 experience study for more details on this table. Net of pension plan investment expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website under Forms & Publications.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 11: Defined Benefit Pension Plan – continued

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions – continued

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a 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. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 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 equivalent to the single equivalent rate calculated above and rounded down the nearest one quarter of one percent.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 11: Defined Benefit Pension Plan – continued

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions – continued

Discount Rate – continued

The table below reflects the 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 July 1, 2015. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Global equity	51.0%	5.25%	5.71%
Global fixed income	20.0%	0.99%	2.43%
Inflation sensitive	6.0%	0.45%	3.36%
Private equity	10.0%	6.83%	6.95%
Real estate	10.0%	4.50%	5.13%
Infrastructure and forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(.55%)	(1.05%)
	100.0%		

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate—The following presents the Local Government’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Local Government’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	\$7,530,358
Current Discount Rate	7.65%
Net Pension Liability	\$5,403,038
1% Increase	8.65%
Net Pension Liability	\$3,644,914

Pension Plan Fiduciary Net Position—Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

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, 2017. 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.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 13: Post-Employment Benefits Other Than Pensions - continued

B. Funding Policy

The District's policy is to contribute an amount sufficient to pay the estimated amount required to cover benefits for the existing employees who may retire with 20 years of service. For fiscal year ended June 30, 2017, the District paid \$98,186 for retiree benefits and received retiree contributions of \$50,255, for a net cost of \$47,931. Currently, there are 16 retirees who are receiving benefits. The District administers the plan described above and has accumulated \$519,756 in cash and investments for these benefits as of June 30, 2017. However, as the plan is not administered with an irrevocable trust, this amount cannot be considered for prefunding.

C. Annual OPEB and Net OPEB Obligation

As the District administers the non-pension post-employment benefits plan, the District records the annual retiree benefit expense as the annual premium expense adjusted to the annual required contribution (ARC). The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45's Alternative Measurement Method allowed for employers with less than 100 plan members (active employees and eligible retirees). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution	\$ 135,841
Annual OPEB cost (expense)	135,841
Contributions made	<u>(47,993)</u>
Increase in net OPEB obligation	87,848
Net OPEB obligation - beginning of fiscal year	495,200
Net OPEB obligation - end of fiscal year	<u>\$ 583,048</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017, 2016, and 2015 were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of Annual OPEB Costs Contribution	Net OPEB Obligation (Asset)
June 30, 2015	\$ 135,779	44%	\$ 417,018
June 30, 2016	135,841	42%	495,200
June 30, 2017	135,841	35%	583,048

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

Note 13: Post-Employment Benefits Other Than Pensions – continued

D. Funded Status and Funding Progress

As of June 30, 2015, the most recent Alternate Measurement Method valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,533,647, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,533,647. The covered payroll (annual payroll of active employees covered by the plan) was \$777,837, and the ratio of the UAAL to the covered payroll was 197 percent.

The Alternate Measurement Method valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The Alternate Measurement Method valuation (valuation) method and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2015, valuation, the attained age cost method was used. The valuation assumptions included a 0.5 percent investment rate of return, which is the expected long-term investment returns on plan assets, a projected salary increase assumption rate of 1.6 percent, and an annual healthcare cost trend rate of 3.6 percent. There are no assets designated for the plan as of June 30, 2017. The UAAL is being amortized over the average number of years remaining to be worked to reach the average retirement age of the active employees. The remaining amortization period at June 30, 2017, was ten years.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2017

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.

On November 16, 2012, the El Dorado County Superior Court ruled in favor of the District in a suit brought against the District, challenging the District's right and obligation to maintain infrastructure serving the public. The decision upholds the District's right and obligation to maintain public infrastructure.

At June 30, 2017, the District had commenced 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, 2017, and through December 29, 2017, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

REQUIRED SUPPLEMENTARY INFORMATION

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFITS
 JUNE 30, 2017**

Other Post-Employment Benefits

Schedule of Funding Progress

Valuation Date	Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
6/30/2010	\$ 1,428,000	\$ -	\$ 1,428,000	0.0%	\$ 1,448,117	98.6%
6/30/2011	1,290,449	-	1,290,449	0.0%	1,383,003	93.3%
6/30/2012	1,703,923	-	1,703,923	0.0%	1,586,957	107.4%
6/30/2015	1,533,647	-	1,533,647	0.0%	777,839	197.2%

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 JUNE 30, 2017**

	<u>June 30, 2017 *</u>	<u>June 30, 2016 *</u>	<u>June 30, 2015 *</u>
Proportion of the net pension liability	0.15553%	0.19760%	0.16244%
Proportionate share of the net pension liability	\$ 5,403,038	\$ 4,788,730	\$ 4,014,865
Covered-employee payroll	\$ 1,190,407	\$ 1,056,438	\$ 1,058,538
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	453.88%	453.29%	379.28%
Plan's fiduciary net position	\$ 10,398,057	\$ 10,455,902	\$ 11,715,109
Plan's total pension liability	\$ 15,801,095	\$ 15,244,632	\$ 15,729,974
Plan's fiduciary net position as a percentage of its total pension liability	65.81%	68.59%	74.48%
Valuation date	6/30/2015	6/30/2014	6/30/2013

* Fiscal year ended June 30, 2015, was the first year of implementation; therefore, only three years of information was available.

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
JUNE 30, 2017**

	<u>June 30, 2017 *</u>	<u>June 30, 2016 *</u>	<u>June 30, 2015 *</u>
Contractually required contributions (actuarially determined)	\$ 532,748	\$ 484,729	\$ 316,796
Contributions in relation to the actuarially determined contributions	<u>(532,748)</u>	<u>(484,729)</u>	<u>(316,796)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 1,190,407	\$ 1,056,438	\$ 1,058,538
Contribution as a percentage of covered-employee payroll	44.75%	45.88%	29.93%

* Fiscal year ended June 30, 2015, was the first year of implementation; therefore, only three years of information was available.

SUPPLEMENTARY INFORMATION

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Fiscal Year Ended June 30, 2016)

Source of	Transmission and		Transmission and		Customer Service	Administrative and Hydroelectric	Site Wastewater Disposal Zone	Totals	
	Water Supply	Distribution - Raw Water	Water Treatment	Distribution - Treated Water				2017	2016
Salaries and part-time labor	\$ 110,085	\$ 308,515	\$161,835	\$ 373,337	\$ 121,972	\$ 271,641	\$ 75,917	\$1,423,302	\$ 1,340,014
CalPERS benefits	(9,985)	(109,356)	45,360	(38,786)	50,765	83,005	57,957	78,960	438,180
Payroll taxes	8,276	22,654	13,325	29,873	7,864	20,501	5,822	108,315	90,690
Insurance - health and life plans	28,261	76,683	45,404	103,276	35,123	25,765	21,136	335,648	277,115
Insurance - workers' compensation	7,537	20,578	4,818	14,280	1,122	1,235	3,294	52,864	67,887
Accounting and audit fees	-	-	-	-	-	16,640	-	16,640	15,000
ICMA benefits	-	-	-	-	-	2,385	-	2,385	-
Director stipends	-	-	-	-	-	24,031	-	24,031	6,321
Engineering fees	30,633	-	760	484	-	-	-	31,877	23,200
Insurance - general	4,146	17,010	10,735	16,737	6,072	4,882	2,456	62,038	25,858
Legal - general	-	-	-	-	-	103,522	13,125	116,647	61,917
Supplies, rentals and durable goods	38,432	43,219	66,287	91,374	492	7,222	8,229	255,255	125,651
Office supplies	14	344	217	3,354	13,622	31,979	2,113	51,643	298,010
Outside services	19,593	6,366	8,698	44,683	3,369	97,291	25,863	205,863	50,315
Retiree benefits	-	-	-	-	-	135,779	-	135,779	184,654
Development and travel	200	600	-	3,034	-	8,143	200	12,177	135,841
Utilities	2,729	337	149,812	11,976	3,479	22,970	12,186	203,489	18,571
Equipment and vehicle maintenance	3,504	13,930	5,937	12,869	1,383	2,235	8,212	48,070	183,728
Building maintenance	-	-	-	-	-	6,618	-	6,618	46,713
Vehicle operations	4,150	13,607	4,943	17,324	-	125	2,215	42,364	39,369
Regulatory requirements and fees	43,296	1,633	58,727	8,692	-	5,491	33,393	151,232	139,836
Other - County election admin.	-	-	-	-	-	6,816	-	6,816	-
Other - County property tax admin.	-	-	-	-	-	33,731	-	33,731	30,646
Other - Memberships	-	-	-	-	-	12,663	-	12,663	12,112
Depreciation	108,585	89,558	161,504	249,111	17,038	17,038	24,030	666,864	816,291
Other	380	858	80	241	313	31,746	115	33,733	8,798
Total	\$ 399,836	\$ 506,536	\$738,442	\$ 941,859	\$ 262,614	\$ 973,454	\$ 296,263	\$4,119,004	\$ 4,436,717

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RESTRICTED PLANT BENEFIT CHARGES AND DISCLOSURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Water Development</u>	<u>Capital Facility Charges</u>	<u>Short-lived Asset Replacement</u>	<u>Community Disp. System Rep. Benefit</u>	<u>Comm. Disp. System Expan. Benefit</u>	<u>Total</u>
Balance at June 30, 2015	\$ 398,543	\$ 1,641,898	\$ 764,357	\$ 44,148	\$ 181,290	\$3,030,236
Activity for fiscal year ended June 30, 2017:						
Sources:						
Transfer per District Reserve Policy					32,000	32,000
Interest earned	2,955	15,072	5,658	279	1,451	25,415
Restricted benefit charges	2,300	50,900	-	-	-	53,200
Total sources	<u>5,255</u>	<u>65,972</u>	<u>5,658</u>	<u>279</u>	<u>33,451</u>	<u>110,615</u>
Uses:						
Zone repair materials	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,243)</u>	<u>-</u>	<u>(5,243)</u>
Total uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,243)</u>	<u>-</u>	<u>(5,243)</u>
Balance at June 30, 2017	<u>\$ 403,798</u>	<u>\$ 1,707,870</u>	<u>\$ 770,015</u>	<u>\$ 39,184</u>	<u>\$ 214,741</u>	<u>\$3,135,608</u>

OTHER REPORT

**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***

Board of Directors
Georgetown Divide Public Utility District
Georgetown, California

We have audited, in accordance with the auditing standard 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 Georgetown Divide Public Utility District (District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Georgetown Divide Public Utility District's basic financial statements, and have issued our report thereon dated December 29, 2017.

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 internal control of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 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.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that we have not identified.

Board of Directors
Georgetown Divide Public Utility District
Georgetown, California

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*.

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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fechter & Company,
Certified Public Accountants



Sacramento, California
December 29, 2017

December 29, 2017

To the Board of Directors
Georgetown Divide Public Utility District
Georgetown, California

We have audited the financial statements of the Georgetown Divide Public Utility District for the year ended June 30, 2017 and have issued our report thereon dated December 29, 2017. As part of our audit we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the District's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of the Georgetown Divide Public Utility District is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Georgetown Divide Public Utility District taken as a whole.

Our study and evaluation disclosed no condition that we believed to be a material weakness.

This report is intended solely for the use of management and should not be used for any other purpose.

To the Board of Directors
Georgetown Divide Public Utility District
Georgetown, California

We would like to thank the District staff for taking the time to compile complete and accurate records for the audit. We look forward to working with the District and its staff in the future.

Sincerely,

A handwritten signature in black ink that reads "Fechter & Company, CPAs". The signature is written in a cursive, flowing style.

Craig R. Fechter, CPA, President
Fechter & Company, CPAs

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Management Report
For the Year Ended June 30, 2017

The Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the District financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you.

Accounting Estimates

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 estimate(s) affecting the financial statements were:

- Allowance for doubtful accounts
- Accrual and disclosure of pension liability and other post-employment benefits liability
- Capital asset lives and depreciation expense

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Management Report
For the Year Ended June 30, 2017

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the District's financial reporting process (that is, cause future financial statements to be materially misstated). We did not record any audit adjustments for the year ended June 30, 2017.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter 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.

Consultations with Other Independent Auditors

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 governmental unit'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.

Issues Discussed Prior to Retention of Independent Auditors

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.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF January 9, 2018
AGENDA ITEM NO. 7B



AGENDA SECTION: NEW BUSINESS

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

PREPARED BY: Kristen West, Finance Consultant

APPROVED BY: Steven Palmer, PE, General Manager

A handwritten signature in blue ink, appearing to be "S. Palmer", is written over the name of the General Manager.

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.

During which time the District opened a Management Analyst position. The Management Analyst position was filled by the then Administrative Aide II. Job duties of the Administrative Aide II were redistributed among current office staff, however some tasks could not be redistributed due to internal controls surrounding segregation of duties.

DISCUSSION

The workload for the part-time Administrative Aide position is estimated to be 3 days per week, duties included but not limited to are:

- Manage all duties related to accounts payable;
- Review, code and process weekly vendor invoices
- Process and distribute vendor check payments
- Prepare monthly reports for board meeting
- Review, code and process purchase order requisitions as requested
- Assist with interim and yearend audit preparation
- Support General Manager, Management Analyst and other office staff as needed, some tasks include:
 - Assist with bi-monthly meter reading data entry logs
 - Assist with customer questions and account management

VTD's approved contract amount under the current professional services agreement covers the Finance Manager in the amount of \$89,100. VTD employs professional staff trained at all experience levels and currently has availability to meet the District's needs. In order to account

for additional services related to the District's immediate need for a part-time Administrative Aide the proposed amendment to the professional services agreement is \$53,760, increasing the total contracted amount to \$142,860 for Fiscal Year 2017-2018.

FISCAL IMPACT

The Fiscal Year 2017-18 budget includes an estimate of \$90,000 from Account 10-5080-5600 for finance and accounting services which cover the costs of the original professional services agreement in the amount of \$89,100. The additional costs of \$53,760 for additional services are covered by savings from previously budgeted personnel costs for the currently vacant Administrative Aide II position, savings resulting from the Management Analyst position being vacant for five (5) months, and savings resulting from the Water Resources Manager position being vacant for six (6) months.

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.

ATTACHMENTS

1. Resolution
2. Amended Professional Services Agreement

RESOLUTION NO. 2018-03

**OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
AUTHORIZING THE GENERAL MANAGER TO EXECUTE
AN AMENDED PROFESSIONAL SERVICES AGREEMENT
WITH VAVRINEK, TRINE, DAY & CO., LLP**

WHEREAS, the Georgetown Divide Public Utility District (“District”) retained Vavrinek, Trine, Day & Co., LLP (VTD) to perform initial finance and accounting oversight to address immediate needs of the District; and

WHEREAS, the District has a need for additional services related to the functions of the Administrative Aide position; and

WHEREAS, VTD employs personnel at the appropriate experience level to meet the needs of the District; and; and

WHEREAS, VTD provided an amended schedule of services and rates.

NOW, THEREFORE, IT IS RESOLVED that the General Manager is authorized to execute the amended the professional services agreement with Vavrinek, Trine, Day & Co., LLP to \$142,860 for finance and accounting management services.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utilities District at a meeting of said Board held on the 9th day of January 2018, by the following vote:

AYES:

Helpin, Hanschild, Souza, Uso, Wadde

NOES:

ABSENT/ABSTAIN:

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

ATTEST:

Steven Palmer
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 2018-03 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 9th day of January 2018.



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

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 9th day of January 2018, (the “Effective Date”) by and between the Georgetown Divide Public Utilities District, a California Public Utilities District (“District”), and Vavrinek, Trine, Day & Co., LLP (“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 for non-audit services to assist the District in reviewing and updating finance and accounting policies and procedures (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 according to the rate schedule included in the scope of proposed consultant services attached hereto as **Exhibit B** (the “Rates”).

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 20 of this Agreement, Section 1 through 20 shall prevail.

2. Consulting Services. Consultant agrees, during the term of this Agreement, to perform the Services for 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** for a time and materials cost not to exceed \$142,860, 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.

5. Term. This Agreement shall become effective on 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").

6. 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.

7. Termination for Cause. Notwithstanding Section 6 above, this Agreement may be terminated by 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.

8. 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.

9. Performance by Key Employee. Consultant has represented to District that _____ 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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: Vavrinek, Trine, Day & Co., LLP
2151 River Plaza Drive, Suite 308
Sacramento CA 95833
Attention: Joseph Aguilar

20. 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 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.

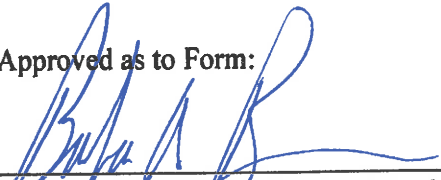
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last day and date below written.

DISTRICT:

GEORGETOWN DIVIDE PUBLIC
UTILITIES DISTRICT, a California Public
Utilities District

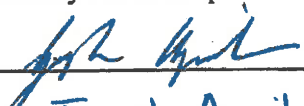
By: 
Steven V. Palmer, General Manager

Date: 1/9/18

Approved as to Form:

Barbara A. Brenner, General Counsel

CONSULTANT:

VAVRINEK, TRINE, DAY & CO., LLP
Limited Liability Partnership

By: 
Name: Joseph Aguilar

Date: 1/5/18

EXHIBIT A

Services

Vavrinek, Trine, Day & Co., LLP will provide finance and accounting services as directed by the General Manager. Consultant will provide personnel to function as finance/accounting manager for up to 16 hours per week. Services will include tasks typical of a finance/accounting manager and are likely to include the following:

- Oversee and review various tasks needed to assist the District in closing the accounting records (“books”), preparing financial statements, etc. in preparation of yearend financial audits. This includes inspecting and evaluating the condition of the original books of entry (e.g. accounts payable, payroll, billing, etc.)
- Entering budgets into District accounting software and instructing District staff on same
- Ensuring contracts are properly encumbered in District accounting software and instructing District staff on same
- Assist with format and staff training for monthly budget to actual tracking and reports, monthly, quarterly and annual financial reports to the Board
- Assist in preparation of budget adjustments
- Assist in development of policies and procedures
- Support preparation of annual budgets and capital improvement plans

Consultant will provide personnel to function as the administrative support for up to 24 hours per week. Services will include tasks included in the job description of the administrative aide.

Those tasks are likely to include:

- Manage all duties related to the function of accounts payable
- Review, code and process weekly vendor invoices
- Process and distribute vendor check payments
- Prepare monthly reports for board meeting
- Review, code and process purchase order requisitions
- Assist with interim and yearend audit preparation
- Support General Manager, Management Analyst and other office staff as needed

EXHIBIT B

Rates

**VAVRINEK, TRINE, DAY & CO., LLP
Fee Proposal**

Position	Hourly Rates		
	2016-17	2017-18	2018-19
Partner	\$ 175	\$ 185	\$ 195
Manager	\$ 160	\$ 165	\$ 170
Supervisor	\$ 140	\$ 140	\$ 145
Senior Accountant	\$ 100	\$ 100	\$ 105
Staff Accountant	\$ 80	\$ 80	\$ 83

	Annual Costs		
	Finance Manager	Admin Aide	Total
FY 2017-18	89,100	53,760	\$ 142,860
FY 2018-19	92,700	92,160	\$ 184,860



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/26/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Kessler Alair Insurance Services, Inc License # OA 91387 12487 N. Mainstreet, Ste. 240 Rancho Cucamonga CA 91739	CONTACT NAME: Mary Strohman PHONE (A/C, No, Ext): (909) 931-1500 FAX (A/C, No): (909) 932-2133 E-MAIL ADDRESS: mstrohman@kessleralair.com																				
	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A</td> <td>Everest Indemnity Ins Co</td> <td>10851</td> </tr> <tr> <td>INSURER B :</td> <td></td> <td></td> </tr> <tr> <td>INSURER C :</td> <td></td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A	Everest Indemnity Ins Co	10851	INSURER B :			INSURER C :			INSURER D :			INSURER E :			INSURER F :	
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INSURED Vavrinek, Trine, Day & Co., LLP 10681 Foothill Blvd., #300 Rancho Cucamonga CA 91730-3271																					

COVERAGES **CERTIFICATE NUMBER:**17/18 WC NO WOS **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMPI/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	CA10003013171	5/13/2017	5/13/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Certificate holder only.

CERTIFICATE HOLDER Georgetown Divide Public Utility District Attn: General Manager PO Box 4240 6425 Main Street Georgetown, CA 95634	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE N Gonzalez/NICOLE <i>Nicole Gonzalez</i>
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VAVRTRI-01

AJ922628

CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
5/15/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0E77964 Integro USA Inc., dba: Integro Insurance Brokers 3620 Birch Street Newport Beach, CA 92660	CONTACT NAME: Suzanne Posada PHONE (A/C, No, Ext): 1 (949) 419-1644 FAX (A/C, No): 1 (949) 419-1674 E-MAIL ADDRESS: suzanne.posada@integrogroup.com														
INSURED Vavrinek, Trine, Day and Company, LLP 10681 Foothill Blvd., Suite #300 Rancho Cucamonga, CA 91730	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Federal Insurance Company</td> <td style="text-align: center;">20281</td> </tr> <tr> <td>INSURER B : Navigators Insurance Company</td> <td style="text-align: center;">42307</td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Federal Insurance Company	20281	INSURER B : Navigators Insurance Company	42307	INSURER C :		INSURER D :		INSURER E :		INSURER F :	
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INSURER E :															
INSURER F :															

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL/INSR/NSD	SUBR/WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X	X	36029324WCE	05/13/2017	05/13/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS			73593893	05/13/2017	05/13/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			79887380	05/13/2017	05/13/2018	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				
B	E&O Liability			CH17APL0BFDPVNV	01/01/2017	01/01/2018	Each Occurrence/Agg. 5,000,000
B	E&O Liability			CH17APL0BFDPVNV	01/01/2017	01/01/2018	Retention-Each Claim 100,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 Errors & Omissions Liability - Claims Made - Full Prior Acts

Georgetown Divide Public Utility District, a California Public Utilities District is additional insured, per the attached form #80-02-2367 (Rev. 5-07) including primary and non-contributory coverage, to the extent required by written contract, subject to policy terms and conditions. Waiver of Subrogation applies on the General Liability, per the attached form #80-02-2000 (Rev. 4-01), to the extent required by written contract, subject to policy terms and conditions. 60 days notice of cancellation, 20 days for non-payment of premium, per the attached form #80-02-9717 (Rev. 9-15), to the extent required by written contract, subject to policy terms and conditions.

CERTIFICATE HOLDER
CANCELLATION

Georgetown Divide Public Utility District Attn: General Manager P.O. Box 4240 6425 Main Street Georgetown, CA 95634	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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CHUBB®

Liability Endorsement (continued)

Under Conditions, the following provision is added to the condition titled **Other Insurance**.

Conditions

Other Insurance – Primary, Noncontributory Insurance – Scheduled Person Or Organization

If you are obligated, pursuant to a contract or agreement, to provide the person or organization shown in the Schedule with primary insurance such as is afforded by this policy, then in such case this insurance is primary and we will not seek contribution from insurance available to such person or organization.

Schedule

Persons or organizations that you are obligated, pursuant to a contract or agreement, to provide with such insurance as is afforded by this policy.

All other terms and conditions remain unchanged.

Authorized Representative



Coverages
(continued)

Medical Expenses Coverage

Subject to all of the terms and conditions of this insurance, we will pay **medical expenses** for **bodily injury** caused by an accident to which this coverage applies:

- that takes place on premises rented to or owned by you; or
- in connection with your operations;

provided that such:

- accident occurs during the policy period;
- expenses are incurred and reported to us within three (3) years of the date of the accident; and
- person who sustained such **bodily injury** submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

We will make these payments regardless of fault.

We have no other obligation or liability under this coverage.

Investigation, Defense And Settlements

Subject to all of the terms and conditions of this insurance, we will have the right and duty to defend the **insured** against a **suit**, even if such **suit** is false, fraudulent or groundless.

If such a **suit** is brought, we will pay reasonable attorney fees and necessary litigation expenses to defend:

- the **insured**; and
- if applicable, the indemnitee of the **insured**, provided the obligation to defend, or the cost of the defense of, such indemnitee has been assumed by such **insured** in an **insured contract**.

Such attorney fees and litigation expenses will be paid as described in the Supplementary Payments section of this contract.

We have no duty to defend any person or organization against any **suit** seeking damages to which this insurance does not apply.

We may, at our discretion, investigate any **occurrence** or offense and settle any claim or **suit**.

Our duty to defend any person or organization ends when we have used up the applicable Limit Of Insurance.

Supplementary Payments

Subject to all of the terms and conditions of this insurance, we will pay, with respect to a claim we investigate or settle, or a **suit** against an **insured** we defend:

- A. the expenses we incur.
- B. the cost of:
 - 1. bail bonds; or
 - 2. bonds required to:
 - a. appeal judgments; or

Who Is An Insured
(continued)

Partnerships Or Joint Ventures

If you are a partnership (including a limited liability partnership) or a joint venture, you are an **insured**. Your members, your partners and their spouses are **insureds**; but they are **insureds** only with respect to the conduct of your business.

Limited Liability Companies

If you are a limited liability company, you are an **insured**. Your members and their spouses are **insureds**; but they are **insureds** only with respect to the conduct of your business. Your managers are **insureds**; but they are **insureds** only with respect to their duties as your managers.

Other Organizations

If you are an organization (including a professional corporation) other than a partnership, joint venture or limited liability company, you are an **insured**. Your directors and **officers** are **insureds**; but they are **insureds** only with respect to their duties as your directors or **officers**. Your stockholders and their spouses are **insureds**; but they are **insureds** only with respect to their liability as your stockholders.

Employees

Your **employees** are **insureds**; but they are **insureds** only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, no **employee** is an **insured** for:

A. **bodily injury, advertising injury or personal injury:**

1. to you, to any of your directors, managers, members, **officers** or partners (whether or not an **employee**) or to any co-**employee** while such injured person is either in the course of his or her employment or while performing duties related to the conduct of your business;
2. to the brother, child, parent, sister or spouse of such injured person as a consequence of any injury described in subparagraph A.1. above; or
3. for which there is any obligation to share damages with or repay someone else who must pay damages because of any injury described in subparagraphs A.1. or A.2. above.

With respect to **bodily injury** only, this limitation does not apply to:

- you or to your directors, managers, members, **officers**, partners or supervisors as **insureds**; or
- your **employees**, as **insureds**, with respect to such damages caused by cardio-pulmonary resuscitation or first aid services administered by such an **employee**; or

B. **property damage** to any property owned, occupied or used by you or by any of your directors, managers, members, **officers** or partners (whether or not an **employee**) or by any of your **employees**.

This limitation does not apply to **property damage** to premises while rented to you or temporarily occupied by you with permission of the owner.

Who Is An Insured

Vendors (continued)

Further, no person or organization from whom you have acquired your products, or any container, ingredient or part entering into, accompanying or containing your products, is an insured under this provision.

Lessors Of Equipment

Persons or organizations from whom you lease equipment are insureds; but they are insureds only with respect to the maintenance or use by you of such equipment and only if you are contractually obligated to provide them with such insurance as is afforded by this contract.

However, no such person or organization is an insured with respect to any:

- damages arising out of their sole negligence; or
- occurrence that occurs, or offense that is committed, after the equipment lease ends.

Lessors Of Premises

Persons or organizations from whom you lease premises are insureds; but they are insureds only with respect to the ownership, maintenance or use of that particular part of such premises leased to you and only if you are contractually obligated to provide them with such insurance as is afforded by this contract.

However, no such person or organization is an insured with respect to any:

- damages arising out of their sole negligence;
- occurrence that occurs, or offense that is committed, after you cease to be a tenant in the premises; or
- structural alteration, new construction or demolition operations performed by or on behalf of them.

Subsidiary Or Newly Acquired Or Formed Organizations

If there is no other insurance available, the following organizations will qualify as named insureds:

- a subsidiary organization of the first named insured shown in the Declarations of which, at the beginning of the policy period and at the time of loss, such first named insured controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization; or
- a subsidiary organization of the first named insured shown in the Declarations that such first named insured acquires or forms during the policy period, if at the time of loss such first named insured controls, either directly or indirectly, more than fifty (50) percent of the interests entitled to vote generally in the election of the governing body of such organization.

Limitations On Who Is An Insured

- A. Except to the extent provided under the Subsidiary Or Newly Acquired Or Formed Organizations provision above, no person or organization is an insured with respect to the conduct of any person or organization that is not shown as a named insured in the Declarations.
- B. No person or organization is an insured with respect to the:
1. ownership, maintenance or use of any assets; or
 2. conduct of any person or organization whose assets, business or organization;

Limits Of Insurance

Each Occurrence Limit
(continued)

If the applicable aggregate limit has been reduced to an amount that is less than the Each Occurrence Limit, the remaining amount of such aggregate limit is the most that will be available for any other payment.

Damage To Premises Rented To You Limit

Subject to the Each Occurrence Limit, the Damage To Premises Rented To You Limit is the most we will pay for the sum of damages for **property damage** to any one premises while rented to you or temporarily occupied by you with permission of the owner.

Medical Expenses Limit

Subject to the Each Occurrence Limit, the Medical Expenses Limit is the most we will pay for the sum of **medical expenses**, under Medical Expenses coverage, for **bodily injury** sustained by any one person.

Bodily Injury/Property Damage Exclusions

None of the following exclusions, except "Contracts", "Expected Or Intended Injury" and "Loss In Progress", apply to **property damage** to premises while rented to you or temporarily occupied by you with permission of the owner.

Aircraft, Autos Or Watercraft

This insurance does not apply to **bodily injury** or **property damage** arising out of the ownership, maintenance, use (use includes operation and **loading or unloading**) or entrustment to others of any:

- aircraft;
- auto; or
- watercraft;

owned or operated by or loaned or rented to any **insured**.

This exclusion does not apply to:

- A. a watercraft while ashore on premises owned by or rented to you;
- B. a watercraft you do not own, provided that it:
 - 1. is less than fifty-five (55) feet long; and
 - 2. does not transport persons or cargo for a charge;
- C. the parking of an **auto** on premises owned by or rented to you, provided the **auto** is not owned by or loaned or rented to you or the **insured**;
- D. the liability for damages assumed in an **insured contract** resulting from the ownership, maintenance or use, by others, of an aircraft or watercraft;
- E. the operation of the equipment described in subparagraphs F.2. or F.3. of the definition of **mobile equipment**; or
- F. an aircraft you do not own, provided that:
 - 1. the pilot in command holds a currently effective certificate, issued by the duly constituted authority of the United States of America or Canada, designating that person as a commercial or airline transport pilot;

**Bodily
Injured/Property
Damage Exclusions**

**Damage To Impaired
Property Or Property Not
Physically Injured
(continued)**

- delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms and conditions.

This exclusion does not apply to the loss of use of other tangible property resulting from sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

**Damage To Owned
Property**

This insurance does not apply to **property damage** to any property owned by you.

**Damage To Various
Property Of Others (Care,
Control Or Custody)**

This insurance does not apply to **property damage** to any:

- personal property loaned or rented to you;
- property held by you or on your behalf for sale or entrusted to you for safekeeping or storage;
- property on your premises for purposes of performing operations on such property by you or on your behalf;
- tools or equipment used by you or on your behalf in performing operations; or
- property in your care, control or custody that will be erected, installed or used in construction operations by you or on your behalf.

This exclusion does not apply to the liability for damages assumed in a sidetrack agreement.

Damage To Your Product

This insurance does not apply to **property damage** to **your product** arising out of it or any part of it.

Damage To Your Work

This insurance does not apply to **property damage** to **your work** arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if the damaged work or the work causing the damage was performed on your behalf by a subcontractor.

Employer's Liability

- A. This insurance does not apply to **bodily injury** to an **employee** of the **insured** arising out of and in the course of:
1. employment by the **insured**; or
 2. performing duties related to the conduct of the **insured's** business.
- B. This insurance does not apply to **bodily injury** to the brother, child, parent, sister or spouse of such **employee** as a consequence of any injury described in paragraph A. above.

This exclusion applies:

- whether the **insured** may be liable as an employer or in any other capacity; and
- to any obligation to share damages with or repay someone else who must pay damages because of any injury described in paragraphs A. or B. above.

**Advertising
Injury/Personal Injury
Exclusions**

Breach Of Contract

This insurance does not apply to **advertising injury** or **personal injury** arising out of breach of contract.

Continuing Offenses

This insurance does not apply to **advertising injury** or **personal injury** that arises out of that part of an offense that continues or resumes after the later of the end of the policy period of:

- A. this insurance; or
- B. a subsequent, continuous renewal or replacement of this insurance, that:
 - 1. is issued to you by us or by an affiliate of ours;
 - 2. remains in force while the offense continues; and
 - 3. would otherwise apply to **advertising injury** and **personal injury**.

Contracts

This insurance does not apply to **advertising injury** or **personal injury** for which the **insured** is obligated to pay damages by reason of assumption of liability in a contract or agreement.

This exclusion does not apply to the liability for damages:

- that such **insured** would have in the absence of such contract or agreement; or
- assumed in a written contract or agreement that is an **insured contract**, provided the **advertising injury** or **personal injury**, to which this insurance applies, is caused by an offense first committed after the execution of such contract or agreement.

Crime Or Fraud

This insurance does not apply to **advertising injury** or **personal injury** arising out of any criminal or fraudulent conduct committed by or with the consent or knowledge of the **insured**.

**Expected Or Intended
Injury**

This insurance does not apply to **advertising injury** or **personal injury** arising out of an offense, committed by or on behalf of the **insured**, that:

- is intended by such **insured**; or
- would be expected from the standpoint of a reasonable person in the circumstances of such **insured**;

to cause injury.

**Failure To Conform To
Representations Or
Warranties**

This insurance does not apply to **advertising injury** or **personal injury** arising out of the failure of goods, products or services to conform with any electronic, oral, written or other representation or warranty of durability, fitness, performance, quality or use.

Internet Activities

This insurance does not apply to **advertising injury** or **personal injury** arising out of:

- controlling, creating, designing or developing of another's Internet site;

Medical Expenses Exclusions
(continued)

Nuclear Energy

This insurance does not apply to **medical expenses** arising out of **bodily injury** in any way related to the:

- **nuclear hazardous properties of nuclear material**; and
- operation of a **nuclear facility** by any person or organization.

Products-Completed Operations Hazard

This insurance does not apply to **medical expenses** arising out of **bodily injury** included in the **products-completed operations hazard**.

Workers' Compensation Or Similar Laws

This insurance does not apply to **medical expenses** arising out of **bodily injury** to any person, whether or not an **employee** of any **insured**, if benefits for such **bodily injury** are payable or must be provided under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

Policy Exclusions

Asbestos

- A. This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of the actual, alleged or threatened contaminative, pathogenic, toxic or other hazardous properties of **asbestos**.
- B. This insurance does not apply to any loss, cost or expense arising out of any:
 - 1. request, demand, order or regulatory or statutory requirement that any **insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **asbestos**; or
 - 2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **asbestos**.

Employment-Related Practices

- A. This insurance does not apply to any damages sustained at any time by any person, whether or not sustained in the course of employment by any **insured**, arising out of any employment-related act, omission, policy, practice or representation directed at such person, occurring in whole or in part at any time, including any:
 - 1. arrest, detention or imprisonment;
 - 2. breach of any express or implied covenant;
 - 3. coercion, criticism, humiliation, prosecution or retaliation;
 - 4. defamation or disparagement;
 - 5. demotion, discipline, evaluation or reassignment;
 - 6. discrimination, harassment or segregation;

Policy Exclusions

(continued)

Nuclear Energy

- A. This insurance does not apply to **bodily injury, nuclear property damage, advertising injury or personal injury**:
1. with respect to which any **insured** under this policy also has status as an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would have had status as an insured under any such policy but for its termination upon exhaustion of its limit of insurance; or
 2. arising out of the **nuclear hazardous properties of nuclear material** and with respect to which:
 - a. any person or organization is required to maintain financial protection pursuant to the United States of America Atomic Energy Act of 1954, or any law amendatory thereof; or
 - b. the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. This insurance does not apply to **bodily injury, nuclear property damage, advertising injury or personal injury** arising out of the **nuclear hazardous properties of nuclear material**:
1. if the **nuclear material**:
 - a. is at any **nuclear facility** owned by, or operated by or on behalf of, any **insured**;
 - b. has been discharged or dispersed therefrom; or
 - c. is contained in **nuclear spent fuel** or **nuclear waste** at any time transported, handled, stored, disposed of, processed, treated, possessed or used by or on behalf of any **insured**; or
 2. in any way related to the furnishing by any **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**. But if such facility is located within the United States of America (including its possessions or territories) or Canada, this subparagraph 2. applies only to **nuclear property damage** to such **nuclear facility** and any property thereat.

Pollution

- A. This insurance does not apply to **bodily injury, property damage, advertising injury or personal injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
1. at or from any premises, site or location which is or was at any time owned or occupied by, or loaned or rented to, any **insured**;
 2. at or from any premises, site or location which is or was at any time used by or for any **insured** or others for the handling, storage, disposal, processing or treatment of waste;

Policy Exclusions

Pollution (continued)

2. claim or proceeding by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants**.

Paragraph B, above does not apply to the liability for damages, for **property damage**, that the **insured** would have in the absence of such request, demand, order or regulatory or statutory requirement, or such claim or proceeding by or on behalf of a governmental authority.

This exclusion does not apply to the liability for damages, for **property damage**, to premises while rented to you or temporarily occupied by you with permission of the owner and caused by a **hostile fire**, explosion, smoke or leakage from fire protective equipment.

This exclusion applies regardless of whether or not the pollution was accidental, expected, gradual, intended, preventable or sudden.

Recall Of Products, Work Or Impaired Property

This insurance does not apply to any damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- **your product;**
- **your work; or**
- **impaired property;**

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Workers' Compensation Or Similar Laws

This insurance does not apply to any obligation of the **insured** under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

Conditions

Arbitration

We are entitled to exercise all of the **insured's** rights in the choice of arbitrators and in the conduct of any arbitration proceeding, except when the proceeding is between us and the **insured**.

Bankruptcy

Bankruptcy or insolvency of the **insured** or of the **insured's** estate will not relieve us of our obligations under this insurance.

Conditions

Duties In The Event Of Occurrence, Offense, Claim Or Suit (continued)

- F. Knowledge of an **occurrence** or offense by an agent or **employee** of the **insured** will not constitute knowledge by the **insured**, unless an **officer** (whether or not an **employee**) of any **insured** or an **officer's** designee knows about such **occurrence** or offense.
- G. Failure of an agent or **employee** of the **insured**, other than an **officer** (whether or not an **employee**) of any **insured** or an **officer's** designee, to notify us of an **occurrence** or offense that such person knows about will not affect the insurance afforded to you.
- H. If a claim or loss does not reasonably appear to involve this insurance, but it later develops into a claim or loss to which this insurance applies, the failure to report it to us will not violate this condition, provided the **insured** gives us immediate notice as soon as the **insured** is aware that this insurance may apply to such claim or loss.

Legal Action Against Us

No person or organization has a right under this insurance to:

- join us as a party or otherwise bring us into a **suit** seeking damages from an **insured**; or
- sue us on this insurance unless all of the terms and conditions of this insurance have been fully complied with.

A person or organization may sue us to recover on an **agreed settlement** or on a final judgment against an **insured** obtained after an actual:

- trial in a civil proceeding; or
- arbitration or other alternative dispute resolution proceeding;

but we will not be liable for damages that are not payable under the terms and conditions of this insurance or that are in excess of the applicable Limits Of Insurance.

Other Insurance

If other valid and collectible insurance is available to the **insured** for loss we would otherwise cover under this insurance, our obligations are limited as follows.

Primary Insurance

This insurance is primary except when the Excess Insurance provision described below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in the Method of Sharing provision described below.

Excess Insurance

This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

- A. that is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar insurance for **your work**;
- B. that is insurance that applies to **property damage** to premises rented to you or temporarily occupied by you with permission of the owner;
- C. if the loss arises out of aircraft, autos or watercraft (to the extent not subject to the Aircraft, Autos Or Watercraft exclusion);

Conditions
(continued)

**Transfer Or Waiver Of
Rights Of Recovery
Against Others**

We will waive the right of recovery we would otherwise have had against another person or organization, for loss to which this insurance applies, provided the **insured** has waived their rights of recovery against such person or organization in a contract or agreement that is executed before such loss.

To the extent that the **insured's** rights to recover all or part of any payment made under this insurance have not been waived, those rights are transferred to us. The **insured** must do nothing after loss to impair them. At our request, the **insured** will bring suit or transfer those rights to us and help us enforce them.

This condition does not apply to **medical expenses**.

Definitions
(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Impaired Property

Impaired property means tangible property, other than **your product** or **your work**, that cannot be used or is less useful because:

- it incorporates **your product** or **your work** that is known or thought to be defective, deficient, inadequate or dangerous; or
- you have failed to fulfill the terms or conditions of a contract or agreement;

if such property can be restored to use by:

- the repair, replacement, adjustment or removal of **your product** or **your work**; or
- your fulfilling the terms or conditions of the contract or agreement.

Insured

Insured means a person or an organization qualifying as an **insured** in the Who Is An Insured section of this contract.

Insured Contract

Insured contract:

A. means:

1. a lease of premises;
2. a sidetrack agreement;
3. an easement or license agreement;
4. an obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
5. an elevator maintenance agreement; or
6. any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for such municipality) in which you assume the tort liability of another person or organization to pay damages, to which this insurance applies, sustained by a third person or organization.

B. does not include that part of any contract or agreement that indemnifies an architect, engineer or surveyor for damages arising out of:

1. preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, field orders, change orders, designs or specifications; or
2. giving directions or instructions, or failing to give them.

Definitions

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

**Mobile Equipment
(continued)**

- D. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
1. power cranes, shovels, loaders, diggers or drills; or
 2. road construction or resurfacing equipment such as graders, scrapers or rollers;
- E. vehicles not described in subparagraphs A., B., C. or D. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
1. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 2. cherry pickers and similar devices used to raise or lower workers; and
- F. vehicles not described in subparagraphs A., B., C. or D. above maintained primarily for purposes other than the transportation of persons or cargo.

Mobile equipment does not include self-propelled vehicles with the following types of permanently attached equipment, and such vehicles will be considered **autos**:

1. equipment designed primarily for:
 - a. snow removal;
 - b. road maintenance, but not construction or resurfacing; or
 - c. street cleaning;
2. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
3. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

Nuclear Facility

Nuclear facility means any:

- A. **nuclear reactor**;
- B. equipment or device designed or used for:
1. separating the isotopes of plutonium or uranium;
 2. processing or utilizing **nuclear spent fuel**; or
 3. handling, processing or packaging **nuclear waste**;
- C. equipment or device used for the processing, fabricating or alloying of **nuclear material**, if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than:
1. twenty-five (25) grams of plutonium or uranium 233, or any combination thereof; or
 2. two-hundred-fifty (250) grams of uranium 235; or

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Personal Injury

Personal injury means injury, other than **bodily injury**, **property damage** or **advertising injury**, caused by an offense of:

- A. false arrest, false detention or other false imprisonment;
- B. malicious prosecution;
- C. wrongful entry into, wrongful eviction of a person from or other violation of a person's right of private occupancy of a dwelling, premises or room that such person occupies, if committed by or on behalf of its landlord, lessor or owner;
- D. electronic, oral, written or other publication of material that:
 1. libels or slanders a person or organization (which does not include disparagement of goods, products, property or services); or
 2. violates a person's right of privacy; or
- E. discrimination, harassment or segregation based on a person's age, color, national origin, race, religion or sex.

Pollutants

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Products-Completed Operations Hazard

Products-completed operations hazard:

- A. includes all **bodily injury** and **property damage** taking place away from premises owned or occupied by or loaned or rented to you and arising out of **your product** or **your work**, except:

1. products that are still in your physical possession; or
2. work that has not yet been completed or abandoned.

Your work will be deemed completed when:

- all of the work called for in your contract or agreement has been completed.
- all of the work to be performed at the site has been completed, if your contract or agreement calls for work at more than one site.
- that part of the work completed at a site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- B. does not include **bodily injury** or **property damage** arising out of:
 1. the transportation of property, unless the injury or damage results from a condition in or on a vehicle not owned or operated by or loaned or rented to you and that condition was created by the **loading or unloading** of that vehicle by any **insured**;

Definitions

(continued)

WHEN USED WITH RESPECT TO INSURANCE UNDER THIS CONTRACT, WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE THE SPECIAL MEANINGS DESCRIBED BELOW:

Your Work**Your work:****A. means any:**

1. work or operations performed by:
 - a. you or on your behalf; or
 - b. a person or organization whose assets or business you have acquired; and
2. materials, parts or equipment furnished in connection with such work or operations.

B. includes:

1. representations or warranties made at any time with respect to the durability, fitness, performance, quality or use of **your work**; and
2. the providing of or failure to provide instructions or warnings.

Conditions**Cancellation
(continued)**

- (2) you or your representative in pursuing a claim under this policy.
- 2. 60 days before the effective date of cancellation if we cancel for any other reason.

B. All Policies In Effect For More Than 60 Days

- 1. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy or any of its individual coverages only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - a. Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - b. Discovery of fraud or material misrepresentation by:
 - (1) any insured or his or her representative in obtaining this insurance; or
 - (2) you or your representative in pursuing a claim under this policy.
 - c. A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
 - d. Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
 - e. Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
 - f. A determination by the Commissioner of Insurance that the:
 - (1) loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (2) continuation of the policy coverage would place us in violation of California law or the laws of the state where we are domiciled or threaten our solvency.
 - g. A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- 2. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation and effective date of cancellation to the first named insured at the mailing address shown on the policy and to the producer of record at least:
 - a. 20 days before the effective date of cancellation if we cancel for a reason listed in B.1.a. or b. above; or
 - b. 60 days before the effective date of cancellation if we cancel for any other reason listed in paragraph B.1.

Conditions

**Nonrenewal
(continued)**

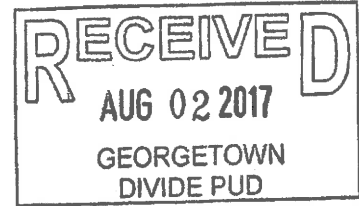
- B. This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under this policy:
1. We may elect not to renew such coverage for any reason, except as provided in 2. through 4. below.
 2. We will not refuse to renew such coverage solely because the first named insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first named insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:
 - a. the nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;
 - b. the Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or
 - c. we have:
 - (1) lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
 - (2) experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; andthe Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.
 3. We will not refuse to renew such coverage solely because the first named insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.
 4. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (4.) applies only if the coverage provided under this policy excludes loss or damage caused by or resulting from corrosive soil conditions.
- C. We are not required to send notice of nonrenewal in the following situations:
1. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.
 2. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with paragraph A.



Vavrinek, Trine, Day & Co., LLP
 Certified Public Accountants

VALUE THE DIFFERENCE



DATE: July 31, 2017

TO: Mr. Steven Palmer, PE
 General Manager
 Georgetown Divide Public Utility District
 P.O. Box 4240
 Georgetown, CA 95634

(530) 333-4356

FROM: Joe Aguilar, Partner
 Vavrinek, Trine, Day & Co., LLP

SUBJECT: Signed PSA and Certificate of Insurance

ENCLOSED PLEASE FIND: PSA - 1 original signed copy
 COI - 1 printed copy

- For your files.
- For your information.
- In accordance with your request.
- Please sign all copies, retain a copy for your files, and return one copy to our office.
- For your distribution.
- Please find enclosed per our discussion.
- Please advise me how you wish to proceed.
- Please sign, date and return copy to acknowledge receipt.

Should you need anything further, please contact Christine Endres by phone at (916) 570-1880 or via e-mail at cendres@vtdcpa.com.

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 9, 2018
AGENDA ITEM NO. 7C**



AGENDA SECTION: NEW BUSINESS

**SUBJECT: CONSIDER FUNDING FOR AUTOMATED METER READING
AND METER REPLACEMENT PROJECT**

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager

A blue ink signature of Steven Palmer, General Manager, written over the name in the "APPROVED BY" line.

BACKGROUND

The current meter reading process for the District requires manual reading of meters by hand using pen and paper books, followed by office staff manually entering the meter read data from the paper books into the computer database. This effort takes roughly one week, and utilizes 304 man hours of effort to read, and 72 man hours of effort to enter data per billing cycle (every two months).

The Project includes the replacement of approximately 3,500 existing active 5/8-inch to 1-inch meters; including replacing the existing 5/8-inch meters with 3/4-inch meters. The Project also includes installing AMR technology and all software, services, and support needed to integrate the new automated meters into the District's existing billing and accounting software system. The automated reading technology (AMR) will allow all meters to be read by one person in one day, basically only limited by how quickly the meter reading routes can be driven. All data collected by the meter reader will then be electronically downloaded to the utility billing database in the office, requiring minimal staff time.

Completion of this Project is a recommendation of the El Dorado County Grand Jury Report, dated May 17, 2017.

A request for bids for the Automated Meter Reading (AMR) and Meter Replacement Project was issued on March 20, 2017. One bid was received and opened publicly at 2pm on April 5, 2017. The only bid was received from Ferguson Water Works, with a total bid amount of \$1,416,883.17; which is less than the engineer's estimate of \$1,900,000.

At that time, the District did not have sufficient revenue to obtain financing. One of the metrics that lenders use when evaluating new loans to public agencies is the debt service coverage ratio. The debt-service coverage ratio is the ratio of net operating income to debt service. Lenders typically require a debt service coverage ratio of 1.20. In July 2017, projections showed that the debt service coverage ratio would drop to less than 1.0 in fiscal years 2019-

2020 and 2020-2021 and cause the District to be in technical default from its loan covenants. For example, one potential lender, Hollman Capital, suggested that the District complete the rate study and increase rates before providing a final financing proposal.

In July 2017, the Board also considered using unrestricted reserve funds to fund the Project. This would have reduced those funds to approximately \$500,000, which is significantly less than the Board adopted goal of \$6,706,304 (Resolution 2005-05), and the 2015 Finance Committee recommendation of \$2,552,608.

Since the District could not obtain financing, and reserves would be reduced to an unacceptable amount; the Board rejected all bids with the intent to rebid the Project once the rate study has been updated and rates are increased to support the additional funding and financing.

DISCUSSION

At the December 12, 2017 meeting of the Georgetown Divide Public Utility District (GDPUD) Board of Directors, the Board approved a resolution adopting new rates for treated water and irrigation water services. The new rates, which take effect January 1, 2018, are the result of a yearlong process culminating in a rate study prepared by Rural Community Assistance Corporation (RCAC) at no cost to GDPUD rate payers. The new rates are projected to provide approximately \$1,000,000 per year for capital replacements and capital reserves.

Since increased rates have been adopted, the District can now qualify for a loan to construct the Project. It's also a good time of year to finalize Project plans and specifications and advertise for bids. Traditionally, increased competition and better pricing can be obtained from bidding projects during the Winter and awarding in Spring. There are several options for funding this Project:

1. **Cash.** Using cash would still reduce the unrestricted reserve funds to an unacceptable level. Over time, the new rates will provide enough cash to pay for this project. At a rate of \$1,000,000 per year available for capital replacements and reserves, it could several years to generate enough revenue to build reserves and fund this Project.
2. **State Revolving Fund (SRF) Loan.** This project is eligible for financing through the State's SRF Loan program. Current interest rates are 1.7% with a 20-year financing term. In order to obtain financing from this source, the District needs to begin the formal application process which typically takes approximately 9 months to 12 months from initial application to approval. This financing mechanism would also require review by the State Water Board for compliance with Federal environmental regulations; and review and approval by the State Water Board of the Project plans and specifications. Additionally, the District would need to follow Federal guidelines for compliance with the Davis-Bacon Act regarding prevailing wage, Federal disadvantaged business enterprise (DBE) requirements, and Federal American Iron and Steel requirements.

3. **Private Lending – iBank.** The District has been in contact with the private lender, iBank, and they have provided a loan estimate (Attachment 1) with the following terms:
 - a. Interest rate of 3.0% per year
 - b. 20-year loan term
 - c. Origination fee of 1% (\$20,200)
 - d. Annual fee of 0.3% (\$65,952.20)
 - e. Prepayment is not allowed for 10 years.
 - f. Prepayment premium of 2% of the principal balance during year 11, and 1% of the principal balance during year 12. No prepayment premium during years 13-20.
 - g. District must pre-qualify contractors using the California Department of Industrial Relations checklist.

4. **Private Lending – Holman Capital.** The District has been in contact with the private lender, Holman Capital, and they have provided a loan estimate (Attachment 2) with the following term options:
 - a. 15-year loan term with interest rate of 3.82% per year
 - b. 10-year loan term with interest rate of 3.50% per year
 - c. 7-year loan term with interest rate of 2.50% per year
 - d. Origination fee of \$5,000
 - e. Current pricing includes prepayment purchase option cost of 4% of the outstanding principal.
 - i. Alternatively, the District could elect to eliminate the prepayment cost by either paying a higher origination fee or paying a higher interest rate. Pricing for these prepayment alternatives are not known at this time. In order to calculate pricing for these alternatives, Holman Capital would need to resubmit the District financial information to lenders for preapproval.

ANALYSIS

If the District is to move forward with the Project in the near future, then financing is required in order to avoid reducing reserves to an unacceptable level. A detailed analysis, including amortization schedules are included as Attachment 1. A comparison of the financing options based on assumed loan amount of \$1,750,000 is summarized in the table below.

Lender	Term (years)	Interest Rate	Average Annual Payment	Origination Fee	Total Cost
SRF - 20	20	1.70%	\$ 97,500	--	\$ 2,047,500
iBank – 20	20	3.00%	\$ 120,453	\$ 17,500	\$ 2,426,568
Holman – 15	15	3.82%	\$ 154,347	\$ 5,000	\$ 2,315,212
SRF – 10	10	1.70%	\$ 172,614	--	\$ 1,898,750
Holman – 10	10	3.50%	\$ 208,919	\$ 5,000	\$ 2,089,193
iBank – 10	10	3.00%	\$ 208,074	\$ 17,500	\$ 2,098,242
Holman – 7	7	2.50%	\$ 280,030	\$ 5,000	\$ 1,960,212

The SRF loan provides the lowest interest rate, lowest average annual payment, and lowest origination fee. The SRF loans provides the lowest total cost and when compared to similar private lending will save the District just over \$370,000 for the 20 year loan, and \$190,000 for the 10 year loan. The disadvantages with the SRF loan are that it would delay the replacement of meters by nine (9) months to one (1) year, and it would subject the District to additional Federal contract compliance requirements.

Staff believes that the advantages of lower costs and a significantly lower interest rate associated with the SRF loan outweigh the one year delay and additional reporting requirements.

FISCAL IMPACT

A budget adjustment is not needed to proceed with loan applications.

This Project is programmed in the five-year Capital Improvement Plan in fiscal year 2018-2019. The total project cost programmed in the CIP is \$1,745,744, including construction management, and construction contract (including a construction contingency).

This Project is not included in the adopted FY17-18 budget. A budget amendment would be needed prior to paying any costs related to loans, and prior to bidding or awarding a construction contract.

CEQA ASSESSMENT

Directing staff to move forward with obtaining Project financing is not a CEQA project. If the Project moves forward, the Board will need to make a CEQA determination at a future time.

RECOMMENDED ACTION

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) provide direction on whether to proceed with the SRF loan application.

ALTERNATIVES

- (a) Direct Staff to proceed with private financing from either iBank or Holman Capital Group; or
- (b) Direct Staff to put the Project on hold until there are adequate reserves to fund the Project with cash; or
- (c) Provide other direction to Staff relative to delivery of this Project.

ATTACHMENTS

1. Financing Analysis

GDPUD Board Meeting of 1/9/2018
AGENDA ITEM NO. 7C
Attachment 1

Georgetown Divide PUD
Loan Financing
2018 Meter Replacement Project
January 30, 2018
Analysis Results

	iBank		iBank		Holman A		Holman B		Holman C		SWRCB		SWRCB	
	# of years	Rate	# of years	Rate	# of years	Rate	# of years	Rate	# of years	Rate	# of years	Rate	# of years	Rate
	20	3.00%	10	0.00%	15	3.82%	10	3.50%	7	2.50%	20	1.70%	10	1.70%
Principal	\$ 1,750,000.00		\$ 1,750,000.00		\$ 1,750,000.00		\$ 1,750,000.00		\$ 1,750,000.00		\$ 1,750,000.00		\$ 1,750,000.00	
Interest	601,936.52		309,458.25		565,211.90		339,192.80		210,211.96		297,500.00		148,750.00	
Annual Fee	57,131.15		27,283.32											
Total Costs	\$ 2,409,067.67		\$ 2,080,741.57		\$ 2,315,211.90		\$ 2,089,192.80		\$ 1,960,211.96		\$ 2,047,500.00		\$ 1,898,750.00	
Origination Fee	17,500.00		17,500.00											
Adjusted Total Costs	\$ 2,426,567.67		\$ 2,098,241.57											
Average Annual Payments	\$ 120,453.38		\$ 208,074.16		\$ 154,347.46		\$ 208,919.28		\$ 280,030.28		\$ 97,500.00		\$ 172,613.64	
PV of Total Costs	\$ 1,817,812.28		\$ 1,795,458.73		\$ 1,750,000.04		\$ 1,749,999.96		\$ 1,750,000.03		\$ 1,718,199.50		\$ 1,718,199.52	

Holman Option B v SWRCB

Principal Savings	\$	-
Interest Savings	\$	190,442.80
Total Cost Savings	\$	190,442.80
Average Annual Payment Savings	\$	36,305.64
PV of Total Cost Savings	\$	190,442.80

Georgetown Divide PUD
Loan Financing
2018 Meter Replacement Project
July 1, 2018
iBank
California Infrastructure & Economic Development
California Lending for Energy and Environmental Needs (CLEEN)

7/1/2018 Issue Date
3.00% Effective Interest Rate
0.30% Annual Fee
1,750,000 Loan Amount
20 Term

Date	Principal	Interest	Total Principal & Int	Annual Fee	Total Payment	Present Value		Fiscal Year Cash Flows
7/1/2018	1,750,000.00						0	
2/1/2019	1,750,000.00	30,625.00	30,625.00		30,625.00	30,097.64	210	30,625.00 18/19
8/1/2019	1,750,000.00	26,250.00	26,250.00		26,250.00	25,416.72	390	
9/1/2019	1,680,325.71	69,674.29	26,250.00	5,250.00	101,174.29	97,719.84	420	
2/1/2020	1,680,325.71	25,204.89	25,204.89		25,204.89	24,044.12	570	152,629.18 19/20
9/1/2020	1,608,561.19	71,764.52	25,204.89	5,040.98	102,010.38	95,636.76	780	
2/1/2021	1,608,561.19	24,128.42	24,128.42		24,128.42	22,341.94	930	126,138.80 20/21
9/1/2021	1,534,643.73	73,917.46	24,128.42	4,825.68	102,871.56	93,614.63	1140	
2/1/2022	1,534,643.73	23,019.66	23,019.66		23,019.66	20,689.92	1290	125,891.22 21/22
9/1/2022	1,458,508.75	76,134.98	23,019.66	4,603.93	103,758.57	91,651.65	1500	
2/1/2023	1,458,508.75	21,877.63	21,877.63		21,877.63	19,086.59	1650	125,636.20 22/23
9/1/2023	1,380,089.72	78,419.03	21,877.63	4,375.53	104,672.19	89,746.09	1860	
2/1/2024	1,380,089.72	20,701.35	20,701.35		20,701.35	17,530.51	2010	125,373.53 23/24
9/1/2024	1,299,318.12	80,771.60	20,701.35	4,140.27	105,613.21	87,896.26	2220	
2/1/2025	1,299,318.12	19,489.77	19,489.77		19,489.77	16,020.30	2370	125,102.99 24/25
9/1/2025	1,216,123.37	83,194.75	19,489.77	3,897.95	106,582.48	86,100.54	2580	
2/1/2026	1,216,123.37	18,241.85	18,241.85		18,241.85	14,554.61	2730	124,824.33 25/26
9/1/2026	1,130,432.78	85,690.59	18,241.85	3,648.37	107,580.81	84,357.32	2940	
2/1/2027	1,130,432.78	16,956.49	16,956.49		16,956.49	13,132.14	3090	124,537.30 26/27
9/1/2027	1,042,171.47	88,261.31	16,956.49	3,391.30	108,609.10	82,665.08	3300	
2/1/2028	1,042,171.47	15,632.57	15,632.57		15,632.57	11,751.63	3450	124,241.67 27/28
9/1/2028	951,262.32	90,909.15	15,632.57	3,126.51	109,668.24	81,022.32	3660	
2/1/2029	951,262.32	14,268.93	14,268.93		14,268.93	10,411.83	3810	123,937.17 28/29
9/1/2029	857,625.90	93,636.42	14,268.93	2,853.79	110,759.14	79,427.58	4020	
2/1/2030	857,625.90	12,864.39	12,864.39		12,864.39	9,111.56	4170	123,623.53 29/30
9/1/2030	761,180.39	96,445.51	12,864.39	2,572.88	111,882.78	77,879.45	4380	
2/1/2031	761,180.39	11,417.71	11,417.71		11,417.71	7,849.65	4530	123,300.48 30/31
9/1/2031	661,841.51	99,338.88	11,417.71	2,283.54	113,040.13	76,376.58	4740	
2/1/2032	661,841.51	9,927.62	9,927.62		9,927.62	6,624.98	4890	122,967.75 31/32
9/1/2032	559,522.46	102,319.05	9,927.62	1,985.52	114,232.20	74,917.62	5100	
2/1/2033	559,522.46	8,392.84	8,392.84		8,392.84	5,436.46	5250	122,625.03 32/33
9/1/2033	454,133.84	105,388.62	8,392.84	1,678.57	115,460.02	73,501.30	5460	
2/1/2034	454,133.84	6,812.01	6,812.01		6,812.01	4,283.02	5610	122,272.03 33/34
9/1/2034	345,583.56	108,550.28	6,812.01	1,362.40	116,724.69	72,126.36	5820	
2/1/2035	345,583.56	5,183.75	5,183.75		5,183.75	3,163.64	5970	121,908.44 34/35
9/1/2035	233,776.78	111,806.78	5,183.75	1,036.75	118,027.28	70,791.58	6180	
2/1/2036	233,776.78	3,506.65	3,506.65		3,506.65	2,077.32	6330	121,533.94 35/36
9/1/2036	118,615.79	115,160.99	3,506.65	701.33	119,368.97	69,495.80	6540	
2/1/2037	118,615.79	1,779.24	1,779.24		1,779.24	1,023.09	6690	121,148.21 36/37
9/1/2037	(0.00)	118,615.79	1,779.24	355.85	120,750.87	68,237.85	6900	120,750.87 37/38
Totals	1,750,000.00	601,936.52	2,351,936.52	57,131.15	2,409,067.67	1,817,812.28		2,409,067.67

TRUE

TRUE

Note:

- 1) Prepayment allowed after the first 10 years
- 2) Prepayment premium between 10 - 12 years
- 3) 1% origination fee
\$17,500 up front; or
- 4) 0.30% service fee on outstanding balance, paid annually in arrears

Georgetown Divide PUD
Loan Financing
2018 Meter Replacement Project
July 1, 2018
iBank
California Infrastructure & Economic Development
California Lending for Energy and Environmental Needs (CLEEN)

7/1/2018 Issue Date
3.00% Effective Interest Rate
0.30% Annual Fee
1,750,000 Loan Amount
10 Term

Date	Principal	Interest	Total Principal & Int	Annual Fee	Total Payment	Present Value		Fiscal Year Cash Flows
7/1/2018	1,750,000.00						0	
2/1/2019	1,750,000.00		30,625.00		30,625.00	30,097.64	210	30,625.00 18/19
8/1/2019	1,750,000.00		26,250.00		26,250.00	25,416.72	390	
9/1/2019	1,577,740.75	172,259.25	26,250.00	5,250.00	203,759.25	196,802.18	420	
3/1/2020	1,577,740.75		23,666.11		23,666.11	22,520.26	600	253,675.36 19/20
9/1/2020	1,400,313.72	177,427.03	23,666.11	4,733.22	205,826.36	192,966.31	780	
3/1/2021	1,400,313.72		21,004.71		21,004.71	19,401.31	960	226,831.07 20/21
9/1/2021	1,217,563.88	182,749.84	21,004.71	4,200.94	207,955.49	189,242.55	1140	
3/1/2022	1,217,563.88		18,263.46		18,263.46	16,374.40	1320	226,218.95 21/22
9/1/2022	1,029,331.55	188,232.33	18,263.46	3,652.69	210,148.48	185,627.61	1500	
3/1/2023	1,029,331.55		15,439.97		15,439.97	13,436.83	1680	225,588.45 22/23
9/1/2023	835,452.25	193,879.30	15,439.97	3,087.99	212,407.27	182,118.31	1860	
3/1/2024	835,452.25		12,531.78		12,531.78	10,585.98	2040	224,939.05 23/24
9/1/2024	635,756.57	199,695.68	12,531.78	2,506.36	214,733.82	178,711.54	2220	
3/1/2025	635,756.57		9,536.35		9,536.35	7,819.31	2400	224,270.17 24/25
9/1/2025	430,070.02	205,686.55	9,536.35	1,907.27	217,130.17	175,404.30	2580	
3/1/2026	430,070.02		6,451.05		6,451.05	5,134.34	2760	223,581.22 25/26
9/1/2026	218,212.87	211,857.15	6,451.05	1,290.21	219,598.41	172,193.66	2940	
3/1/2027	218,212.87		3,273.19		3,273.19	2,528.68	3120	222,871.60 26/27
9/1/2027	-	218,212.87	3,273.19	654.64	222,140.70	169,076.80	3300	222,140.70
Totals	1,750,000.00	303,458.25	2,053,458.25	27,283.32	2,080,741.57	1,795,458.73		2,080,741.57

TRUE

TRUE

Note:

- 1) Prepayment allowed after the first 10 years
- 3) 1% origination fee
\$17,500 up front; or
- 4) 0.30% service fee on outstanding balance, paid annually in arrears

Georgetown Divide PUD
Loan Financing
2018 Meter Replacement Project
January 30, 2018
Holman Capital Corporation
Option A

1/30/2018 Issue Date
3.82% Effective Interest Rate
1,750,000 Loan Amount
15 Term

Date	Principal	Interest	Periodic Debt Service	Present Value		Fiscal Year Cash Flows
1/30/2018					0	
7/30/2018	43,748.73	33,425.00	77,173.73	75,727.34	180	
1/30/2019	44,584.33	32,589.40	77,173.73	74,308.05	360	154,347.46 18/19
7/30/2019	45,435.89	31,737.84	77,173.73	72,915.37	540	
1/30/2020	46,303.72	30,870.01	77,173.73	71,548.79	720	154,347.46 19/20
7/30/2020	47,188.12	29,985.61	77,173.73	70,207.82	900	
1/30/2021	48,089.41	29,084.32	77,173.73	68,891.98	1080	154,347.46 20/21
7/30/2021	49,007.92	28,165.81	77,173.73	67,600.81	1260	
1/30/2022	49,943.97	27,229.76	77,173.73	66,333.83	1440	154,347.46 21/22
7/30/2022	50,897.90	26,275.83	77,173.73	65,090.60	1620	
1/30/2023	51,870.05	25,303.68	77,173.73	63,870.67	1800	154,347.46 22/23
7/30/2023	52,860.77	24,312.96	77,173.73	62,673.60	1980	
1/30/2024	53,870.41	23,303.32	77,173.73	61,498.97	2160	154,347.46 23/24
7/30/2024	54,899.33	22,274.40	77,173.73	60,346.36	2340	
1/30/2025	55,947.91	21,225.82	77,173.73	59,215.35	2520	154,347.46 24/25
7/30/2025	57,016.52	20,157.21	77,173.73	58,105.53	2700	
1/30/2026	58,105.53	19,068.20	77,173.73	57,016.51	2880	154,347.46 25/26
7/30/2026	59,215.35	17,958.38	77,173.73	55,947.91	3060	
1/30/2027	60,346.36	16,827.37	77,173.73	54,899.33	3240	154,347.46 26/27
7/30/2027	61,498.98	15,674.75	77,173.73	53,870.41	3420	
1/30/2028	62,673.61	14,500.12	77,173.73	52,860.77	3600	154,347.46 27/28
7/30/2028	63,870.67	13,303.06	77,173.73	51,870.05	3780	
1/30/2029	65,090.60	12,083.13	77,173.73	50,897.90	3960	154,347.46 28/29
7/30/2029	66,333.83	10,839.90	77,173.73	49,943.97	4140	
1/30/2030	67,600.81	9,572.92	77,173.73	49,007.92	4320	154,347.46 29/30
7/30/2030	68,891.98	8,281.75	77,173.73	48,089.41	4500	
1/30/2031	70,207.82	6,965.91	77,173.73	47,188.12	4680	154,347.46 30/31
7/30/2031	71,548.79	5,624.94	77,173.73	46,303.72	4860	
1/30/2032	72,915.37	4,258.36	77,173.73	45,435.89	5040	154,347.46 31/32
7/30/2032	74,308.06	2,865.67	77,173.73	44,584.33	5220	
1/30/2033	75,727.26	1,446.47	77,173.73	43,748.73	5400	154,347.46 32/33
Totals	1,750,000.00	565,211.90	2,315,211.90	1,750,000.04		2,315,211.90

TRUE

TRUE

TRUE

Georgetown Divide PUD
Loan Financing
2018 Meter Replacement Project
January 30, 2018
Holman Capital Corporation
Option B

1/30/2018 Issue Date
3.50% Effective Interest Rate
1,750,000 Loan Amount
10 Term

Date	Principal	Interest	Periodic Debt Service	Present Value		Fiscal Year Cash Flows
1/30/2018			-	-	0	
7/30/2018	73,834.64	30,625.00	104,459.64	102,663.04	180	
1/30/2019	75,126.75	29,332.89	104,459.64	100,897.33	360	208,919.28 18/19
7/30/2019	76,441.46	28,018.18	104,459.64	99,162.00	540	
1/30/2020	77,779.19	26,680.45	104,459.64	97,456.51	720	208,919.28 19/20
7/30/2020	79,140.33	25,319.31	104,459.64	95,780.35	900	
1/30/2021	80,525.28	23,934.36	104,459.64	94,133.03	1080	208,919.28 20/21
7/30/2021	81,934.47	22,525.17	104,459.64	92,514.03	1260	
1/30/2022	83,368.33	21,091.31	104,459.64	90,922.88	1440	208,919.28 21/22
7/30/2022	84,827.27	19,632.37	104,459.64	89,359.10	1620	
1/30/2023	86,311.75	18,147.89	104,459.64	87,822.21	1800	208,919.28 22/23
7/30/2023	87,822.21	16,637.43	104,459.64	86,311.75	1980	
1/30/2024	89,359.09	15,100.55	104,459.64	84,827.27	2160	208,919.28 23/24
7/30/2024	90,922.88	13,536.76	104,459.64	83,368.33	2340	
1/30/2025	92,514.03	11,945.61	104,459.64	81,934.47	2520	208,919.28 24/25
7/30/2025	94,133.02	10,326.62	104,459.64	80,525.28	2700	
1/30/2026	95,780.35	8,679.29	104,459.64	79,140.33	2880	208,919.28 25/26
7/30/2026	97,456.51	7,003.13	104,459.64	77,779.19	3060	
1/30/2027	99,162.00	5,297.64	104,459.64	76,441.47	3240	208,919.28 26/27
7/30/2027	100,897.33	3,562.31	104,459.64	75,126.75	3420	
1/30/2028	102,663.11	1,796.53	104,459.64	73,834.64	3600	208,919.28 27/28
Totals	1,750,000.00	339,192.80	2,089,192.80	1,749,999.96		2,089,192.80
	TRUE		TRUE			TRUE

Georgetown Divide PUD
Loan Financing
2018 Meter Replacement Project
January 30, 2018
Holman Capital Corporation
Option C

1/30/2018 Issue Date
3.10% Effective Interest Rate
1,750,000 Loan Amount
7 Term

Date	Principal	Interest	Periodic Debt Service	Present Value		Fiscal Year Cash Flows
1/30/2018					0	
7/30/2018	112,890.14	27,125.00	140,015.14	137,878.03	180	
1/30/2019	114,639.94	25,375.20	140,015.14	135,773.54	360	280,030.28 18/19
7/30/2019	116,416.86	23,598.28	140,015.14	133,701.17	540	
1/30/2020	118,221.32	21,793.82	140,015.14	131,660.44	720	280,030.28 19/20
7/30/2020	120,053.75	19,961.39	140,015.14	129,650.85	900	
1/30/2021	121,914.58	18,100.56	140,015.14	127,671.93	1080	280,030.28 20/21
7/30/2021	123,804.26	16,210.88	140,015.14	125,723.22	1260	
1/30/2022	125,723.22	14,291.92	140,015.14	123,804.26	1440	280,030.28 21/22
7/30/2022	127,671.93	12,343.21	140,015.14	121,914.58	1620	
1/30/2023	129,650.85	10,364.29	140,015.14	120,053.75	1800	280,030.28 22/23
7/30/2023	131,660.44	8,354.70	140,015.14	118,221.32	1980	
1/30/2024	133,701.17	6,313.97	140,015.14	116,416.86	2160	280,030.28 23/24
7/30/2024	135,773.54	4,241.60	140,015.14	114,639.94	2340	
1/30/2025	137,878.00	2,137.14	140,015.14	112,890.14	2520	280,030.28 24/25
Totals	1,750,000.00	210,211.96	1,960,211.96	1,750,000.03		1,960,211.96

Georgetown Divide PUD
Loan Financing
2018 Meter Replacement Project
July 1, 2018
State Water Resources Control Board (SWRCB)

7/1/2018 Issue Date
1.70% Effective Interest Rate
1,750,000 Loan Amount
20 Term

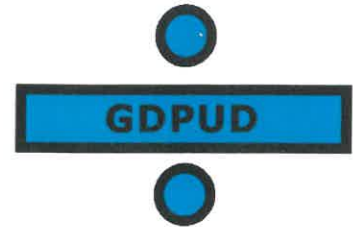
Date	Principal	Interest	Total Principal & Int	Present Value		Fiscal Year Cash Flows
7/1/2018					0	
2/1/2019		-	-	-	210	- 18/19
8/1/2019	1,750,000.00	-	-	-	390	
2/1/2020	1,662,500.00	87,500.00	14,875.00	102,375.00	570	102,375.00 19/20
8/1/2020	1,662,500.00		14,131.25	14,131.25	750	
2/1/2021	1,575,000.00	87,500.00	14,131.25	101,631.25	930	115,762.50 20/21
8/1/2021	1,575,000.00		13,387.50	13,387.50	1110	
2/1/2022	1,487,500.00	87,500.00	13,387.50	100,887.50	1290	114,275.00 21/22
8/1/2022	1,487,500.00		12,643.75	12,643.75	1470	
2/1/2023	1,400,000.00	87,500.00	12,643.75	100,143.75	1650	112,787.50 22/23
8/1/2023	1,400,000.00		11,900.00	11,900.00	1830	
2/1/2024	1,312,500.00	87,500.00	11,900.00	99,400.00	2010	111,300.00 23/24
8/1/2024	1,312,500.00		11,156.25	11,156.25	2190	
2/1/2025	1,225,000.00	87,500.00	11,156.25	98,656.25	2370	109,812.50 24/25
8/1/2025	1,225,000.00		10,412.50	10,412.50	2550	
2/1/2026	1,137,500.00	87,500.00	10,412.50	97,912.50	2730	108,325.00 25/26
8/1/2026	1,137,500.00		9,668.75	9,668.75	2910	
2/1/2027	1,050,000.00	87,500.00	9,668.75	97,168.75	3090	106,837.50 26/27
8/1/2027	1,050,000.00		8,925.00	8,925.00	3270	
2/1/2028	962,500.00	87,500.00	8,925.00	96,425.00	3450	105,350.00 27/28
8/1/2028	962,500.00		8,181.25	8,181.25	3630	
2/1/2029	875,000.00	87,500.00	8,181.25	95,681.25	3810	103,862.50 28/29
8/1/2029	875,000.00		7,437.50	7,437.50	3990	
2/1/2030	787,500.00	87,500.00	7,437.50	94,937.50	4170	102,375.00 29/30
8/1/2030	787,500.00		6,693.75	6,693.75	4350	
2/1/2031	700,000.00	87,500.00	6,693.75	94,193.75	4530	100,887.50 30/31
8/1/2031	700,000.00		5,950.00	5,950.00	4710	
2/1/2032	612,500.00	87,500.00	5,950.00	93,450.00	4890	99,400.00 31/32
8/1/2032	612,500.00		5,206.25	5,206.25	5070	
2/1/2033	525,000.00	87,500.00	5,206.25	92,706.25	5250	97,912.50 32/33
8/1/2033	525,000.00		4,462.50	4,462.50	5430	
2/1/2034	437,500.00	87,500.00	4,462.50	91,962.50	5610	96,425.00 33/34
8/1/2034	437,500.00		3,718.75	3,718.75	5790	
2/1/2035	350,000.00	87,500.00	3,718.75	91,218.75	5970	94,937.50 34/35
8/1/2035	350,000.00		2,975.00	2,975.00	6150	
2/1/2036	262,500.00	87,500.00	2,975.00	90,475.00	6330	93,450.00 35/36
8/1/2036	262,500.00		2,231.25	2,231.25	6510	
2/1/2037	175,000.00	87,500.00	2,231.25	89,731.25	6690	91,962.50 36/37
8/1/2037	175,000.00		1,487.50	1,487.50	6870	
2/1/2038	87,500.00	87,500.00	1,487.50	88,987.50	7050	90,475.00 37/38
8/1/2038	87,500.00		743.75	743.75	7230	
2/1/2039	-	87,500.00	743.75	88,243.75	7410	88,987.50 38/39
Totals	1,750,000.00	297,500.00	2,047,500.00	1,718,199.50		2,047,500.00

Georgetown Divide PUD
Loan Financing
2018 Meter Replacement Project
July 1, 2018
State Water Resources Control Board (SWRCB)

7/1/2018 Issue Date
1.70% Effective Interest Rate
1,750,000 Loan Amount
10 Term

Date	Principal	Interest	Total Principal & Int	Present Value		Fiscal Year Cash Flows
7/1/2018					0	
2/1/2019					210	
8/1/2019	1,750,000.00				390	- 18/19
2/1/2020	1,575,000.00	175,000.00	14,875.00	189,875.00	570	189,875.00 19/20
8/1/2020	1,575,000.00		13,387.50	13,387.50	750	
2/1/2021	1,400,000.00	175,000.00	13,387.50	188,387.50	930	201,775.00 20/21
8/1/2021	1,400,000.00		11,900.00	11,900.00	1110	
2/1/2022	1,225,000.00	175,000.00	11,900.00	186,900.00	1290	198,800.00 21/22
8/1/2022	1,225,000.00		10,412.50	10,412.50	1470	
2/1/2023	1,050,000.00	175,000.00	10,412.50	185,412.50	1650	195,825.00 22/23
8/1/2023	1,050,000.00		8,925.00	8,925.00	1830	
2/1/2024	875,000.00	175,000.00	8,925.00	183,925.00	2010	192,850.00 23/24
8/1/2024	875,000.00		7,437.50	7,437.50	2190	
2/1/2025	700,000.00	175,000.00	7,437.50	182,437.50	2370	189,875.00 24/25
8/1/2025	700,000.00		5,950.00	5,950.00	2550	
2/1/2026	525,000.00	175,000.00	5,950.00	180,950.00	2730	186,900.00 25/26
8/1/2026	525,000.00		4,462.50	4,462.50	2910	
2/1/2027	350,000.00	175,000.00	4,462.50	179,462.50	3090	183,925.00 26/27
8/1/2027	350,000.00		2,975.00	2,975.00	3270	
2/1/2028	175,000.00	175,000.00	2,975.00	177,975.00	3450	180,950.00 27/28
8/1/2028	175,000.00		1,487.50	1,487.50	3630	
2/1/2029	-	175,000.00	1,487.50	176,487.50	3810	177,975.00 28/29
Totals	1,750,000.00	148,750.00	1,898,750.00	1,718,199.52		1,898,750.00

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 9, 2018
AGENDA ITEM NO. 7D**



AGENDA SECTION: NEW BUSINESS

SUBJECT: PROVIDE DIRECTION ON POLICY FOR A LOW-INCOME RATE ASSISTANCE PROGRAM FOR TREATED WATER RATES WITH A SOURCE OF FUNDING OTHER THAN WATER RATES

PREPARED BY: Christina Cross, Management Analyst *cc*

APPROVED BY: Steven Palmer, PE, General Manager *[Signature]*

BACKGROUND

During the December 13, 2017, Special Board Meeting a low-income rate assistance program for treated water customers was presented. The staff report from that meeting is included as Attachment 1, and the proposed low-income rate assistance program (LIRA) policy is included as Attachment 2. The Board of Directors requested additional data from other water agencies with similar programs, and for legal counsel to review the draft policy.

DISCUSSION

As suggested by the Board, Management Analyst Christina Cross contacted Paradise Irrigation District regarding their customer assistance program. Paradise Irrigation District currently has approximately 10,500 customers. Kevin Phillips (Interim District Manager) stated their customer assistance program (CAP) was started in 2016 and since initiated has not raised above a 6% participation rate. They currently provide PG&E California Alternate Rates for Energy Program (CARE) qualifying customers a flat \$10 discount per monthly billing cycle.

Staff also searched to find agencies in Northern California with assistance programs, in addition to those presented in previous staff reports. Alameda County Water District also offers an assistance program to its customers at a \$15 credit every two months on their water service. Their program has been available for approximately 1 year and has a participation rate of 1%. Income guidelines for this program mirror the San Francisco Public Utility Commission as shown in the table below.

Number of Persons in Household	Total Gross Annual Household Income*
1-2	\$32,480 or less
3	\$40,840 or less
4	\$49,200 or less
5	\$57,560 or less
Each additional person, add	\$8,360

At this point in time, the Board needs to provide direction on the amount of the discount per billing cycle and adopt the resolution approving the policy. Staff's recommendation is to set the discount at 25% of the monthly base charge, which equates to \$7.35 per month (\$14.70 per billing cycle) for the first year. Establishing a percentage discount would allow the discount to keep pace with the newly adopted annual rate increases. In the fifth year, a 25% discount would equate to \$8.94 per month (\$17.88 per billing cycle).

FISCAL IMPACT

Due to restrictions imposed by Proposition 218, LIRA Programs cannot be funded by water rate revenues. They must be funded by other revenue sources such as property tax, hydroelectric revenue, SMUD revenue, lease revenue, or voluntary contributions.

Fiscal Year 2017-2018 budget does not include any funding for a LIRA Program. At this point, Board direction has been to set aside \$35,000 for a LIRA program. The budget would need to be amended to set aside an amount to fund the LIRA.

Additional staff time will be needed to administer this program including reviewing applications and allocating discounts. The amount of staff time required to administer this program depends on the number of applicants and participants, so the exact amount of time is difficult to quantify. At this time, Staff estimates that 859 households could qualify for the program. In order to make sure that the program is successful and adequate outreach is performed to encourage participation, one Staff person should dedicate 25% of their time on an annual basis. The District does not currently have adequate staffing to administer this program and an additional part time staff person or consultant would be required to perform required outreach and administration. The fully loaded cost for a staff person or consultant to administer the program is estimated to be in the range of \$15,000 per year.

CEQA ASSESSMENT

Not a CEQA project.

RECOMMENDED ACTION

Staff recommends that the Board provide direction on the amount for the discount being offered by the program and adopt the attached resolution (Attachment 3) adopting the LIRA policy.

ATTACHMENTS

1. Staff report from December 13, 2017 Special Meeting
2. Low Income Rate Assistance Program Policy
3. Resolution

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF DECEMBER 13, 2017
AGENDA ITEM NO. 5B**

GDPUD

AGENDA SECTION: NEW BUSINESS

SUBJECT: PROVIDE DIRECTION ON POLICY FOR A LOW-INCOME RATE ASSISTANCE PROGRAM FOR TREATED WATER RATES WITH A SOURCE OF FUNDING OTHER THAN WATER RATES

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager

BACKGROUND

At previous meetings, the Board has expressed interest in developing a program to provide discounts to treated water customers that have difficulties in paying their water bills each month. At the February 2017 meeting, the Board directed Staff to pursue partnering with a local non-profit to establish a mechanism for District employees to make voluntary contributions to a local non-profit fund dedicated to helping customers pay their water bills. The non-profit was to administer and manage the program, with the District only committing to provide employees with the option to make a voluntary contribution via payroll deduction. This program has not yet been implemented.

The concept of low-income discounts and a low-income rate assistance program (LIRA) was also raised during rate study presentations to the Finance Committee and the Board on April 25, 2017, and May 8, 2017, respectively. At these meetings, the Finance Committee and Board both recommended that if the District developed a LIRA program that the District should minimize the Staff time required to administer the program.

The General Manager requested direction from the Board regarding developing a policy for a LIRA at the August 8, 2017 Board meeting. At that time, the General Manager presented a discussion of other agencies that have a LIRA, and included an assessment of the number of customers that might be able to qualify for the program. The direction received from the Board at that time was to utilize voluntary donations for the program.

Since that time, new increased water rates have been proposed. At the October 24, 2017 Board meeting regarding rates, the Board directed Staff to assume that \$35,000 of property tax revenue would be budgeted for a future LIRA. The Board further directed the General Manager to bring a LIRA policy for Board action at a future meeting.

One additional nuance to a District LIRA is that the State of California Water Resources Control Board (State) is developing guidelines for a Statewide LIRA. This statewide program is required by AB401, and is still being developed. The State has presented several scenarios for public comment, and a final report is due to the legislature in early 2018. Implementation would take additional time after that, and additional details are not clear. It is possible that the District may be subject to the new State program in lieu of its' own LIRA program.

DISCUSSION

Other LIRA Programs

The August 8, 2017 Staff Report provided a discussion and results from the General Manager's survey of other local water agencies LIRA Programs. The results are summarized below.

Agency	LIRA	Source	Notes
California Water Service	Yes	Donations	Accepts various recognized low-income programs. Discount of 50% of monthly base charge.
EID	Yes	Donations	One time catastrophic
NID	No	--	--
PCWA	No	--	--
City of Roseville	No	--	--
City of Sacramento	Yes	General Fund (Utility User Tax)	SMUD EAP guidelines, Approx. \$300,000 per year
San Juan Water	No	--	--

The City of Sacramento and California Water Service LIRA Program income limits are the same as the United States Department of Health and Human Services (HHS) poverty guidelines of 200% of poverty level. These income limits are also the same for the Pacific Gas & Electric (PG&E) California Alternate Rates for Energy Program (CARE), which are shown in the table below.

Number of Persons in Household	Total Gross Annual Household Income
1-2	\$ 32,840
3	\$ 40,840
4	\$ 49,200
5	\$ 57,560
6	\$ 65,920
7	\$ 74,280
8	\$ 82,640
9	\$ 91,000
10	\$ 99,360
Each additional person	\$ 8,360

Water Affordability and Poverty

According to estimates from the United States Census Bureau, the annual median household income in El Dorado County in 2015 was \$69,584, with 2.69 residents per household. The same data source also indicates that 9.1% of El Dorado County residents are in poverty.

The District encompasses two Census Designated Places (CDP) with available data from the 2011-2015 American Community Survey 5-Year Estimates. The CDPs are Auburn Lake Trails and Georgetown. The data shows that Auburn Lake Trails CDP has a median household income of \$100,875 and 2.0% of residents below the poverty level, and Georgetown CDP has a median household income of \$44,241 and 13.5% of residents below the poverty level. A review of the data indicates that roughly 544 households within these two CDPs are below the annual income limit for a two (2) person household used by PG&E and the agencies surveyed in this report. This equates to 24% of the households surveyed.

Water affordability is typically measured as a percentage of median household income. The California Department of Health Services defines water affordability as 1.5% of annual median household income and the United States Environmental Protection Agency considers the threshold to be 2-2.5% for water. Households paying more than this amount are considered to be paying an unaffordable amount for water service. Current District residential water rates are \$38.65 per month, or \$77.30 for two months and 2,000 cubic feet of water. For a similar sized meter, the first year of proposed new water rates for two months and 2,000 cubic feet of water would be \$139.98. The table below summarizes the current and proposed affordability of 2,000 cubic feet of water.

Area	Current Water Bill Percentage of Median Household Income	Proposed Year 1 Water Bill Percentage of Median Household Income
El Dorado County	0.67%	1.21%
Auburn Lake Trails CDP	0.46%	0.83%
Georgetown CDP	1.05%	1.90%
GDPUD (RCAC)	0.99%	1.80%

The California Department of Housing and Community Development (HCD) also publishes guidelines for determining if a household is in poverty. Their guidelines for El Dorado County are summarized below.

Income Category	Persons in Household							
	1	2	3	4	5	6	7	8
Extremely Low	16,000	18,300	20,600	24,600	28,780	32,960	37,140	41,320
Very Low	26,650	30,450	34,250	38,050	41,100	44,150	47,200	50,250
Low	42,650	48,750	54,850	60,900	65,800	70,650	75,550	80,400

Using the ACS data, the assumption can be made that up to 24% of households within the District might qualify for assistance. Based on 3,486 active single family residential accounts and 10 multi-family residential accounts (94 households) representing a total of 3,580 households, this equates to 859 households which could qualify for a LIRA program. The annual fiscal impact of various levels of assistance is summarized below. These annual amounts are based on the proposed fixed rate of \$58.81 for two months.

Percent Discount	Bi-Monthly Discount per Household	Annual Discount per Household	Total Annual Discount Program Budget
10%	\$ 5.88	\$ 35.28	\$ 30,306
20%	\$ 11.76	\$ 70.56	\$ 60,612
30%	\$ 17.64	\$ 105.84	\$ 90,926
40%	\$ 23.52	\$ 141.12	\$ 121,223
50%	\$ 29.41	\$ 176.46	\$ 151,580

Proposed Policy

At this point, Board direction has been to set aside \$35,000 for a LIRA program. According to the analysis in this report, this would fund an 11.5% discount for 859 households each year. Based on research performed by the General Manager into other LIRA programs run by the Cities of Sacramento and Long Beach, it is unlikely that all 859 households will participate in the program and it is more likely that only half of the qualifying households will participate. For that reason, a higher subsidy may be appropriate and the General Manager recommends starting the LIRA with a discount of 25%. This discount amount and the amount budgeted from property tax revenue will be evaluated by the Board quarterly. The PG&E CARE rate program appears to have a much higher participation rate than those reported by water agencies. The State’s Low-Income Oversight Board (www.liob.org) reports that the 90% of eligible households are enrolled in the PG&E CARE rate program, and that about 30% of PG&E customers participate.

A proposed LIRA policy is included as Attachment 3. The policy includes the following elements:

- Must be a treated water customer.
- Customer must meet HCD or PG&E income guidelines for very low income, or extremely low-income households in El Dorado County; whichever is higher.
- Customer must live at the residence at which the discount applies.
- Customer must be a residential customer.
- Customers will receive a 25% discount off the base rate for water services, not including the supplemental charge.
- The maximum property tax subsidy in Fiscal Year 2017/18 will be \$35,000. Future maximum annual amounts will be determined as part of the annual budget process.
- Customers may apply at any time and must reapply annually each year.
- Customers will be enrolled into the program on a first come, first served basis until the annual budget amount is reached.
- Outreach will be conducted through bill inserts, brochures, website, email, social media, community presentations, etc.

Alternative to Proposed Policy

The key variable affecting the success of this program is the number of eligible customers that participate. Since this is a new program for the District, we have very little data to help estimate the number of participants, and it is difficult to establish an amount to budget for this program. The percent discount rate is completely at the discretion of the Board and can be adjusted based on the amount that the Board budgets to the program each year. As an alternative to establishing the discount percentage, the District could allocate the amount budgeted each year evenly among qualified applicants. The following elements of the proposed LIRA in Attachment 3 would need to change:

- Instead of accepting applicants year-round, applications would only be accepted during a specific time of year, immediately after the annual budget is adopted.
- Any applications received after the deadline would be placed on a waitlist until the next application period.
- A maximum percentage discount would need to be established.
- Instead of a percentage discount, customers would receive a defined discount amount that is the annual amount budgeted for discount divided by the number of qualified applicants.

FISCAL IMPACT

Due to restrictions imposed by Proposition 218, LIRA Programs cannot be funded by water rate revenues. They must be funded by other revenue sources such as property tax, hydroelectric revenue, SMUD revenue, lease revenue, or voluntary contributions.

Fiscal Year 2017-2018 budget does not include any funding for a LIRA Program. At this point, Board direction has been to set aside \$35,000 for a LIRA program. The budget would need to be amended to set aside an amount to fund the LIRA.

CEQA ASSESSMENT

Not a CEA project.

RECOMMENDED ACTION

The General Manager recommends that the Board adopt the attached resolution adopting the Low-Income Rate Assistance Program policy.

ATTACHMENTS

1. City of Sacramento LIRA
2. California Water Service LIRA
3. Low Income Rate Assistance Program Policy
4. Resolution

Georgetown Divide Public Utility District **2018**

Policy Manual

POLICY TITLE: Low Income Rate Assistance Program

POLICY NUMBER:

I. PURPOSE:

The Board of Directors of the Georgetown Divide Public Utility District (District) desires to offer financial assistance to low-income treated water customers.

II. POLICY:

A. Eligibility

1. Must receive treated water service from the District.
2. Customer must live (primary residence) at the address receiving the discount.
3. Must be a residential customer.
4. Meet the income guidelines outlined in Section 3.
5. Customer must notify the District when no longer eligible.
6. Customer must submit for renewal each year Eligibility is renewed annually in June.
7. Qualification is based on the total income of everyone living in the home or participation in qualifying public assistance programs.

B. Income Verification

1. Qualification is based on the total gross income of everyone living in the household.
2. Two methods of demonstrating:
 - i. Provide copy of PG&E bill showing CARE rate for treated water account holder; or
 - ii. Submit income documentation to the District for review and approval
 - a. Customer must account for all sources of qualifying household income.
 - b. To ensure consistency with PG&E CARE Program income requirements, the District will request the same income information and back-up documents as the PG&E CARE program.
 - c. Customers must black out any account numbers or Social Security numbers.
 - d. Customers must provide income information for all members of the household. This information may include several of the documents listed below:

Georgetown Divide Public Utility District 2018

Policy Manual

If you or someone in your household participates in Public Assistance Programs	You should send in a copy of:
Medicaid/Medi-Cal, Supplemental Security Income (SSI), CalFresh/SNAP (Food Stamps), LIHEAP, WIC, Healthy Families A & B, Cal WORKs (TANF), National School Lunch Program (NSLP), Bureau of Indian Affairs General Assistance, Head Start Income Eligible (Tribal Only)	Award letter(s) OR letter of participation in the program(s)

If you or someone in your household receives income from:	You should send in a copy of:
Wages, Salaries, Tips, Commissions	Two most recent consecutive check stubs, W2 or IRS 1040 Form
Pensions, Social Security, SSP, SSDI, Disability Payments, Workers Compensation, Unemployment Benefits, VA Benefits, Foster Care Payments	Award letter(s), two most recent consecutive check stubs or the most recent bank statement (to show direct deposit)
School Grants, Scholarships, Other Aid	Award Letter(s) OR two most recent consecutive check stubs
Insurance and/or Legal Settlements	Settlement Documents
Child and/or Spousal Support	Court documents OR two most recent consecutive check stubs
Farm Income	First page of IRS 1040
Interest and/or Dividends from Savings, Stocks, Bonds, Mutual Funds	IRS Form 1040 or IRS Form 1099(s) or three consecutive bank statements
401K or IRA withdrawals or Annuities	Investment account statement(s), IRS Form 1040 or IRS Form 1099
Capital Gains	Investment account statement(s), IRS Form 1040 or IRS Form 1099
Rental and/or Royalty Income	IRS Form 1040 AND Schedule E for Rental Income
Profit from Self-Employment	IRS Form 1040 and Schedule C
Gambling/Lottery Winnings	Determined on a case-by-case basis
Union Strike Fund Benefits	Two most recent consecutive benefit check stubs
Cash Income (when you have not filed federal or state taxes)	Signed letter detailing type of work, estimated monthly amount of cash payment, employer name and phone number

Georgetown Divide Public Utility District | 2018 Policy Manual

If you or someone in your household receives income from:	You should send in a copy of:
Monetary gifts, none of the examples apply or if you do not receive any income	Signed letter explaining the current source(s) of income used to support your household.

C. Gross Income Limits

- The District will use the most current income limit information from the PG&E Care Program (Updated in May) and/or the CA Department of Housing and Community Development Official State Income Limits for El Dorado County (updated in December) for the extremely low and very low categories. The highest income limit shall apply. As of February 14, 2017, the income limits are:

Number of Persons in Household	Total Gross Annual Household Income
1-2	\$32,480 or less
3	\$40,840 or less
4	\$49,200 or less
5	\$57,560 or less
6	\$65,920 or less
7	\$74,280 or less
8	\$82,640 or less
9	\$91,000 or less
10	\$99,360 or less
Each additional person, add	\$8,360

*Before taxes based on current income sources. Valid through May 31, 2018

D. Discount Amount

- Customers will receive a discount of 25% off the base rate of treated water.
- This will be reviewed by staff annually on or before June 30, beginning in 2018 to determine suitability. Any changes require approval by the Board.

E. Eligibility Renewal

- Renewal information must be received by the District before June 1 annually.
- Participants will be notified by mail to resubmit their eligibility information.

F. Fund Limit and Wait List

- The maximum property tax revenue that will be allocated to this program (fund limit) will be \$35,000 in FY 17/18. Future maximum amounts will be determined as part of the annual budget process.

2. A change to the fund limit can be authorized by action of the Board of Directors.
3. Staff will provide information on projected discount expenses during the quarterly financial reports to the Board.
4. If customer demand exceeds fund limit, a wait list will be created.
5. Customers on the wait list will be enrolled into the program on first come-first served basis as funds become available.
 - i. If a customer has been on the wait list for more than 6 months, they must re-submit income eligibility information.

G. Discount Distribution

1. When the owner and the account holder are the same individual, a monthly bill credit will be issued.
2. When the owner and the account holder are not the same individual or in the case of a shared meter then a written agreement must be signed by the District, owner, and account holder with the following terms:
 - i. District will give monthly bill credit to the account holder
 - ii. If the qualifying household is a tenant who is not the account holder, then the account holder will pass the discount through to the tenant via a reduced utility bill or rent reduction.
 - iii. All discounts must be given to the eligible tenant and not spread across all tenants.
3. Definitions
 - i. Owner- is the legal property owner of a parcel.
 - ii. Account holder- is the name on a treated water account.
 - iii. Tenant- is a leaseholder of a house, apartment, condominium or similar residential dwelling OR the owner of an individual mobile/manufactured home in a mobile home park.

H. Program Acceptance

1. Customers may apply at any time; however, they may be placed on a waitlist based on funding availability.
2. District may require up to 60 days to provide determination of customers income eligibility.
3. Discounts will be distributed as listed in Section 7.
4. For customers described in Section 7 (b), additional time may be required for written agreements before discount can be applied.

I. Marketing and Outreach

1. The District will attempt to reach all eligible customers about the program including:
 - i. Bill Inserts
 - ii. Email, website, email, and social media notification
 - iii. Press releases to local newspapers
 - iv. Creating partnerships to share information
 - v. Brochures at the post office, library, nonprofits and other gathering places
 - vi. Community Presentations

J. Policy Review

1. This policy should be reviewed prior to June 30, 2018 and annually thereafter for consistency with applicable state laws, income levels and discount rates.
2. Staff will provide information on projected discount expenses during the quarterly financial reports to the Board.

RESOLUTION NO. 2018-04

RESOLUTION ADOPTING A LOW-INCOME RATE ASSISTANCE PROGRAM FOR TREATED WATER RATES WITH A SOURCE OF FUNDING OTHER THAN WATER RATES

WHEREAS, the Board of Directors of the Georgetown Divide Public Utility District ("District") desires to provide assistance to low-income customers who are having difficulty paying their treated water bills; and

WHEREAS, the Board desires to fund this program from sources other than water rate revenues; and

WHEREAS, the Low-Income Rate Assistance Program Policy, dated January 9, 2018 was presented to and reviewed by the Board on January 9, 2018.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the attached Low-Income Rate Assistance Program for Treated Water Rates is approved, subject to the amount in each adopted annual budget and as amended by the Board.

PASSED AND ADOPTED on this 9th day of January 2018, by the following vote:

AYES:

NOES:

ABSENT:

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-, 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 9th day of January 2018.

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

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 9, 2018
AGENDA ITEM NO. 7E**



AGENDA SECTION: NEW BUSINESS

SUBJECT: ADOPT A LEGISLATIVE POLICY

PREPARED BY: Christina Cross, Management Analyst

APPROVED BY: Steven Palmer, PE, General Manager

Handwritten initials in blue ink, consisting of two overlapping loops, likely representing the initials of the preparer or approver.

BACKGROUND

Throughout the year, various groups such as Mountain Counties Water Resources Association (MCWRA), Association of California Water Agencies (ACWA), or California Special Districts Association (CSDA) will send out a call to action on a specific bill or issue that significantly impacts the Georgetown Divide Public Utility District (District). Formally letting policymakers aware of the District's position on legislation is necessary to impact policy decisions made by the State.

Frequently, these calls to action request the District to sign or send in a letter when a bill is set to be heard in the legislature; and there is very little time to submit the District's position. Currently when the District needs to take a position on a specific issue, the General Manager asks the Board to officially adopt a position on a case by case basis. This has resulted in the District being unable to formally take a position on issues due to the lead time required to hold a Board meeting and the Board to take formal action.

At previous Board meetings, Directors have indicated a desire to review the current practice and provide the General Manager with some ability to respond to calls to action without case by case Board action.

DISCUSSION

At the Board meeting of November 14, 2017, Staff was directed to set policy principals for the Board's review authorizing the General Manager and a designated Board member to act on legislation and other policy proposals on behalf of the Board based on these principals to allow for timely response.

Attachment 1 is a draft legislative policy prepared based on direction from the previous Board meeting. The policy establishes the following guiding principles:

- Preserve local control

- Promote fiscal stability
- Support funding opportunities

The policy establishes the following procedure for taking a formal position:

- Whenever possible, the full Board of Directors should be given the opportunity to consider and adopt official positions formally before communication through letters or other means are prepared.
- In cases where urgent action is required, or when a Board of Directors meeting will not be held in time for the communication to be effective, communication on behalf of the District may still be sent if the following criteria is met:
 - Timing does not allow for full Board of Directors consideration.
 - The position is consistent with the Guiding Principles adopted as a part of this Policy.
 - The position is consistent with that of organizations to which the District is a member, such as ACWA.
 - The position and correspondence sent are communicated to the Board of Directors as soon as possible.
 - The position and correspondence has been reviewed and approved by the General Manager and the Board designated legislative liaison.

The policy requires that the Board designate one Director as the legislative liaison to review and approve legislative positions with the General Manager.

The policy also states that the District will not participate in, directly or indirectly, or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office.

FISCAL IMPACT

There is no fiscal impact to adopting a legislative policy. Adopting a policy that requires less frequent formal Board action will require less staff effort to prepare staff reports and prepare for Board meetings.

CEQA ASSESSMENT

This action is not a CEQA project.

RECOMMENDED ACTION

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) adopt a resolution approving the Legislative Action Policy and by motion action designate a Director as the legislative liaison.

ATTACHMENTS

1. Proposed Legislative Action Policy
2. Resolution

Georgetown Divide Public Utility District **2018** Policy Manual

POLICY TITLE: Guidelines for Developing Board Position on Proposed Legislation

POLICY NUMBER: 3230

PURPOSE:

The purpose of the policy is to guide District officials and staff in considering legislative or regulatory proposals and to allow for a timely response to legislative issues important to the District, including letters from the President to the Legislature and/or Congress consistent with this policy.

Policy:

The Board of Directors recognizes the need to protect Georgetown Divide Public Utility's interests and local legislative authority and to identify various avenues to implement its strategic goals. It is the policy of the Georgetown Divide Public Utility District to proactively monitor and advocate for legislation as directed by the Guiding Principles and by the specific direction of the Board of Directors.

This Policy includes Board of Directors Guiding Principles and procedures for adopting and communicating official District positions on legislation, regulations, candidates for public office, or grant applications by or to other government bodies and for maintaining positive intergovernmental relations.

Guiding Principles:

Preserve Local Control

Preserve and protect the District's powers, duties and prerogatives to enact legislation and policy direction concerning local affairs, and oppose legislation that preempts local authority. Local agencies should preserve and enhance authority and accountability for revenues raised and services provided.

Promote Fiscal Stability

Support measures that promote fiscal stability, predictability, and financial independence. Support measures that preserve the District's revenue base and local control over local government budgeting, recognizing that economic cost is a determinate in considering the merits and/or impacts of any proposed legislation or regulation.

Oppose measures that make District's more dependent on the County, State or Federal Governments for financial stability, such as mandated costs with no guarantee of local reimbursement or offsetting benefits. Oppose measures that shift local funds to the City, County, State or Federal Governments, without offsetting benefits.

Support Funding Opportunities

Support opportunities that allow the District to compete for its fair share of regional, state and federal funding, and that maintain funding streams. Opportunities may include competitive grant and funding programs. Opportunities could also include dedicated funding streams at the regional, state and federal

levels that allow the District to maximize local revenues, offset and leverage capital expenditures, and maintain District goals and standards.

Advocacy Process and Procedures:

It is the policy of the Georgetown Divide Public Utility District to proactively monitor and advocate for legislation as directed by the Guiding Principles and by the specific direction of the Board of Directors.

This process involves interaction with federal, state and local government entities both in regard to specific items of legislation and to promote positive ongoing intergovernmental relationships. Such ongoing positive relationships are fostered by ongoing participation and involvement by the Board of Directors and District staff in national, state, and regional organizations and through ongoing communications and cooperation with local legislators. Therefore, to the extent practical, involvement in such organizations or efforts is encouraged and supported by the District.

Monitoring legislation is also a shared function of the Board of Directors and District staff. Board Members can request consideration of legislative positions to be placed on the Board Meeting Agenda. District staff is responsible to provide periodic updates on legislative proposals and recommendations for official District positions. In providing the necessary information to the Board of Directors, staff shall include the following:

- A basic summary of the legislation;
- How the legislation may impact the District, including potential fiscal impacts;
- Positions taken by other bodies including the California Special Districts Association (CSDA), Association of California Water Agencies (ACWA), Mountain Counties Water Resources Association (MCWRA), other districts or local agencies, and/or other relevant professional or non-profit organizations; and
- Current status of the legislation.

Whenever possible, the full Board of Directors should be given the opportunity to consider and adopt official positions formally before communication through letters or other means are prepared. The President is authorized to sign letters on behalf of the Board of Directors once an official position is taken. Such communication should be in the form of letters unless other forms have been requested by a legislator or a body to which the District is a member such as the ACWA.

For legislation, positions will generally be communicated initially to the author, the representative(s) of the District to the legislative body, and advocacy organizations to which the District belongs, such as the ACWA. As legislation progresses, further correspondence may be sent to pertinent legislative committee members, other legislators or to the Governor or President without additional action by the Board of Directors. Staff is responsible to provide periodic updates relating to the item once a position has been adopted by the Board of Directors.

Georgetown Divide Public Utility District | 2018 Policy Manual

In cases where urgent action is required, or when a Board of Directors meeting will not be held in time for the communication to be effective, communication on behalf of the District may still be sent if the following criteria is met:

- Timing does not allow for full Board of Directors consideration.
- The position is consistent with the Guiding Principles adopted as a part of this Policy.
- The position is consistent with that of organizations to which the District is a member, such as ACWA.
- The position and correspondence sent are communicated to the Board of Directors as soon as possible.
- The position and correspondence has been reviewed and approved by the General Manager and the Board designated legislative liaison.

In addition to official District positions on legislation, regulations or grant applications, individual District Board Members, the General Manager, and members of the District's Management Team (Department Directors) may take a position on such items and communicate regarding those positions so long as they clearly indicate that the letter reflects their individual position and is not the position of the Georgetown Divide Public Utility District.

In no case shall a member of District staff, in the course of their professional role, take or communicate a position which is contrary to an official position of the District. Copies of any communication from an individual Board Member or District staff member shall be provided to the full Board of Directors for information.

Candidates for Public Office

It is the policy of the Georgetown Divide Public Utility District not to participate in, directly or indirectly, or to intervene in (including by means of the publishing or distributing of statements) any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding these limitations, Georgetown Divide Public Utility District recognizes that individual Board Members and staff may wish to participate in the political process. Therefore, individual Board Members and staff may take a position on behalf of, or in opposition to, any candidate for public office and communicate regarding those positions so long as they clearly indicate that the position reflects their individual position and is not the position of the Georgetown Divide Public Utility District.

RESOLUTION NO. 2018-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
ADOPTING A POLICY FOR DEVELOPING
THE BOARD'S POSITION ON PROPOSED LEGISLATION

WHEREAS, throughout the year, the Georgetown Public Utility District ("District") receives a call to action from various groups such as the Association of California Water Agencies (ACWA), the California Special Districts Association (CSDA), and Mountain Counties Water Resources Association (MCWRA) on legislative and policy issues that could significantly impact the District;

WHEREAS, formally informing policymakers of the District's position on legislation is important and necessary to impact policy decisions made by the State; and

WHEREAS, the District desires to review the current practice and establish a policy for developing the Board's position on proposed legislation and policies to allow for timely and meaningful response to these calls for action; and

WHEREAS, the Legislative Policy, dated January 9, 2018, was presented to and reviewed by the Board on January 9, 2018.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board of Directors of the Georgetown Divide Public Utility District adopts Policy 3230, Action on Proposed Legislation, attached to this Resolution as Exhibit A.

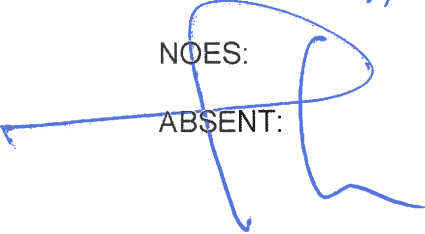
PASSED AND ADOPTED on this 9th day of January 2018, by the following vote:

AYES:

Halpin, Manschild, Souza, Uso, Wadde

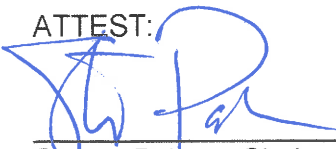
NOES:

ABSENT:



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

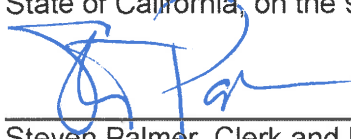
ATTEST:



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 2018-06, 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 9th day of January 2018.



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