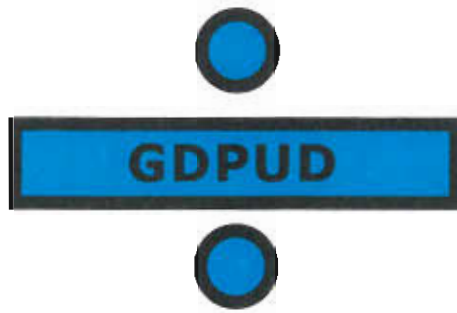


INFORMATIONAL ITEMS



INFORMATIONAL ITEMS

ITEM 6.B.

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF FEBRUARY 11, 2020
AGENDA ITEM NO. 6.B.**



AGENDA SECTION: INFORMATIONAL ITEMS

SUBJECT: GENERAL MANAGER'S REPORT

PREPARED BY: Steven Palmer, PE, General Manager

A handwritten signature in black ink, appearing to be "SP", is written over the name "Steven Palmer".

CAPITAL IMPROVEMENT PROJECT REPORT CARD

Attached, including photos from 2018 Main Canal Reliability project.

Also, please visit the District's interactive Capital Projects storyboard map that is accessed from the Capital Projects page on the website: <https://www.gd-pud.org/projects>

NOTES

Board directed apology: As I stated at the January Board meeting, I apologize for any harm or disrespect that were caused to Director Saunders resulting from distribution of the minutes of the September Board meeting.

UPCOMING BOARD ITEMS

February

- ✓ Notice of Completion for Auburn Lake Trails Water Treatment Plant
- ✓ Final FY18/19 Budget to Actual Report
- ~~Possible Board Goal Workshop~~

March

- Mid-Year Budget to Actual Report
- Personnel Manual Update
- Professional Services Agreement for Public Outreach
- Investment Policy Update (Finance Committee) (Draft Attached)
- Professional Services Agreement for Engineering Evaluation of Community Disposal System Disposal Field
- Prior Year Water Supply and Demand Report
- Construction Contract for Annual Tank Lining Project

Future

- FY20/21 Budget and Five-Year Capital Improvement Plan
- Agreement for Asset Management Plan
- Board Policy Updates
- Capital Facility Charge Update
- Contract for Roof Repair
- District Fee Update

- Professional Services Agreement for Engineering Design of Upcountry Ditch Rehabilitation
- Professional Services Agreement with VTD
- Social Media Policy

CIP PROJECT REPORT CARD
February 11, 2020

	Initial Target	Updated Target	Actual Completion	Notes
Automated Meter Reading and Meter Replacement Project				
<i>Project Manager: Adam Brown</i>				
Preliminary Engineering/Environmental/Funding	6/30/2020			Project in review by State for financing
Right of Way	6/30/2020			Board adopt debt policy and approve financing app
Final Engineering	8/31/2020			
Construction	2/28/2021			
Closeout	4/30/2021			
Reservoir & Stream Gaging				
<i>Project Manager: Adam Brown</i>				
Preliminary Engineering/Environmental/Funding	2/28/2020			Submitting environmental permits
Right of Way	2/28/2020			
Final Engineering	6/30/2020			
Construction	8/31/2020			
Closeout	9/30/2020			
Spanish Dry Diggins Tank Recoating				
<i>Project Manager: Darrell Creeks</i>				
Preliminary Engineering/Environmental/Funding				Bids received
Right of Way	4/30/2020			Award scheduled for Board on March 10, 2020
Final Engineering	4/30/2020		3/10/2020	
Construction	5/31/2020			
Closeout	6/30/2020			

CIP PROJECT REPORT CARD
February 11, 2020

	Initial Target	Updated Target	Actual Completion	Notes
Office and Corporation Yard Building Roof Repairs				
<i>Project Manager: TBD</i>				
Preliminary Engineering/Environmental/Funding				
Right of Way				
Final Engineering	4/30/2020			
Construction	5/31/2020			
Closeout	6/30/2020			
2018 Treated Water Line Replacement				
<i>Project Manager: Steven Palmer/Darrell Creeks</i>				
Preliminary Engineering/Environmental/Funding				Construction complete.
Right of Way			7/11/2019	Release of retention February 2020
Final Engineering			7/11/2019	
Construction	5/31/2020		12/10/2019	
Closeout	6/30/2020	2/28/2020		
2018 Main Canal Reliability				
<i>Project Manager: Steven Palmer</i>				
Preliminary Engineering/Environmental/Funding				Construction complete.
Right of Way				Acceptance scheduled for Board on March 10, 2020
Final Engineering			8/13/2019	
Construction	5/31/2020		3/10/2020	
Closeout	6/30/2020			

CIP PROJECT REPORT CARD
February 11, 2020

Initial Target	Updated Target	Actual Completion	Notes
Rebuild Filter at Walton Lake Treatment Plant			
Project Manager: Darrell Creeks / Coastland			
Preliminary Engineering/Environmental/Funding	4/30/2020		
Right of Way	4/30/2020		
Final Engineering	4/30/2020		
Construction	5/31/2020		
Closeout	6/30/2020		
Install Backup Generator at Office			
Project Manager: Darrell Creeks			
Preliminary Engineering/Environmental/Funding			Contract executed.
Right of Way			Equipment on order
Final Engineering		1/27/2020	
Construction	3/31/2020		
Closeout	4/31/2020		
District Office Parking Lot Rehabilitation			
Project Manager: TBD			
Preliminary Engineering/Environmental/Funding	3/31/2020		
Right of Way	3/31/2020		
Final Engineering	4/30/2020		
Construction	6/30/2020		
Closeout	7/31/2020		

CIP PROJECT REPORT CARD

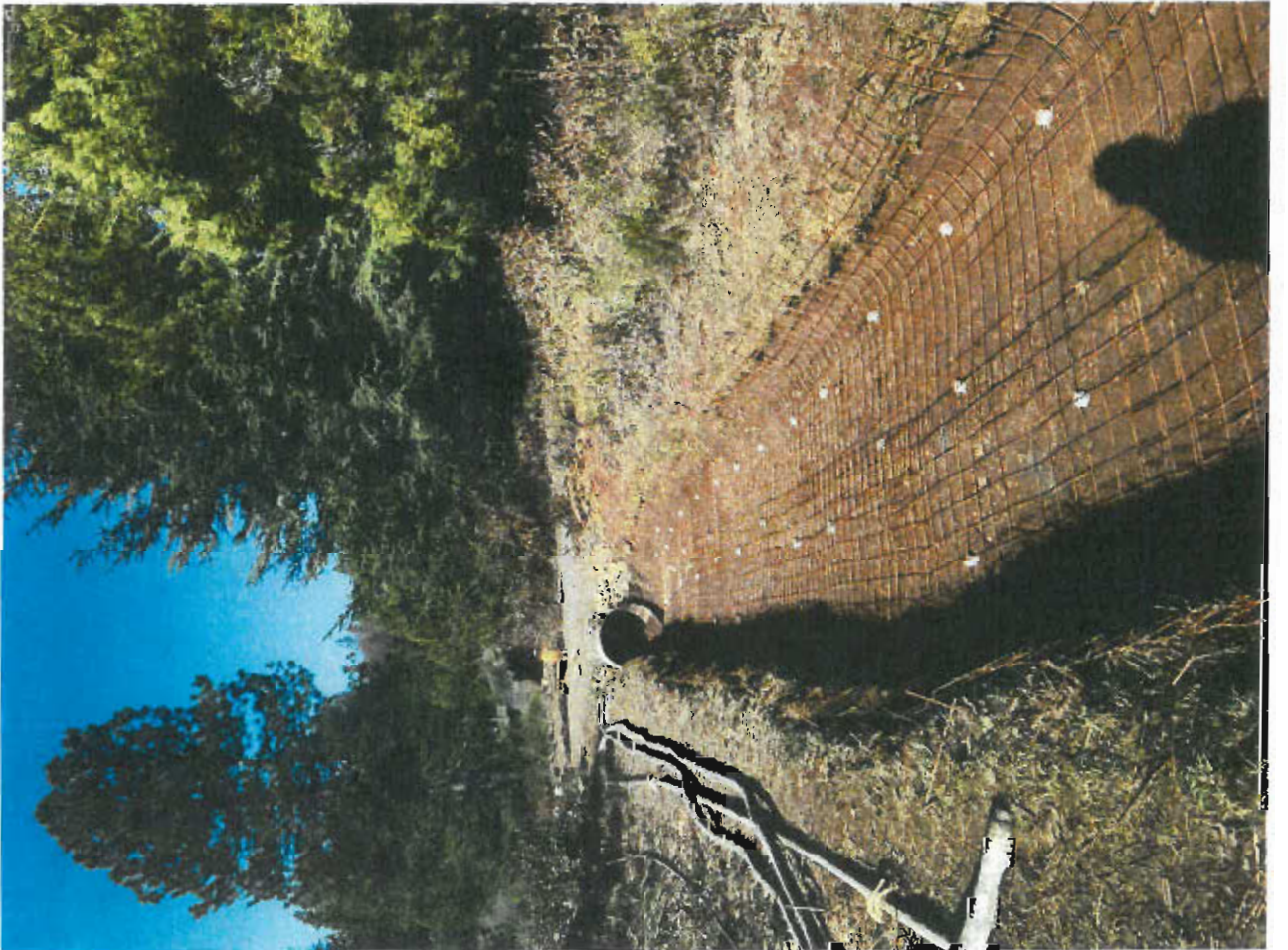
February 11, 2020

	Initial Target	Updated Target	Actual Completion	Notes
2019 Manhole Sealing				
Project Manager: Adam Brown				
Preliminary Engineering/Environmental/Funding				
Right of Way				
Final Engineering				
Construction	5/31/2020	3/31/2020		
Closeout	6/30/2020	4/30/2020		
Upcountry Ditch Rehabilitation				
Project Manager: Adam Brown				
Preliminary Engineering/Environmental/Funding	3/30/2020			Not started pending grant application
Right of Way	6/30/2020			
Final Engineering	6/30/2020			
Construction	6/30/2022			
Closeout	12/31/2022			
Old ALT Water Treatment Plant Demolition				
Project Manager: TBD				
Preliminary Engineering/Environmental/Funding				Not started pending project manager
Right of Way				
Final Engineering	4/30/2020			
Construction	6/30/2020			
Closeout	7/31/2020			

CIP PROJECT REPORT CARD
February 11, 2020

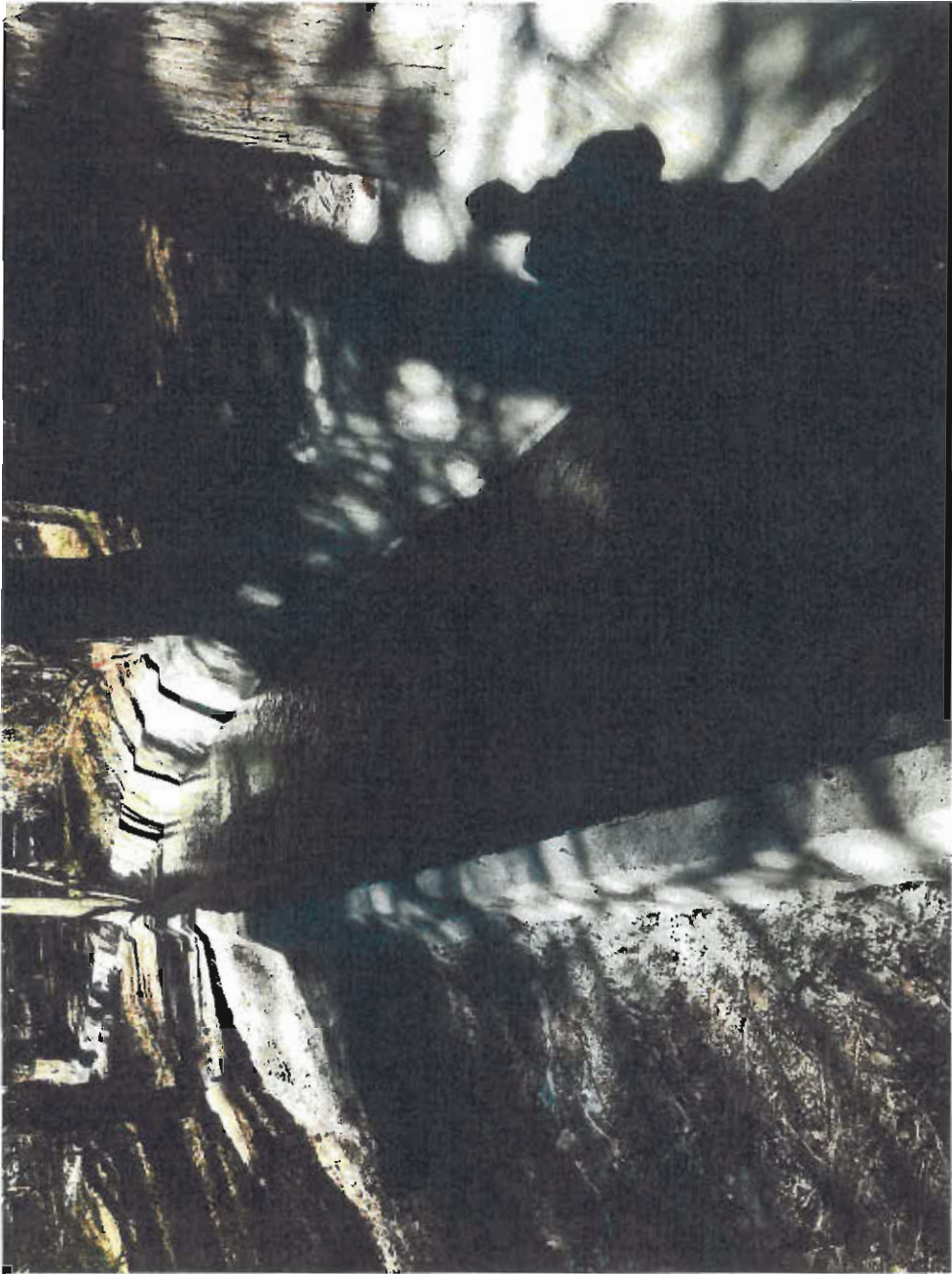
	Initial Target	Updated Target	Actual Completion	Notes
2020 Pump Station Replacement				
<i>Project Manager: TBD</i>				
Preliminary Engineering/Environmental/Funding				Not started pending project manager
Right of Way				
Final Engineering	4/30/2020			
Construction	6/30/2020			
Closeout	7/31/2020			
2020 Canal Lining				
<i>Project Manager: Darrell Creeks</i>				
Preliminary Engineering/Environmental/Funding				Board directed Budget and CIP update required
Right of Way				
Final Engineering	3/31/2020			
Construction	5/1/2020			
Closeout	6/30/2020			













INFORMATIONAL ITEMS

ITEM 6.C.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Operations Manager's Report for January 2020

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

February 11, 2020, AGENDA ITEM #7.C.

Water Production for the Month of

January

Auburn Lake Trails Water Treatment Plant

12.826 million gallons
413,742 gallons/day average

Walton Lake Water Treatment Plant

16.199 million gallons
522,548 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,
- ✓ Distribution system monitoring results showed all samples absent/negative of any bacteriological contamination and adequate levels of disinfection through the system.

Stumpy Meadows Volume (Acre-FT)

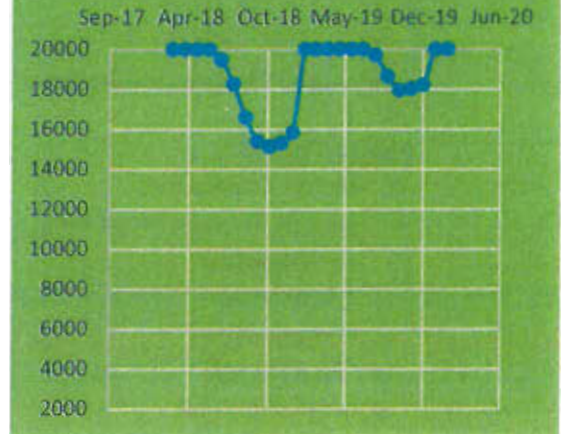


Chart Water Production (MG)



Summary of Field Work Activities

Distribution Crew

- ✓ Repaired leaks: 4 service leaks
- ✓ Repair/replace meters: 0
- ✓ Installed new service: 0 treated
- ✓ Cleared brush from storage tank sites
- ✓ After Hours Callouts: 4
- ✓ Installed check valve and repaired pump at Irish Lane
- ✓ Letters were sent to customers that receive both Irrigation and Treated Water. Our backflow Program requires a backflow device to be installed at their treated water meter. This is all part of the State mandated cross connection prevention Program.

Maintenance Crew

- ✓ Replaced 14 irrigation box services with pipe services
- ✓ Regulated water flow for 2018 Main Canal Reliability Project
- ✓ Cleaning Grizzlies and waste gates
- ✓ Brush clearing around Greenwood Lake

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

ABZ

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Auburn Lake Trails Wastewater Management Zone Report for January 2020

Presented to the GDPUD Board of Directors

February 11, 2020

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

- **Community Disposal System (CDS) Lots - 137**
- **Individual Wastewater Disposal System Lots - 888**

Field Activities

✓ Routine Inspections:	47
✓ Property Transfer Processing:	4
✓ New Inspection	0
○ Homeowner	0
○ Construction	8
○ Plan Review	0
○ Watertight Test	2
✓ Weekly CDS Operational	5
○ New Wastewater System	0
○ New CDS Tank	0
○ New Pump Tank	1 Lot 753

Reporting

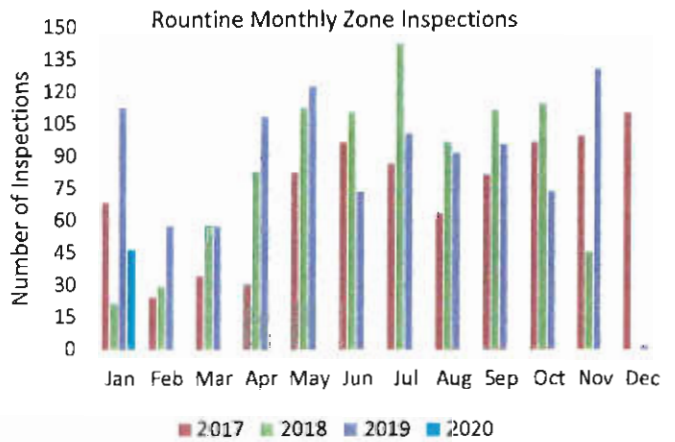
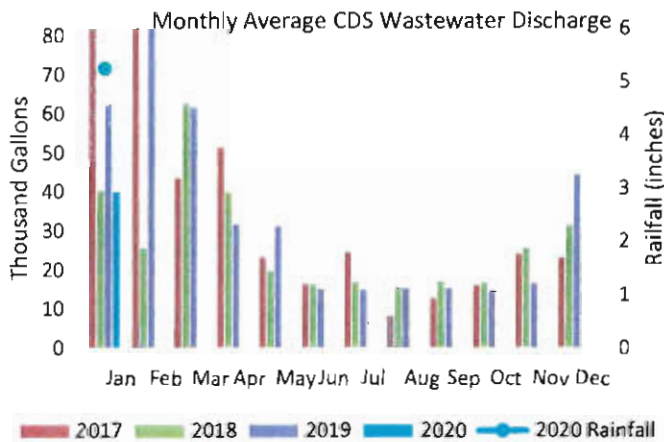
The monthly Sanitary Sewer Overflow (SSO) – *No Spill Certification* was submitted electronically to California Integrated Water Quality System (CIWQS) on February 5, 2020.

CDS – Wastewater Discharge

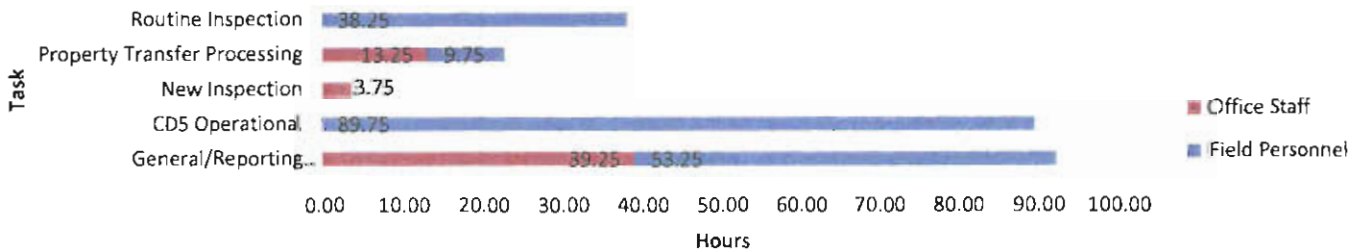
1,240,900 gallons / 40,029 gallon/day average

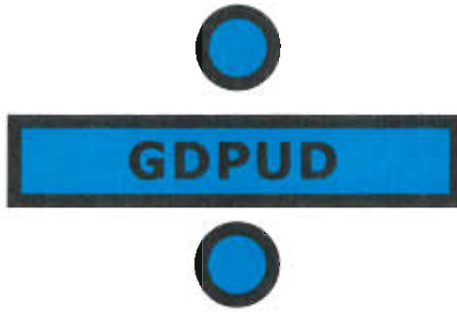
Rainfall

5.26 inches



Monthly Labor Allocation





NEW BUSINESS



NEW BUSINESS

ITEM 7.A.

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF FEBRUARY 11, 2020
AGENDA ITEM NO. 7.A.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: ADOPTION OF DEBT MANAGEMENT POLICY 2140

PREPARED BY: Adam Brown, Water Resources Manger *AB*

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

BACKGROUND

Newly adopted in 2017, Senate Bill 1029 requires that agency seeking financial assistance from the State of California must have a debt policy that complies with Government Code Section 8855(i). The Drinking Water State Revolving Fund (DWSRF) has requested the submittal of a Debt Management Policy (Policy) as part of the Automated Meter Reading and Meter Replacement Project (AMR).

DISCUSSION

Staff adapted the California Special District Association (CSDA) debt policy for the District. The CSDA model and a draft policy for the District are included as Attachments 1 and 2, respectively. Additionally, the El Dorado Irrigation District Policy is included as Attachment 3.

FISCAL IMPACT

There is no fiscal impact resulting from this action.

CEQA ASSESSMENT

This 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 Debt Management Policy 2140.

ATTACHMENTS

1. CSDA Model Policy
2. Debt Management Policy 2140
3. El Dorado Irrigation District Policy
4. Resolution adopting Debt Management Policy 2140

AGENDA ITEM 7.A.

Attachment 1

CSDA Model Policy



POLICY TITLE: Debt Management
POLICY NUMBER: 2155

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt issued by the District. The District hereby recognizes that a fiscally prudent debt policy is required to:

- a) Maintain the District's sound financial position.
- b) Ensure the District has the flexibility to respond to changes in future service priorities, revenues, and operating expenses.
- c) Protect the District's credit-worthiness.
- d) Ensure that all debt is structured to protect current and future taxpayers, ratepayers and constituents of the District.
- e) Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

2155.1. Purposes for Which Debt May Be Issued

2155.1.1 Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District. Long-term debt financings are appropriate:

- a) When a project to be financed is necessary to provide District services.
- b) When the project to be financed will benefit constituents over several years.
- c) When total debt does not constitute an unreasonable burden to the District and its taxpayers or ratepayers.
- d) When the debt is used to refinance outstanding debt to reduce the total cost of the debt or to realize other benefits of a debt restructuring, such as increased flexibility in the use of cash and reserves.

2155.1.1.2 Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions:

- a) The project to be financed must be approved by the District Board.
- b) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- c) The District estimates that sufficient revenues will be available to service the debt through its maturity.
- d) The District determines that the issuance of the debt will comply with the applicable state and federal law.

2155.1.2 Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows to maintain a steady and even cash flow balance as in anticipation of periodic receipts of



property taxes and other revenues. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment consistently with debt limit requirements of article XVI of the California Constitution, article XVI, § 18.

2155.1.3 **Financings on Behalf of Other Entities.** The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with this policy.

2155.2. **Types of Debt -** The following types of debt are allowable under this Debt Policy:

- a) General obligation bonds (GO Bonds)
- b) Bond or grant anticipation notes (BANs)
- c) Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- d) Other revenue bonds and COPs
- e) Tax and other revenue anticipation notes (TRANS)
- f) Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- g) Tax increment financing to the extent permitted under State law
- h) Refunding Obligations
- i) State Revolving Loan Funds
- j) Lines of Credit

2155.2.1 The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

2155.3. **Relationship of Debt to Capital Improvement Program and Budget**

2155.3.1 The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and capital improvement plan.

2155.3.2 The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues ("pay as you go"). The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.



2155.3.3 The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

2155.4. Policy Goals Related to Planning Goals and Objectives

2155.4.1 The District is committed to long-term financial planning, maintaining appropriate reserves and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budgets.

2155.4.2 It is a policy goal of the District to protect taxpayers, ratepayers and constituents by using conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical total borrowing costs.

2155.4.3 The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

2155.4.4 When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings approximately 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than any escrow fund negative arbitrage. The cost of refinancing will always be less than the savings.

2155.4.5 The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to temporarily reduce annual budgetary expenditures. Capital investments intended to reduce District operating costs indefinitely, as by improving the efficiency of its operations, are appropriate for long-term debt.

2155.4.6 The District shall seek to time debt issues to avoid need for unplanned general fund expenditures for capital improvements or equipment.

2155.5. Internal Control Procedures

2155.5.1 When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:



-
- a) Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12.
 - b) Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
 - c) The District's investment policies as they relate to the use and investment of bond proceeds.

2155.5.2 Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the Finance Director of the District (or his or her written designee), or (b) by the District, to be held and accounted for in a separate fund or account to ensure debt proceeds are expended only for the purposes for which the debt was issued, the expenditure of which will be carefully documented by the District in records compliance with current accounting standards and subject to the District's annual audit.

AGENDA ITEM 7.A.

Attachment 2

Debt Management Policy 2140

POLICY TITLE: Debt Management Policy

POLICY NUMBER: 2140

This Debt Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt issued by the District. The District hereby recognizes that a fiscally prudent debt policy is required to:

- a) Maintain the District's sound financial position.
- b) Ensure the District has the flexibility to respond to changes in future service priorities, revenues, and operating expenses.
- c) Protect the District's credit-worthiness.
- d) Ensure that all debt is structured to protect current and future taxpayers, ratepayers and constituents of the District.
- e) Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

2140.1 Purposes for Which Debt May Be Issued

2140.1.1 Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District. Long-term debt financings are appropriate:

- a) When a project to be financed is necessary to provide District services.
- b) When the project to be financed will benefit constituents over several years.
- c) When total debt does not constitute an unreasonable burden to the District and its taxpayers or ratepayers.
- d) When the debt is used to refinance outstanding debt to reduce the total cost of the debt or to realize other benefits of a debt restructuring, such as increased flexibility in the use of cash and reserves.

2140.1.1.2 Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions:

- a) The project to be financed must be approved by the District Board.
- b) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- c) The District estimates that sufficient revenues will be available to service the debt through its maturity.
- d) The District determines that the issuance of the debt will comply with the applicable state and federal law.

2155.1.2 Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows to maintain a steady and even cash flow balance as in anticipation

of periodic receipts of property taxes and other revenues. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment consistently with debt limit requirements of article XVI of the California Constitution, article XVI, § 18.

2155.1.3 Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with this policy.

2140.2 Types of Debt – The following types of debt are allowable under the Debt Policy

- a) General obligation bonds (GO Bonds)
- b) Bond or grant anticipation notes (BANs)
- c) Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
- d) Other revenue bonds and COPs
- e) Tax and other revenue anticipation notes (TRANs)
- f) Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- g) Tax increment financing to the extent permitted under State law
- h) Refunding Obligations
- i) State Revolving Loan Funds
- j) Lines of Credit

2155.2.1 The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

2140.3. Relationship of Debt to Capital Improvement Program and Budget

2140.3.1 The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District’s capital budget and capital improvement plan.

2140.3.2 The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues (“pay as you go”). The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

- 2140.3.3** The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

2140.4. Policy Goals Related to Planning Goals and Objectives

- 2140.4.1** The District is committed to long-term financial planning, maintaining appropriate reserves and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budgets.
- 2140.4.2** It is a policy goal of the District to protect taxpayers, ratepayers and constituents by using conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical total borrowing costs.
- 2140.4.3** The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.
- 2140.4.4** When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings approximately 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than any escrow fund negative arbitrage. The cost of refinancing will always be less than the savings.
- 2140.4.5** The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to temporarily reduce annual budgetary expenditures. Capital investments intended to reduce District operating costs indefinitely, as by improving the efficiency of its operations, are appropriate for long-term debt.
- 2140.4.6** The District shall seek to time debt issues to avoid need for unplanned general fund expenditures for capital improvements or equipment.

2140.5. Internal Control Procedures

- 2155.5.1** When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:

- a) Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12.
- b) Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
- c) The District's investment policies as they relate to the use and investment of bond proceeds.

2155.5.2 Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the Finance Director of the District (or his or her written designee), or (b) by the District, to be held and accounted for in a separate fund or account to ensure debt proceeds are expended only for the purposes for which the debt was issued, the expenditure of which will be carefully documented by the District in records compliance with current accounting standards and subject to the District's annual audit.

AGENDA ITEM 7.A.

Attachment 3

El Dorado Irrigation District Policy



AR 3065 Debt Policy

Adopted: July 14, 2017

Scope and Application

This Debt Policy established by and for the Finance Department, pertains to financings under the jurisdiction of the El Dorado Irrigation District Finance Department. This Administrative Regulation is intended to guide the Finance Department in its debt issuance in the course of its customary practices. From time to time, certain circumstances arise which could cause the Finance Department to deviate from the policies herein.

This Administrative Regulation and any subsequent amendments hereto shall be on file with the Finance Department and shall be contained on the District's website.

Mission of the Finance Department for Debt

The Finance Department shall issue and manage long-term financings for capital improvements by balancing market and credit risk with satisfactory economic benefits and proper fiscal controls. To achieve the mission goals, the Finance Department shall adhere to the following:

I. Debt Management Objectives

- The Finance Department shall maintain cost-effective access to the capital markets through prudent policies.
- The Finance Department shall maintain moderate debt and debt service payments with effective planning.
- The Finance Department shall meet significant capital demands through debt financing and alternate financing.
- The Finance Department shall achieve the highest possible credit ratings within the context of the District's capital needs and financing capabilities.

II. Types and Purposes of Debt

The Finance Department may utilize several types of municipal debt obligations to finance long-term capital projects. Long-term debt is only issued to finance the acquisition and/or construction of capital improvements. Long-term debt financing shall never be used to fund operating or maintenance costs.

General Obligation Bonds-General Obligation Bonds may only be issued with two-thirds approval of a popular vote. The California State Constitution (Article XVI, Section 18) limits the use of the proceeds from GO Bonds to “the acquisition or improvement of real property.”

Pension Obligation Bonds-Pension Obligation Bonds can be issued to finance all or part of the unfunded pension liabilities of the District. Typically, these bonds are issued at a lower rate of return than what is being paid to CalPERS, and in this way, provide an economic benefit to the District.

Enterprise Revenue Bonds-Enterprise Revenue Bonds finance long-lived assets for one of the revenue producing utilities, and are payable from revenue sources within that utility.

Financing Leases-The District may finance a capital asset by leasing it directly from the vendor or leasing company, with the lessor receiving a portion of each rental payment as tax-exempt interest.

Refunding Obligations-Pursuant to the Government Code and various other financing statutes applicable in particular situations, the Board of Directors is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the District. Absent any significant non-economic factors, a refunding should produce minimum net debt service savings (net of reserve fund earnings and other offsets) of at least 3% of the par value of the refunded bonds on a net present value basis, using the refunding issue’s True Interest Cost (TIC) as the discount rate, unless the Finance Director determines that a lower savings percentage is acceptable for issues or maturities with short maturity dates.

Other Obligations-There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to state and federal loan programs and bond anticipation notes.

III. Debt Approval Procedures

A. Reviewed by the Board of Directors-All long-term financing proposed transactions for capital improvements shall be reviewed and approved by the Board of Directors. For matters related to the Board’s approval process, “long-term financing” means financing, which constitutes an obligation beyond one fiscal year.

1. Proposed transactions submitted for Board of Director approval should be reviewed prior to submission by the Finance Director, General Manager and General Counsel.
2. Upon approval by the Finance Director, General Manager and General Counsel, the proposed transaction shall then be presented to the full Board of Directors.

B. Approval by the Board of Directors-All long-term financing transactions shall be approved and adopted by the Board. The Board shall comply with all public hearing requirements applicable to the specific type of bond being approved, if any.

IV. Debt Limitations

There is no statutory restriction on the amount of bonds that can be outstanding at any given time. However, it is the policy of the District that annual operating revenue, excluding Facility Capacity Charges (FCCs), must equal or exceed total annual operating expenses plus annual debt service payments. Each proposed financing will be individually assessed by the Finance Department and subject to the approval policies contained herein.

Any debt secured by revenues of a utility shall maintain a coverage ratio equal to 125% of net revenues of the utility by bond covenant but, as stated in AR 3012, the goal is to maintain 1.7 to 2.0 debt coverage with FCCs; and maintain a 1.25 debt coverage ratio without FCCs

V. Methods of Sale

The Finance Director shall review each transaction on a case-by-case basis to determine the most appropriate method of sale.

A. Competitive Sale-In a competitive sale, bids for the purchase of the bonds are opened at a specified place and time and are awarded to the underwriter (or syndicate) whose conforming bid represents the lowest true interest cost to the District (TIC). The District may take bids in person, by facsimile, or by electronic means.

1. Bond sales shall be advertised as broadly as possible, including advertising in an industry newspaper. The financial advisors for each transaction shall undertake to market the bonds to prospective bidders and investors as relevant.
2. Terms of the bonds shall be amendable as late as possible and ideally until at least 1:00 p.m. Pacific Standard Time (PST) the day prior to the day bids are to be received.
3. Bond sales shall be cancelable at any time prior to the time bids are to be received.
4. Upon award to the bidder whose conforming bid represents the lowest true interest cost, the District may restructure the bonds in accordance with the Official Notice of Sale.
 - i. The District shall reserve the unfettered right to reject all bids or waive bid irregularities.
 - ii. The Finance Director, or his designee, shall award any bonds sold via competitive sale.

B. Negotiated Sale-In a negotiated sale, the District chooses the initial buyer of the bonds in advance of the sale date. The initial buyer is usually an investment banking firm, or a syndicate of investment banking firms interested in reoffering the bonds to investors through an underwriting process. This type of sale allows the District to discuss different financing techniques with the underwriter in advance of the sale date.

C. Private Placement-Also referred to as a direct placement; private placement is a variation of a negotiated sale. Instead of retaining the services of an investment banking firm to underwrite the

securities, the District will sell the bonds directly to a limited number of investors. The District may use a placement agent to assist it in identifying likely investors.

VI. Debt Structuring Practices

- A. Standard Terms**-The following terms shall be applied to the District's transactions as appropriate. Individual terms may change as dictated by the marketplace or the unique qualities of the transaction.

1. All Bonds

- i. Term - 30 years is standard, but up to 35 years may be acceptable, depending on cash flow assumptions, construction timeline, and remaining useful life of the asset being financed.
- ii. Maximum Yield not to exceed 12% for tax-exempt financings.
- iii. Maximum Premium case-by-case, as recommended by the District's Financial Advisor.
- iv. Maximum Discount case-by-case, as recommended by the District's Financial Advisor.
- v. Payment Dates Fixed after considering cash flow needs, the Finance Director will determine the occurrence of all new debt service payments.
- vi. Coupons fixed rate or variable rate.
- vii. Call Provisions shortest possible optional call consistent with optimal pricing.
- viii. Structure of Debt prefer level debt service, but shall be determined on a case-by-case basis, at the discretion of the Finance Director working with the Financial Advisor.
- ix. Debt Service Reserve lesser of 10% principal amount, 125% average annual debt service, 100% maximum annual debt service or surety bond.
- x. Capitalized Interest sized through substantial completion plus a minimum of six months unless other assets are available to be pledged or otherwise limited under Federal Tax Law. Liquidated damages of construction contract must include amount of daily debt service.
- xi. Net Funding the project and capitalized interest funds may be net funded if investments are secured upon issuance of bonds.
- xii. Reimbursement Resolution must be adopted by the District Council if the project hard costs are paid prior to the bond sale.
- xiii. Good Faith Deposit determined on a case-by-case basis by the Finance Director.

2. Variable Rate Bonds-The District may elect to issue any bonds as variable rate bonds, which are broadly defined to mean daily, weekly, monthly, semi-annual or auction rate.

- i. Purpose reduction of net borrowing cost; match of assets and liabilities.
- ii. Max Portfolio Allocation no more than 20% of the District's outstanding debt portfolio shall be in un-hedged short-term paper consistent with policies for underlying debt types.
- iii. Term consistent with policies for underlying debt types.
- iv. Maximum Yield not to exceed 12%.
- v. Monitoring-the Finance Department shall monitor all variable rate bonds on a monthly basis and shall determine, from time to time, whether to change modes and/or replace a broker/dealer or remarketing agent.
- vi. Budgeting-the Finance Department will recommend that annual debt service on any variable rate bonds be budgeted at 1.5 times the rolling 3-year average of the Bond Market Association index, or another relevant index of time frame.
- viii. Liquidity a liquidity facility shall be obtained, either externally or internally, for all short-term indebtedness containing a put feature.
- ix. All bonds issued as variable rate bonds shall be issued as "multi-modal" bonds.
- x. Good Faith Deposit determined on a case-by-case basis by the Finance Director.
- xi. Budgeting Debt Service budget shall be 3-year BMA rolling average times 1.5 as well as ongoing fees associated with floating rate bonds.

VII. Derivatives Policy

Derivative products and other financial instruments can be beneficial interest rate management tools that can assist the District as part of its overall debt and investment management program, but need to be monitored very closely. Derivative products may be used by the District to reduce risk exposures or reduce interest costs, but may not be used for speculative purposes.

VIII. Permitted Investments

All investments of bond proceeds shall adhere to the District's Investment Policy, approved periodically by the Board of Directors, as outlined in Appendix A. With the exception of guaranteed investment contracts, investments shall not allow security types or credit standards less than those of the District's Investment Policy.

1. El Dorado Irrigation District Investment Policy: attached hereto as Appendix A.
2. Investment Agreements (IAs)

- i. Purpose (a) maximize interest earnings, thereby reducing net borrowing cost, (b) match of assets and liabilities and/or (c) hedging.
- ii. Counterparty minimum rating of AA- from S&P or Aa3 from Moody's.
- iii. Mandatory Termination limited to credit-related events and non- payment.
- iv. Cure Provisions - timelines on District's obligations to cure must provide for appropriate legislative action.
- v. District's Priority of Payment termination payments -- subordinate to related debt payments.
- vi. Procurement/Award – award based on best bid as defined in bid form after limited negotiation of terms.
- vii. Term not in excess of the term of the bonds.

IX. Professional Assistance

A. Financial Advisors The District shall utilize the services of independent financial advisor(s) on debt financing when deemed prudent by the Finance Director. The District may utilize an RFP-selected pool of such financial advisors to mitigate time constraints and reduce overhead costs of the District in procuring such services. Services shall be documented by contract and payment shall be capped.

B. Underwriters In the case of a competitive sale, the District will award the bonds to the underwriting firm whose bid results in the lowest True Interest Cost. In the case of a negotiated sale, the Finance Director will determine the best method of selection, taking into consideration all factors involved in each particular sale.

C. Bond Counsel The Finance Department, in consultation with General Counsel, shall select bond counsel for each transaction.

D. Broker-Dealers and Remarketing Agents For all variable rate bonds, the Finance Director shall select broker-dealers or remarketing agents for each transaction. The District shall monitor performance on a monthly basis. The District may replace a remarketing agent or broker-dealer with notice at any time.

E. Trustees Selected for each transaction by RFP, unless use of current trustee is deemed practical by the Finance Director. The Trustee (or applicable holding company) shall have total assets under management of a minimum of \$50 million and be subject to supervision or examination by federal or state authority.

F. Rebate Consultant Selected by RFP for all bonds unless use of current consultant is deemed practical by the Finance Director.

G. Financial Printer Selected by underwriter.

H. Auction Agents Selected for each relevant issue by RFP issued by the Finance Department or its agent and subject to negotiation of terms.

I. Liquidity Providers Selected for each relevant issue by RFP issued by the Finance Department or its agent and subject to negotiation of terms.

J. Investment Agreement Counterparties Selected by bid in compliance with Federal Tax Law Requirements in accordance with relevant bond documents and the District's Investment Policy.

1. In general, uncollateralized Investment Agreements shall be executed with counterparties rated at least AAA with collateral required upon downgrade below AAA.

2. Repurchase Agreements or Forward Delivery Agreements shall be executed with counterparties rated at least AA (by at least one of the major rating agencies) with downgrade provisions requiring assignment or collateral should the rating fall below A- or A3 by Standard and Poor's or Moody's Investor Services respectively.

X. Ongoing Debt Administration

A. Continuing Disclosure It is the goal of the Finance Department to be as transparent as possible.

1. **Annual Report.** The District will covenant to provide its annual disclosure report no later than 270 days following the end of the fiscal year. However, the District will use its best efforts to issue the Annual Report as soon as practical following the issuance of the District's annual Comprehensive Annual Financial Report (CAFR). The District shall use its best efforts to issue the Annual Report electronically and to post the Annual Report on its website.

2. **Material Event.** The District will issue a material event notice in accordance with the provisions of SEC Rule 15c2-12. Prior to the issuance of any material event, the Finance Director will discuss with the General Manager and General Counsel and outside professionals as appropriate the materiality of any event and the process for equal, timely, and appropriate disclosure to the marketplace.

Upon recommendation of the Finance Director, the District may retain a firm to assist it in maintaining compliance with all continuing disclosure requirements.

B. Arbitrage Rebate Compliance

The District shall calculate arbitrage annually in each year that the related construction fund (or equivalent) has had an outstanding balance. Thereafter, the District shall calculate arbitrage on the fifth anniversary of the bond issuance in accordance with IRS recommended practices. Upon recommendation of the Finance Director, the District may retain a firm to assist it in maintaining the Arbitrage Rate Compliance.

C. Insurance Certifications

The District (through its Risk Manager) shall provide annual insurance certification to the Trustee and Bond Insurer, if required under the legal documents for each issue.

D. Ratings

The policy of the Finance Department is to secure underlying ratings on all newly issued obligations from at least two national rating agencies.

- 1. Annual Update** The Finance Department shall update each rating agency that rates District debt issues at least annually unless such update is declined by the respective rating agency.
- 2. Reporting** The Finance Department shall ensure prompt delivery of the Annual CAFR to each of the rating agencies following adoption by the Board of Directors.
- 3. Other Reporting** Certificates of Substantial Completion on projects financed with long-term obligations shall be delivered to the rating agencies and Bond Insurer, as relevant.
- 4. Districtwide Ratings Notification** Any changes in ratings will be promptly noticed to the Board.

AGENDA ITEM 7.A.

Attachment 4

Resolution

RESOLUTION NO. 2020-XX
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
ADOPTING DEBT MANAGEMENT POLICY 5140

WHEREAS, at the Drinking Water State Resolving Fund has requested the submittal of a Debt Management Policy as part of the Automated Meter Reading and Meter Replacement Project; and

WHEREAS, Debt Management Policy 2140 was prepared in accordance with Government Code Section 8855(i); and

WHEREAS, the purpose is to govern debt issued by the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT the Debt Management Policy included in Exhibit A is hereby adopted.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 11th day of February 2020, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

David Souza, President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

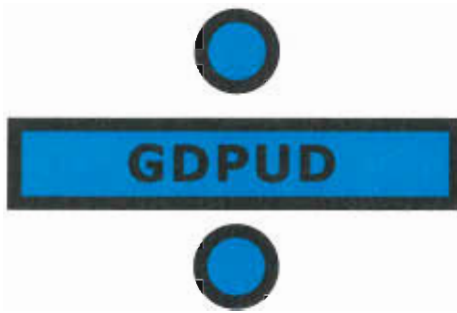
Attest:

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 2020-XX duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this 11th day of February 2020.

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



NEW BUSINESS

ITEM 7.B.

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF February 11, 2020
AGENDA ITEM NO. 7.B.**



AGENDA SECTION: NEW BUSINESS

**SUBJECT: APPROVE AMENDMENTS TO FISCAL YEAR 2019/2020
OPERATING BUDGET AND FIVE YEAR CAPITAL
IMPROVEMENT PLAN RESULTING FROM PREVIOUS BOARD
APPROVALS**

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager

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

BACKGROUND

There have been three recent capital expense related activities that the Board has approved and then directed the General Manager to formally revise the Fiscal Year 2019/2020 Operating Budget and Five Year Capital Improvement Plan accordingly. The Board also directed the General Manager to present these changes to the Finance Committee for comment prior to Board consideration. Additionally, as reported in Agenda Item 8.B from this meeting's agenda, the cost to install a backup generator at the District office is projected to exceed the amount currently budgeted.

The three expenses already approved by the Board are:

1. 2018 Main Canal Reliability Project Construction Cost Increase

At the October 8, 2019 Board meeting, the Board adopted Resolution 2019-60 awarding the construction contract, approving an increase in the contribution from Fund 39 Capital Facility Charge from \$345,000 to \$953,451, and adding a contribution of \$84,017 from Fund 43 Capital Reserves. The staff report and resolution are included as Attachment 1.

2. ALT (Sweet) Water Treatment Plant Project Construction Cost Increase

After a Special Closed Session meeting held by the District Board on October 28, 2019, the Board President reported that the Board directed staff to resolve a dispute by issuing a change order to Myers for \$400,000 as payment for delay. As reported in the staff report on November 12, 2019 (Attachment 2), the change order planned to be funded from a combination of remaining funds within the overall project budget, estimated at \$300,000, together with the need for a budget transfer, estimated at \$100,000, from capital reserves. Since that Board meeting progress has been made in the closure of several construction related items. This has resulted in the processing of additional change orders for work that received prior authorization and is now complete. It is estimated that an additional \$20,000 will be needed to fund

these change orders, increasing the budget transfer to \$120,000. This information was presented to the Finance Committee at their meeting.

3. 2018 Treated Water Line Replacement Project Completion Under Budget

As reported at the December 10, 2019 Board meeting, the 2018 Water Line Replacement Project was completed under budget. The Project was completed for \$36,398 less than budgeted.

The fourth capital project related activity is the cost increase for the office backup generator. This activity is described and presented for Board action under Item 8.B in today's agenda.

All four of these items were presented to the Finance Committee for their review and comment at their meeting on December 18, 2019. The Finance Committee accepted the staff recommended changes to the capital improvement plan and budget documents.

DISCUSSION

Attachment 3 is the budget change request form reflecting the four recent capital expenses.

Attachment 4 shows the changes to the Fiscal Year 2019/2020 Operating Budget document related to these expenses. The first two pages of Attachment 4 show the Fund Summary (pages 3 and 4 from the Fiscal Year 2019/2020 Operating Budget. The next two pages of Attachment 4 show the Fund Summary with the previously Board approved budget amendment from August 13, 2019 (Resolution 2019-49, Attachment 5) and as revised by these Board actions. The impact on the Fiscal Year 2019/2020 Operating Budget is:

1. Increase expenditure from Fund 43 Capital Reserve from \$905,185 to \$1,147,202.
2. Increase expenditure from Fund 39 Capital Facility Charges from \$862,500 to \$1,404,553.

These changes are to funds designated for capital projects and do not affect the general fund operating budget.

Attachments 6 and 7 show the changes to the adopted 2019-2024 Capital Improvement Plan (CIP). Attachment 6 demonstrate the proposed changes to the project summary sheets for each project affected by the increased project costs. These project summary sheets demonstrate the impact to both schedule and budget. Included in Attachment 5 are the project summary sheets as adopted, and the proposed revision. The changes proposed are:

1. 2018 Main Canal Reliability Project

- a. In Fiscal Year 2019/2020, increase funding by \$114,017 from Capital Reserve Fund 43 and \$315,000 from Capital Facility Charge Fund 39; which increases total project cost to \$1,037,468. In the presentation to the Finance Committee, the General Manager presented a recommendation that increased the funding from Capital Reserve Fund 43 and decreased the funding from Capital Facility

Charge Fund 39 by \$30,000 from the Board action. This was an attempt to maintain a minimum balance of close to \$100,000 in the Capital Facility Charge Fund 39. The Board may elect not to approve this change.

2. ALT Treatment Plant Project

- a. In Fiscal Year 2019/2020, increase funding by \$120,000 from Capital Reserve Fund 43.

3. 2018 Treated Water Line Replacement Project

- a. In Fiscal Year 2019/2020, decrease funding by \$36,398 from Capital Facility Charge Fund 39; which decreases the Project cost to \$343,102.
- b. In Fiscal Year 2021/2022, reduce funding from Capital Facility Charge Fund 39 by \$360,352 and increase funding from Capital Reserve Fund 43 by the same amount; thereby shifting a portion of the funding for this year from Fund 39 to Fund 43.

4. Upcountry Ditch Reliability Project

- a. In Fiscal Year 2020/2021, reduce funding from Capital Facility Charge Fund 39 to zero dollars and increase funding from Capital Reserve Fund 43 to make up the difference, thereby shifting a portion of the funding for this year from Fund 39 to Fund 43.
- b. Increase project cost and funding from Capital Reserve Fund 43 by \$120,000 to \$1,311,000, split evenly between Fiscal Year 2020/2021 and 2021/2022, as described in the September 10, 2019 staff report for the WaterSMARTS Grant Application. The District has submitted a grant application that would fund 50% of the total project cost. If successful, this new funding would be reflected in the next iteration of the CIP.

5. Install Backup Generator at the Office

- a. In Fiscal Year 2019/2020, increase funding from Capital Reserve Fund 43 from \$22,000 to \$29,575.

Attachment 7 provides the funding source chart and capital reserve balance graphs from the CIP, as adopted and as revised by these capital activities. The following changes in projected funding source and project capital reserve balances are illustrated:

1. Increase Capital Reserve Fund 43 Expenditures to \$5,214,900 over five years.
2. Decrease Capital Facility Charge Fund 49 Expenditures to \$1,441,000 over five years.
3. Reduce project capital reserve fund balance from a low of \$1,896,600 to a low of \$769,700 in Fiscal Year 2021/202. This does not include unrestricted designated Stumpy Meadows Emergency Reserve Fund, SMUD Fund, and Hydroelectric Fund balances. The Board has designated these funds for other purposes.

FISCAL IMPACT

Fiscal Year 2019/2020 impacts:

- Increase expenditure from Fund 43 Capital Reserve from \$905,185 to \$1,147,202.
- Increase expenditure from Fund 39 Capital Facility Charges from \$862,500 to \$1,404,553.

Five Year CIP impacts:

- Increase Capital Reserve Fund 43 Expenditures to \$5,214,900 over five years.
- Decrease Capital Facility Charge Fund 49 Expenditures to \$1,441,000 over five years.
- Reduce project capital reserve fund balance from a low of \$1,896,600 to a low of \$769,700 in Fiscal Year 2021/2022; excluding designated Stumpy Meadows Emergency Reserve Fund, SMUD Fund, and Hydroelectric Fund.

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 the attached Resolution approving the amendments to the budget and CIP.

ALTERNATIVES

Alternatively, the Board may direct staff to make other changes to the budget and/or CIP.

ATTACHMENTS

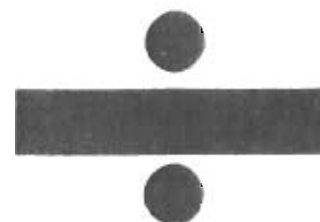
1. October 8, 2019 Staff Report
2. November 12, 2019 Staff Report
3. Budget Change Request Form
4. Fiscal Year 2019/2020 Operating Budget Changes
5. Resolution 2019-49
6. Capital Improvement Plan Project Summary Sheets
7. Capital Improvement Plan Charts
8. FY 19/20 Operating Budget Presentation
9. Resolution

AGENDA ITEM 7.B.

Attachment 1

October 8, 2019 Staff Report

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF October 8, 2019
AGENDA ITEM NO. 7.B**



AGENDA SECTION: NEW BUSINESS

**SUBJECT: AWARD CONSTRUCTION CONTRACT WITH BOSCO
CONSTRUCTORS, INC. IN THE AMOUNT OF \$840,756.68 FOR
2018 MAIN CANAL RELIABILITY PROJECT**

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager

BACKGROUND

The 2018 Main Canal Reliability is planned for in Fiscal Year 2019/2020 in the Board adopted Five Year Capital Improvement Plan (CIP). Completion of this Project supports Fiscal Year 2019/2020 Board of Directors Goal B – “Address Immediate Infrastructure Needs and Begin Long Term Planning,” Objective B-1 – “Repair/Replace a few key facilities that are prone to failure.”

The 2018 Main Canal Reliability Project will line a portion of the Main Canal identified as a priority segment in the 2002 Water System Reliability Study by KASL Engineering Consultants. This section of the Main Canal delivers raw water to the Auburn Lake Trails Water Treatment Plant and irrigation water customers. It is an earthen canal that is prone to erosion and leakage.

The project information sheet from the Capital Improvement Plan, including a site location map, is included as Attachment 1.

On November 13, 2018, the Board approved a professional services agreement with Bennett Engineering Services, Inc. (Bennett) for engineering services for this Project. The design work was complete and the board authorized the project for bid on August 13, 2019.

DISCUSSION

On August 14, 2019 the District released a request for bids for the project. Five (5) potential bidders attended the mandatory pre-construction meeting on September 5, 2019 and made a visit to the Project location.

The plans and bid schedule identify three sections to be lined. The bid documents are structured so the Board can award a construction contract for Section 1 and add Sections 2 and/or 3. The sections are based on logical beginning and ending points for the work. Section 1 consists of 1,655 linear feet, Section 2 is 688 linear feet, and Section 3 is 830 linear feet. An exhibit showing the sections is included as Attachment 2.

On September 17, 2019 the District received one (1) completed bid proposals with a total bid price of \$840,756.68. The bid was broken down into Base Bid (Section 1) in the amount of \$474,007.73, Alternate Bid #1 (Section 2) in the amount of \$173,502.75, and Alternate Bid #2 (Section 3) in the amount of \$193,246.20. The bids were opened publicly at the appointed time and location. The bid summary sheet as recorded at the public bid opening is attached as Attachment 3.

Bosco's bid proposal included all the required forms, and Staff verified that they have a valid Contractor's license as required by the Project specifications.

The total bid price exceeds the engineer's estimate of \$267,800, and exceeds the amount programmed in the CIP for this Project. The General Manager and the design engineer, Bennett Engineering, reviewed the bid results and determined the reason is that the unit price bid per cubic yard of gunite is 1.5 times the unit price that the District received from the same contractor for the District's most recent canal lining Project (Water Conservation, Supply Reliability, and Environmental Protection Project, aka CABY).

The construction project is planned to be completed by April 1, 2020. Staff recommends that the General Manager have "change order" authority in an amount not to exceed 10% of the contract amount. This will eliminate the need to return to the Board of Directors for minor changes to the project allowing for a timely completion of the project.

Once the Board takes action to award the contract, Staff will send the Contractor a Notice of Award, and the Contractor will execute the agreement and supply the required performance bond.

ANALYSIS

Since the bid results are higher than the amount programmed in the CIP, the District can take one of two alternative actions: program additional funding from a capital project fund for the Project and award the construction contract to Bosco, or reject all bids.

Alternative 1 – Program Additional Funding and Award Entire Project (Sections 1-3)

In order to award the construction contract, the Board needs to program additional funding for the Project. The table below shows the current and projected costs associated with awarding the total bid price.

Phase	Expended to Date	Total Projected	Budget
Engineering/Environmental	\$ 40,377	\$ 47,635	\$ 54,000
Construction Management	--	\$ 65,000	\$ 75,000
Construction (Incl. 10% cont.)	--	\$ 924,833	\$216,000
<i>Total</i>	\$ 40,377	\$ 1,037,468	\$345,000

To construct Sections 1-3, a Project budget increase of \$692,468 is required.

The Project is funded by Fund 39 – Capital Facility Charge, which is funded by development impact fees collected when new customers connect to the water system. These funds can only be expended on improvements that are identified in the Capital Facility Charge Study by Stantec, dated March 2007. As shown in the July 2019 Cash Balances Report that was presented to the Board in September, the Fiscal Year 2019/2020 beginning Fund 39 balance was \$1,470,951. The Fiscal Year 2019/2020 budget programmed \$862,500 to be spent this year on capital projects from Fund 39, which would result in a balance of \$608,451 at the end of the fiscal year. This fiscal year's budget included funding from Fund 39 of \$345,000 for this Project, \$379,500 for the 2018 Treated Water Line Replacement Project, and \$138,000 for the Upcountry Ditch Reliability Project.

Construction of all three sections of the Project can be funded by increasing the contribution from Fund 39 – Capital Facility Charge from \$345,000 to \$953,451, and adding a contribution of \$84,017 from Fund 43 – Capital Reserves. This would result in a projected end of year fund balance for Fund 39 – Capital Facility Charge of \$29,000, and \$1,598,558 for Fund 43 – Capital Reserve. This change does not impact any active or planned capital improvement projects during the current fiscal year. There are two other capital improvement projects with future funding programmed from Fund 39; Upcountry Ditch Reliability in Fiscal Year 2020/2021, and the annual treated water line rehabilitation in Fiscal Year 2021/2022. Other funding sources are available for these projects; a grant is being pursued for the Upcountry Ditch Reliability, and both of these future projects could be funded by Fund 43 – Capital Reserves. Revised Project Descriptions from the adopted five year capital improvement plan showing the recommended changes are included in Attachment 5.

The Board can award one of the other scenarios instead. The other scenarios line shorter lengths of canal and therefore provide less benefit than constructing the entire Project. The table below shows the additional funding needed for Section 1, Section 1 and 2, Section 1 and 3, and Sections 1 through 3.

Scenario	Bid Price	Bid Price + 10% Contingency	Total Projected	Budget Increase
Base Bid (Section 1)	\$ 474,008	\$ 521,409	\$ 634,044	\$ 289,044
Base Bid + Alternate 1 (Sections 1 and 2)	\$ 647,511	\$ 721,262	\$ 833,897	\$ 488,897
Base Bid + Alternate 2 (Sections 1 and 3)	\$ 667,254	\$ 733,980	\$ 846,615	\$ 501,615
Base Bid + Alternate 1 and 2 (Sections 1, 2, and 3)	\$ 840,757	\$ 924,833	\$ 1,037,468	\$ 692,468

Alternative 2 – Reject the Bid

Alternatively, the Board could reject the bid. If the Board rejects the bid, District Staff would advertise the Project again. Staff would need to readvertise the Project within two weeks of this Board meeting. Bids would be due in middle to late November, and consideration of award presented to the Board at the December Board meeting. Construction could start in January, depending on the weather, with the goal to complete construction by the end of April in time for irrigation season to start on May 1, 2019.

Bid prices can vary throughout the year based on many factors including, contractor workload, number of interested contractors, and cost of materials. The results of a future rebid are unknown and bids could be higher or lower depending on market conditions at the time of the bid.

FISCAL IMPACT

The Adopted Capital Improvement Plan budget for this Project is \$379,500 from Fund 39 – Capital Facility Charge. Current and projected costs are summarized in the table below.

Phase	Expended to Date	Total Projected	Budget
Engineering/Environmental	\$ 40,377	\$ 47,635	\$ 54,000
Construction Mangement	–	\$ 65,000	\$ 75,000
Construction (Incl. 10% cont.)	–	\$ 924,833	\$216,000
<i>Total</i>	<i>\$ 40,377</i>	<i>\$ 1,037,468</i>	<i>\$345,000</i>

Additional funding is required to construct all three sections of the Project. The contribution from Fund 39 – Capital Facility Charge needs to be increased from \$345,000 to \$953,451, and a contribution of \$84,017 from Fund 43 – Capital Reserves is needed. This would result in a projected end of year fund balance for Fund 39 – Capital Facility Charge of \$29,000, and \$1,598,558 for Fund 43 – Capital Reserve; if all other CIP expenditures occur as planned. This change does not impact any active or planned capital improvement projects during the current fiscal year.

CEQA ASSESSMENT

Categorically Exempt, CEQA Guidelines Section 15300, Existing Facilities. A Notice of Exemption was filed with the County of El Dorado and the State of California. The Project is limited to maintenance of existing facilities and does not involve an expansion of use.

RECOMMENDED ACTION

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) adopt the attached Resolution awarding the construction contract, authorizing the General Manager to execute a contract with Bosco in the amount of \$840,756.68, authorizing the General Manager to approve change orders not to exceed 10% of the contract amount,

and approving an increase in the contribution from Fund 39 – Capital Facility Charge from \$345,000 to \$953,451, and adding a contribution of \$84,017 from Fund 43 – Capital Reserves.

ALTERNATIVES

Alternatively the Board may (a) award one of the other scenarios; or (b) reject all bids.

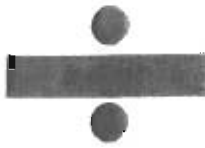
ATTACHMENTS

1. Adopted Project Information Sheet
2. Project Map
3. Bid Summary Sheet
4. Bosco Constructors Bid
5. Revised Project Information Sheets
6. Resolution

AGENDA ITEM 7.B.

Attachment 1

Project Information



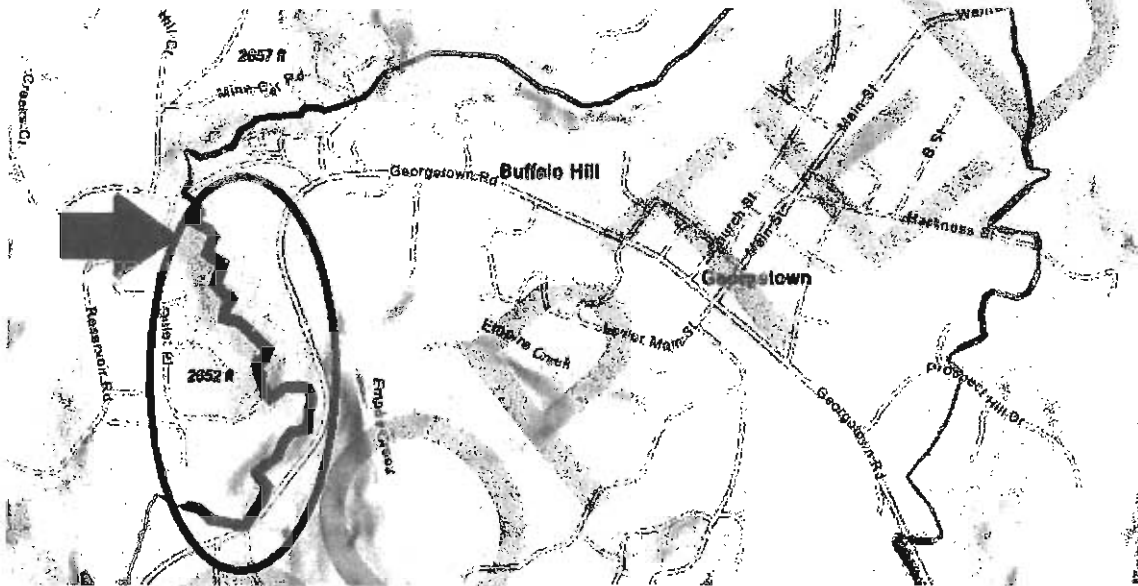
PROJECT NAME: 2018 Main Canal Reliability

PROJECT NUMBER: 924

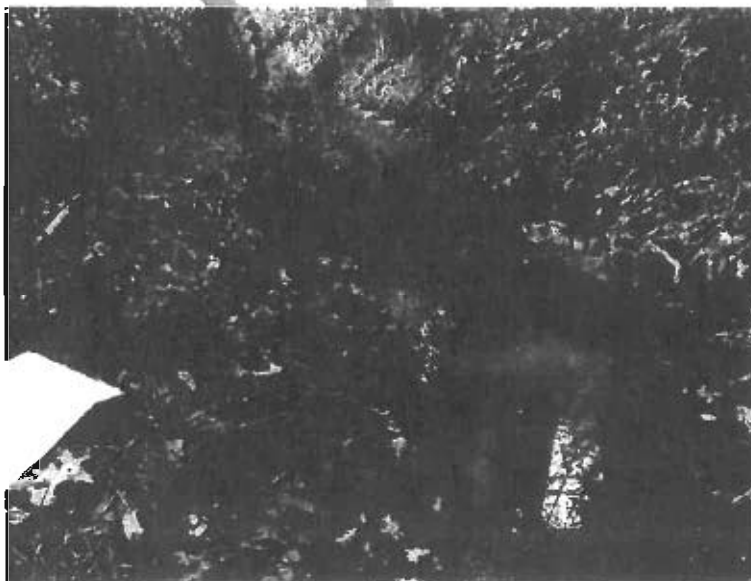
PROJECT DESCRIPTION:

This Project will line a section of the Main Ditch identified as a priority segment in the 2002 Water System Reliability Study by KASL Engineering Consultants. This section of the Main Ditch delivers raw water to the Auburn Lake Trails Treatment Plant and irrigation water customers. It is an earthen canal that is prone to erosion and leakage. Anticipated improvement is to gunite or reinforce 2,500 linear feet of ditch between Spanish Dry Diggins Road to Taylor Mine Outlet.

LOCATION MAP



PHOTOS



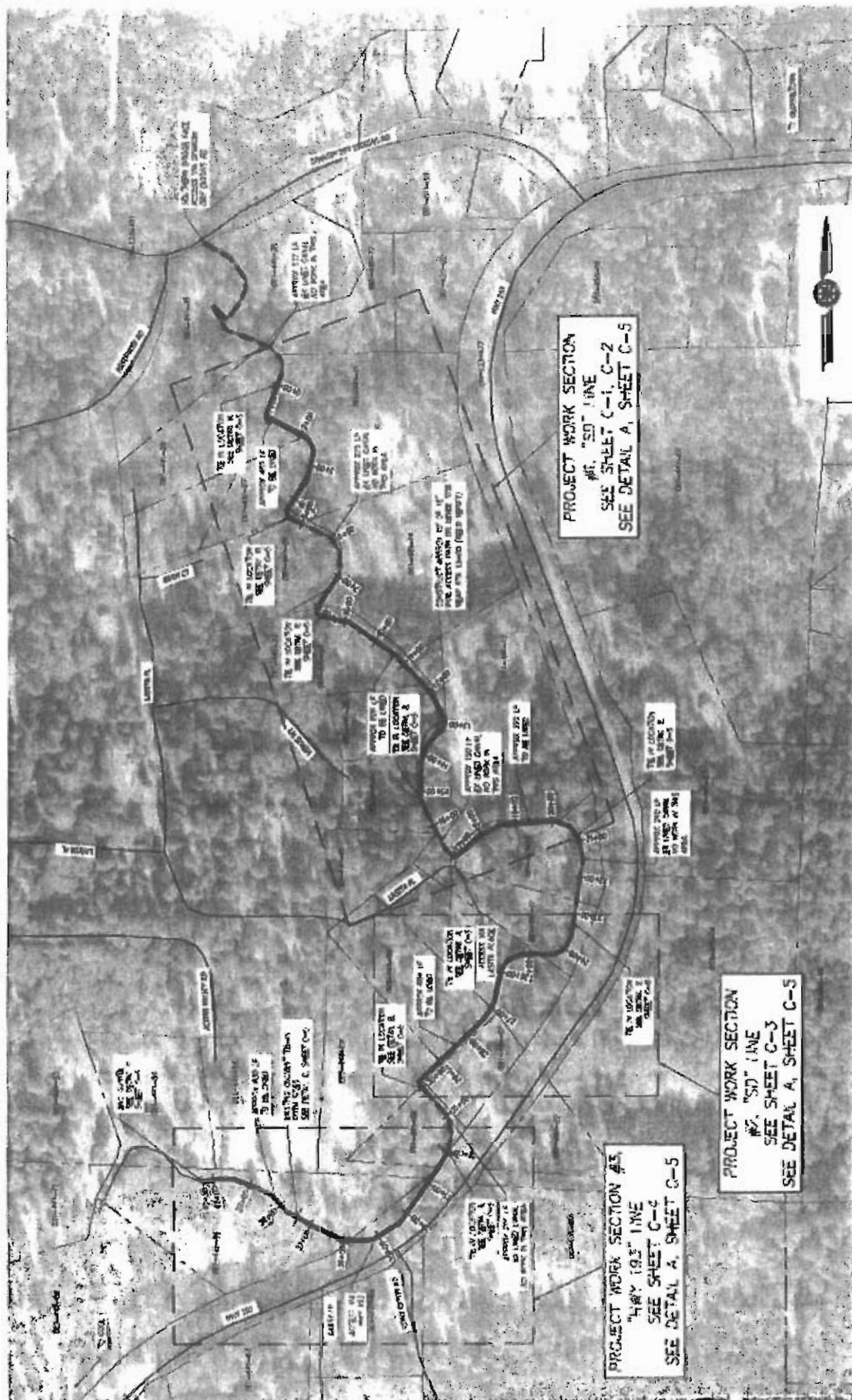
05/30/2019

A-8 of 33

AGENDA ITEM 7.B.

Attachment 2

Project Map




AGENDA ITEM 7.B.
Attachment 3
Bid Summary Sheet

BID SUMMARY SHEET

Project: 2018 Main Canal Reliability Project	Due Date and Time: 09/17/2019 at 2 p.m. Local time
Facilitator: Steven Palmer	Location: GDPUD Main Office

Contractor	Bid Amount
Bosco Base	474,007.73
Bosco -ALT 1	173,502.95
Bosco -ALT 2	193,246.20
Bosco Total	840,756.68

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

Prepared by: 
 (Signature)

Print Name: Adam Brown

Witness: 
 (Signature)

Print Name: STEVEN PALMER

AGENDA ITEM 7.B.

Attachment 4

BID PROPOSAL

2018 Main Canal Reliability Project

NAME OF BIDDER: Bosco Constructors, Inc.
STREET ADDRESS: 21353 Mayall St.
CITY, STATE, ZIP: Chatsworth CA, 91311
PHONE NO. 818-700-0304 FAX NO. 818-700-0307
CONTRACTOR LICENSE TYPE & NO.: A&B, 972065

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

The **Special Provisions** for the Work to be done are dated **August 14, 2019** and are entitled:

2018 Main Canal Reliability Project

Bids are to be submitted for the entire work. The District will determine the lowest bid pursuant to Public Contract Code section 20103.8(b). Public Contract Code section 20103.8(b) provides that the lowest bid is the bid on the base contract and the items that the District specifically identifies as included in its determination of the lowest bid. In this case, the District will determine the lowest bid based on the combined total of the base bid, the bid on Alternate 1, and the bid on Alternate 2. Once the District has determined the lowest bidder, it may award a contract for any of the following combinations of work:

- (1) the base bid; or
- (2) the base bid and Alternate Bid # 1; or
- (3) the base bid and Alternate Bid # 2; or
- (4) the base bid and Alternate Bid#1 and Alternate Bid #2; or
- (5) the District may elect not to award the contract.

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

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

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

entered total, the discrepancy will be resolved by mutual resolution between the two parties.

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

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

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

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

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

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

The undersigned, as bidder, declares that the only persons or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm, or corporation; that he has carefully examined the plans therein referred to; and the contractor proposes, and agrees if this proposal is accepted, that they will contract with the Georgetown Divide Public Utility District, in the form of the copy of the contract annexed hereto, to provide all necessary machinery, tools, apparatus and other means of construction, and to do all the

work and furnish all the materials specified in the contract, in the manner and time therein prescribed, and according to the requirements of the District as therein set forth, and that the contractor will take in full payment therefor the following prices, to wit:

BID SCHEDULE

Georgetown Divide Public Utility District

2018 Main Canal Reliability Project

Item No.	Description	Unit	Estimated	Bid	Bid
Base Bid					
1	Stormwater Pollution Prevention Plan (SWPPP)	LS	1	\$ 3,300	\$ 3,300
2	Mobilization, Insurance & Bonds (Not to Exceed 3 Percent of Total Bid)	LS	1	\$ 75,008.99	\$ 75,008.99
3	Gunite Upper Section – Section 1 "SD" Line: 0+00-4+64 , 7+45-15+50 and 17+00-20+85	CY	522	\$ 757.17	\$ 395,242.74
4	Service Line Replacement	EA	2	\$ 228.00	\$ 456.00
Total Base Bid Price				\$ 474,007.73	
Alternate Bid #1					
5	Gunite Mid-Section – Section 2 "SD" Line : 23+45-30+28	CY	219	\$ 792.25	\$ 173,502.75
Total Alternate #1 Bid Price				\$ 173,502.75	
Alternate Bid #2					
6	Gunite Hwy 193 Section – Section 3 "HWY 193" Line: 32+00- 40+30	CY	245	\$ 788.76	\$ 193,246.20
Total Alternate #2 Bid Price				\$ 193,246.20	
Total Bid Price				\$ 840,756.68	

Eight hundred forty thousand, seven hundred fifty six dollars and sixty eight cents. **Total Bid Price in Words**

AGENDA ITEM 7.B.
Attachment 5
Updated Project Information Sheet

Project Name: Upcountry Ditch Reliability
Project Number:
Project Description: Prioritized repair of Upcountry Ditch
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (8)								0
Capital Reserve (43)			526,500	497,287	526,500			526,500
Prior Reimbursements Received (36)								0
Capital Facility Charge (39)		138,000	239,243					467,243
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)								0
Unfunded								0
Total	0	138,000	526,500	526,500	0	0	0	1,191,000

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		95,000						95,000
Environmental (7021)		43,000						43,000
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)			25,000	26,000				60,000
Construction Contract (7023)			476,500	476,500				953,000
Other CIP Costs (7025)			25,000	25,000				60,000
Other - TBD								0
Total	0	138,000	526,500	526,500	0	0	0	1,191,000

DRAFT 10/10/20

Project Name: 2018 Treated Water Line Replacement/Rehab
Project Number: 922
Project Description: Prioritized replacement or rehabilitation of treated water lines
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)				384,750		412,850		809,600
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		379,500		241,750				776,250
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)								0
Unfunded								0
Total	0	379,500		756,500	0	412,850	0	1,585,350

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		60,000		65,000		65,000		190,000
Environmental (7021)								0
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)		30,000		32,000		34,000		96,000
Construction Contract (7023)		240,000		250,000				750,000
Other CIP Costs (7025)		49,500		51,750		53,850		155,100
Other - TBD								0
Total	0	379,500	0	396,750	0	412,850	0	1,189,100

DRAFT
 REVISIONS
 10/10/2018

Project Name: 2018 Main Canal Reliability
Project Number: 924
Project Description: Prioritized repair and lining of Main Canal
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CADY Grant (9)								0
Capital Reserve (43)		84,017						84,017
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		953,451,344,000						0
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)		0						0
Unfunded								0
Total		0	1,037,468	0	0	0	0	0

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		47,635						47,635
Environmental (7021)								0
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)		35,000						35,000
Construction Contract (7023)		924,833						924,833
Other CIP Costs (7025)		30,000						30,000
Other - TBD								0
Total		0	1,037,468	0	0	0	0	1,037,468

DRAFT
 REVISIONS
 10/10/2019

AGENDA ITEM 7.B.

Attachment 6

Resolution

RESOLUTION NO. 2019-60

OF THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH BOSCO CONSTRUCTORS, INC. FOR AN AMOUNT NOT TO EXCEED \$840,756.68 FOR THE 2018 MAIN CANAL RELIABILITY PROJECT, AUTHORIZING THE GENERAL MANAGER TO APPROVE CHANGE ORDERS NOT TO EXCEED 10% OF THE CONTRACT AMOUNT, AND APPROVING AN INCREASE IN THE CONTRIBUTION FROM FUND 39 – CAPITAL FACILITY CHARGE FROM \$345,000 TO \$953,451, AND ADDING A CONTRIBUTION OF \$84,017 FROM FUND 43 – CAPITAL RESERVES.

WHEREAS, the 2018 Main Canal Reliability Project is planned for Fiscal Year 2019/2020 in the Board adopted Five Year Capital Improvement Plan; and

WHEREAS, a notice inviting bids to select a contractor to perform the Project was issued on August 14, 2019, and one (1) bid was received on September 17, 2019; and

WHEREAS, after reviewing bids, District Staff have determined that Bosco was the lowest responsive and responsible bidder; and

WHEREAS, the Bosco Total Bid Price is in the amount of \$840,756.68; and

WHEREAS, the project expenditures will exceed the total project budget of \$345,000; and

WHEREAS, additional funding is available from Fund 39 – Capital Facilities Charge and Fund 43 – Capital Reserve.

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

1. The construction contract is awarded to Bosco Constructors, Inc.
2. The General Manager is authorized to execute a construction contract with Bosco Constructors, Inc. in the amount of \$840,756.68 for the Project.
3. The General Manager is authorized to approve change orders not to exceed 10% of the contract amount.
4. The Project budget is amended by increasing the contribution from Fund 39 – Capital Facility Charge from \$345,000 to \$953,451, and by adding a contribution of \$84,017 from Fund 43 – Capital Reserves.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the eighth day of October 8, 2019, by the following vote:

AYES: WADLE, HALPIN, GARCIA, SOUZA, SAUNDERS

NOES:

ABSENT/ABSTAIN:



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

Attest:



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

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-60 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this eighth day of October 8 2019.



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

AGENDA ITEM 7.B.

Attachment 2

November 12, 2019 Staff Report

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



AGENDA SECTION: INFORMATIONAL ITEMS

SUBJECT: ALT WATER TREATMENT PLANT PROJECT UPDATE

PREPARED BY: George Sanders, Engineering Consultant

APPROVED BY: Steven Palmer, PE, General Manager

A blue handwritten signature, likely of Steven Palmer, is written over the "APPROVED BY" line.

Introduction

This is a summary of the various work activities at the ALT Water Treatment Plant for the month of October. The Project Update flyer, to be posted on the District's website and Facebook, identifies a project percentage completion of 99.8% and is included as Attachment 1 within this report.

In addition to the construction work performed by Myers & Sons, the District is also under contract with NEXGEN, PSOMAS, Youngdahl Consulting Group and Foothill Associates. There were no work activities during this reporting period associated with Youngdahl Consulting Group and Foothill Associates.

Construction Activities

Construction activities at the site, during this reporting period are summarized below:

Filter to Waste Tank

Final electrical connection and installation of the pumps and metering devices at the filter to waste tank. These pumps inject water used in the final rinsing of the filters back into the raw water supply.

Landscaping

Correction of items identified on the punch list. Primarily the placement of additional mulch, minor repairs to the irrigation system and the minimal replacement of plant materials.

Painting

The painting of miscellaneous piping within the Filter Building as identified on the punch list.

Schedule

Scheduled work activities for the month of November will concentrate on the inventory of spare parts, as identified in the specifications and to be provided by the Contractor, together with the finalization of items identified on the punch list.

Budget

Project expenses since the beginning of construction are compared to budget and summarized in the table below. Projected expenditures remain within the approved project budget.

PHASE	EXPENDED TO DATE	BUDGET
Construction	\$ 10,430,537	\$ 11,249,000
Construction Engineering, Construction Management, and Environmental*	\$ 1,381,557	\$ 1,076,226
Misc. Vendors, Support, and District Staff Costs	\$ 44,560	
TOTALS	\$11,856,654	\$ 12,325,226

* Expenditures under the Construction Engineering, Construction Management and Environmental have exceeded this budget category due to the extended duration of the project. Adequate funding remains available in the overall project budget.

State SRF Payment Requests

The State Water Resources Control Board (SWRCB) Loan Agreement provides for \$9,350,000 for Construction and \$650,000 for Construction Management/Administration for a total loan amount of \$10,000,000. Below is a log of disbursement claims submitted by the District to SWRCB for State Revolving Fund (SRF) disbursements, the payments that have been received to date, and the claims that are pending.

LOG OF SWRCB SRF PAYMENTS RECEIVED									
Claim #	Date of Payment	Const	CM/Adm	Amount	Claim #	Date of Payment	Const	CM/Adm	Amount
1	6/26/17	1,101,614	55,527	1,157,141	15	9/24/18	192,102	144,824	336,926
2	8/17/17	439,850	0	439,850	16	10/17/18	240,040	9,416	249,456
3	9/22/17	0	68,457	68,457	17	12/7/18	210,349	30,680	241,029
4	10/6/17	540,675	0	540,675	18	12/7/18	94,094	0	94,094
5	11/8/17	403,060	94,065	497,125	19	1/8/19	206,317	0	206,317
6	12/15/17	550,310	0	550,310	20	12/12/18	230,335	0	230,335
7	1/26/18	952,916	94,404	1,047,320	21	6/3/19	18,158	0	18,158
8	2/21/18	218,722	0	218,722	22	6/3/19	134,470	0	134,470
9	2/23/18	350,605	0	350,605	23	6/3/19	43,605	0	43,605
10	3/30/18	830,366	60,890	891,256	24	8/7/19	106,924	0	106,924
11	4/18/18	744,230	21,877	766,107	25	8/16/19	25,350	0	25,350
12	5/22/18	329,492	65,515	395,007	26	8/16/19	40,693	0	40,693
13	6/14/18	255,916	0	255,916	27	8/16/19	51,821	0	51,821
14	8/16/18	509,295	4,345	513,640					
Total Disbursements Received to Date							\$ 8,821,309	\$650,000	\$9,471,309

PENDING SRF PAYMENT REQUESTS SUBMITTED				
Claim #	Date Submitted	Const	CM/Adm	Amount
28	8/13/19	83,757	0	83,757
29	9/17/19	66,353	0	66,353
30	10/15/19	72,200	0	72,200
Total Pending		\$222,310	0	\$222,310

Contract Change Orders

One contract change order was processed during this reporting period. The Contract Change Orders are summarized as follows:

Approved and Pending Change Orders to Date			
Change Order #	Date Approved	Description	Amount
1	8/24/17	Misc. changes due to unforeseen site conditions and clarifications to Plans & Specifications.	\$39,772
2	3/13/17	Misc. changes due to unforeseen site conditions and clarifications to Plans & Specifications resulting in a credit.	(970)
3	11/2/17	Corrects original project completion date due to weather-related impacts.	0
4	1/10/18	Additional work required to provide stable subgrade for sludge drying beds.	12,184
5	6/04/18	Additional work related to pipe supports and drywall.	20,922
6	12/13/18	Additional work related to painting and paving.	56,146
7	Not Executed	SCADA equipment/communication changes, and programming.	TBD
8	4/3/19	Modifications to the HVAC control panels together with changes to the control panel for the motor drive system in the backwash water tank.	8,761
9	4/3/19	Installation of heat trace systems and insulation on the soda ash solution feed piping and storage tank as described in Work Change Directive 14.	23,283
10	7/17/19	Installation of additional fencing around the perimeter of the facility.	26,796
11	11/6/19	Miscellaneous electrical additions, modifications to instrumentation, enhanced chlorine sampling pumps and additional paving.	17,122
TOTAL			\$204,016

Future Change Orders

Prior to completion of the project, additional change orders will be necessary to cover work that has been completed by Myers under existing work directives. These would include improvements to the backwash water storage tank in the areas of added piping, lighting, electrical, together with modifications to the decanter float and hoist assembly. Changes within the filter building include added SCADA controls, general electrical together with added valves. Funding for these changes remain within the overall project budget and will be processed under the current change order authority issued to the General Manager.

A dispute arose between Myers and the District relating to the project completion date and responsibility for delays. Myers claimed they were owed additional compensation for extended overhead and the District claimed liquidated damages for the project not being completed timely. This matter was discussed at a Mediation Session held in the Law Office of *Diepenbrock Elkin Gleason, LLP* on October 21, 2019. After a Special Closed Session meeting held by the District Board on October 28, 2019, the Board President reported that the Board directed staff to resolve the dispute by issuing a change order to Myers for \$400,000 as payment for the delay. It is anticipated funding for this change order will come from a combination of remaining funds within the overall project budget, estimated at \$300,000, together with the need for a budget transfer, estimated at \$100,000, from capital reserves. The transfer of funds would follow the generally accepted process of review by the Finance Committee with recommendations to the Board for final action.

ATTACHMENTS

1. Project Update Flyer # 30

AGENDA ITEM 6.D.

Attachment 1

Project Update Flyer #30

Update No. 30
November 12,
2019

Agenda Item 6.D.

Georgetown Divide Public Utility District

AUBURN LAKE TRAILS WATER TREATMENT PLANT

GDPU D

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

PROJECT UPDATE



UPCOMING ACTIVITIES:

- Punch List items

COMPLETED ACTIVITIES:

- Filter Building
- Chlorine Contact Basin with Baffles
- Raw Water Pump Station
- Backwash Water Recovery Tank
- Filter to Waste Tank
- Landscaping

Original Contract Amount	10,249,000
Change Order #1	39,772
Change Order #2	[970]
Change Order #3	No Cost
Change Order #4	12,184
Change Order #5	20,922
Change Order #6	56,146
Change Order #7 (Pending)	TBD
Change Order #8	8,761
Change Order #9	23,283
Change Order #10	26,796
Change Order #11	17,122

Contract
Amount:

\$10,453,016

Expended thru October 2019

\$10,430,537

Percent Complete

99.8%

Anticipated Completion Date

November 2019

PROJECT CONSTRUCTION SCHEDULE:

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

AGENDA ITEM 7.B.

Attachment 3

Budget Change Request Form

ATTACHMENT 3

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Administrative Directive 2019-XX
Budget Change Request Form
 Fiscal Year 2019-20

Date: 12/18/2019

To: Steven Palmer, PE, General Manager

From: Steven Palmer, PE, General Manager

Source of Funds or Transfer from:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>	
		<u>Current Budget</u>	<u>Amended Budget</u>
_____	_____	-	-
_____	_____	-	-
_____	_____	-	-
_____	_____	-	-
_____	_____	-	-
Total:		\$ -	-

New Appropriation or Transfer to:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>	
		<u>Current Budget</u>	<u>Amended Budget</u>
Capital Reserve	43-5100-7023	\$ 905,185	1,147,202
Capital Facility Charge	39-5100-7023	862,500	1,404,553
_____	_____	-	-
_____	_____	-	-
_____	_____	-	-
Total:		\$ 784,070	-

Reason for change:

1. Board directed increase to project budget for 2018 Main Canal Reliability Project (\$692,468)
2. Board directed increase to project budget for ALT Water Treatment Plant Project (\$120,000)
3. Decrease due to 2018 Water Line Replacement Project completion under budget (-\$36,398)
4. Proposed increase to project budget to procure and install backup generator at District office (\$8,000)

Requested by: _____ Date: _____
Steven Palmer, PE, General Manager

General Manager: _____ Date: _____
Steven Palmer, PE, General Manager

Recommended: Yes: No:

Approved: Yes: No:

AGENDA ITEM 7.B.

Attachment 4

Fiscal Year 2019/2020 Operating Budget Changes

ATTACHMENT 4

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 Proposed Budget
 Fund Summary
 Fiscal Year 2019-2020
 June 4, 2019

Description	Beginning Balance	Revenues	Expenses	Ending Balance
10 - GENERAL FUND				
<i>Revenue</i>				
Water operating revenue	\$ -	\$ 3,401,832	\$ -	\$ -
Non-operating revenue		1,861,651		
Supplemental charge		648,923		
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 5,912,406</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
5100 - Source of Supply	\$ -	\$ -	\$ 395,376	\$ -
5200 - Raw Water			808,628	
5300 - Water Treatment			721,543	
5400 - Treated Water			702,582	
5500 - Customer Service			346,184	
5600 - Admin			1,641,863	
Low Income Rate Assistance Program (Property Tax)			35,000	
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,646,176</u>	<u>\$ -</u>
<i>Transfers</i>				
Transfer supplemental charge to SRF Loan Fund			\$ 648,923	
Transfer from Operating to Capital Reserve (Fund 43)			1,492,825	
<i>Total Transfers</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,141,748</u>	<u>\$ -</u>
TOTAL GENERAL FUND	<u>\$ 2,450,742</u>	<u>\$ 5,912,406</u>	<u>\$ 6,787,923</u>	<u>\$ 1,575,225</u>
40 - ALT ZONE FUND				
<i>Revenue</i>				
Wastewater operating revenue	\$ -	\$ 190,500	\$ -	\$ -
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 190,500</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
6700 - Zone	\$ -	\$ -	\$ 294,505	\$ -
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,505</u>	<u>\$ -</u>
TOTAL ALT ZONE FUND	<u>\$ 1,032,472</u>	<u>\$ 190,500</u>	<u>\$ 294,505</u>	<u>\$ 928,468</u>
GRAND TOTAL REVENUES AND EXPENSES	<u>\$ 3,483,215</u>	<u>\$ 6,102,906</u>	<u>\$ 7,082,429</u>	<u>\$ 2,503,693</u>
UNRESTRICTED RESERVE FUNDS				
08 - SMMAD	\$ 307,710	\$ 110,900	\$ -	\$ 418,610
19 - Stumpy Meadows	1,064,692	13,454	-	1,078,146
24 - ALT Capital Reserve	190,814	-	190,814	(0)
30 - Small Hydro	691,887	60,000	-	751,887
43 - Capital Reserve	1,094,935	1,492,825	905,185 (A)	1,682,575
TOTAL UNRESTRICTED RESERVE FUNDS	<u>\$ 3,350,037</u>	<u>\$ 1,677,179</u>	<u>\$ 1,095,999</u>	<u>\$ 3,931,217</u>

Note:

(A) - Capital Reserve Fund 43 Expenditures decreased by \$481,250 to reflect Board direction to postpone funding for meter replacement project until FY20/21

ATTACHMENT 4

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Summary of Restricted Funds
 Fiscal Year 2019-2020

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
RESTRICTED FUNDS (3) (4) (5)				
09 CABY Grant	\$ (518,601)	518,601	-	\$ (0)
14 Stewart Mine	\$ (8,232)	-	-	\$ (8,232)
17 Water Development	\$ 412,296	4,960	-	\$ 417,256
20 ALT Fund (6)	\$ 1,585,624	1,716,047	1,067,124	\$ 2,234,547
29 State Revolving Fund	\$ 21,702	-	-	\$ 21,702
37 Garden Valley Water Improvement District	\$ 108,814	-	-	\$ 108,814
39 Capital Facility Charges	\$ 1,694,217	-	862,500	\$ 831,717
41 ALT Tank Replacement and Loan	\$ 44,902	-	-	\$ 44,902
42 ALT Community Disposal Service Reserve	\$ 153,088	-	58,500	\$ 94,588
51 Kelsey North Assessment District	\$ 21,385	-	-	\$ 21,385

Notes:

- (3) Restricted funds are those whose usage are legally restricted for specific purposes
- (4) Retiree fund (12) is not shown to avoid duplicate budget
- (5) State Revolving Fund Fund 29 expenses include \$2,296 per month for existing SRF loan for Walton WTP
- (6) ALT Fund includes supplemental charge revenue, a portion of ALT WTP construction expenses, and SRF loan draws for ALT WTP

ATTACHMENT 4

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Fund Summary
Fiscal Year 2019-2020
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Description	Beginning Balance	Revenues	Expenses	Ending Balance
10 - GENERAL FUND				
<i>Revenue</i>				
Water operating revenue	\$ -	\$ 3,401,832	\$ -	\$ -
Non-operating revenue		1,861,651		
Supplemental charge		648,923		
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 5,912,406</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
5100 - Source of Supply	\$ -	\$ -	\$ 395,376	\$ -
5200 - Raw Water			803,628	
5300 - Water Treatment			742,323 (8)	
5400 - Treated Water			702,582	
5500 - Customer Service			346,184	
5600 - Admin			1,641,863	
Low Income Rate Assistance Program (Property Tax)			35,000	
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,668,956 (B)</u>	<u>\$ -</u>
<i>Transfers</i>				
Transfer supplemental charge to SRF Loan Fund			\$ 648,923	
Transfer from Operating to Capital Reserve (Fund 43)			1,492,825	
<i>Total Transfers</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,141,748</u>	<u>\$ -</u>
TOTAL GENERAL FUND	<u>\$ 2,450,742</u>	<u>\$ 5,912,406</u>	<u>\$ 6,808,703 (B)</u>	<u>\$ 1,554,445</u>
40 - ALT ZONE FUND				
<i>Revenue</i>				
Wastewater operating revenue	\$ -	\$ 190,500	\$ -	\$ -
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 190,500</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
6700 - Zone	\$ -	\$ -	\$ 294,505	\$ -
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,505</u>	<u>\$ -</u>
TOTAL ALT ZONE FUND	<u>\$ 1,032,472</u>	<u>\$ 190,500</u>	<u>\$ 294,505</u>	<u>\$ 928,468</u>
GRAND TOTAL REVENUES AND EXPENSES	<u>\$ 3,483,215</u>	<u>\$ 6,102,906</u>	<u>\$ 7,103,209 (B)</u>	<u>\$ 2,482,913</u>
UNRESTRICTED RESERVE FUNDS				
08 - SMUD	\$ 307,710	\$ 110,900	\$ -	\$ 418,610
19 - Stumpy Meadows	1,064,692	13,454	-	1,078,146
24 - ALT Capital Reserve	190,814	-	190,814	(0)
30 - Small Hydro	691,887	60,000	-	751,887
43 - Capital Reserve	1,094,935	1,492,825	1,147,202	1,440,558
TOTAL UNRESTRICTED RESERVE FUNDS	<u>\$ 3,350,037</u>	<u>\$ 1,677,179</u>	<u>\$ 1,338,016</u>	<u>\$ 3,689,200</u>

Note:

(B) - Increase of \$20,780 approved by Board on August 13, 2019 for new state water sampling requirement

ATTACHMENT 4

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Summary of Restricted Funds
 Fiscal Year 2019-2020
 12/18/2019

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
RESTRICTED FUNDS (3) (4) (5)				
09 CABY Grant	\$ (518,601)	518,601	-	\$ (0)
14 Stewart Mine	\$ (8,232)	-	-	\$ (8,232)
17 Water Development	\$ 412,296	4,960	-	\$ 417,256
20 ALT Fund (6)	\$ 1,585,624	1,716,047	1,067,124	\$ 2,234,547
29 State Revolving Fund	\$ 21,702	-	-	\$ 21,702
37 Garden Valley Water Improvement District	\$ 108,814	-	-	\$ 108,814
39 Capital Facility Charges	\$ 1,694,217	-	1,404,553	\$ 289,664
41 ALT Tank Replacement and Loan	\$ 44,902	-	-	\$ 44,902
42 ALT Community Disposal Service Reserve	\$ 153,088	-	58,500	\$ 94,588
51 Kelsey North Assessment District	\$ 21,385	-	-	\$ 21,385

Notes:

- (3) Restricted funds are those whose usage are legally restricted for specific purposes
- (4) Retiree fund (12) is not shown to avoid duplicate budget
- (5) State Revolving Fund Fund 29 expenses include \$2,296 per month for existing SRF Loan for Walton WTP
- (6) ALT Fund includes supplemental charge revenue, a portion of ALT WTP construction expenses, and SRF loan draws for ALT WTP

AGENDA ITEM 7.B.

Attachment 5

Resolution 2019-49

RESOLUTION NO. 2019-49

RESOLUTION INCREASING FISCAL YEAR 2019-2020 OPERATING BUDGET BY \$20,780 TO FUND NEW SAMPLING REQUIREMENTS

WHEREAS, the Georgetown Divide Public Utility District (the District) is required to analyze raw water for *Cryptosporidium* from the inlet stream of each water treatment plant, bi-monthly for the period of one year to meet Long-Term 2 Enhanced Surface Water Treatment Rule (LT2-ESTWR);

WHEREAS, this is a new requirement that was not anticipated in the Fiscal Year 2019-20 budget that was approved by the Board of Directors of the District on June 4, 2019; and

WHEREAS, the *Water Treatment* (5300) department, *Government Regulatory/Laboratory Fee/License Renewals* (5084) account is amended to meet LT2-ESTWR sampling requirements.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Georgetown Divide Public Utility District approves the FY 2019-20 budget amendment to comply with LT2-ESTWR sampling as follows:


- A. \$20,780 increase in the *Water Treatment* (5300) department and *Government Regulatory/Laboratory Fees/License Renewals* (5084).

PASSED AND ADOPTED at a regularly held meeting of the Board of Directors of the Georgetown Divide Public Utility District this 13th day of August, 2019.

AYES: Halpin, Garcia, Souza, Saunders, Wadle

NOES:

ABSENT/ABSTAIN:



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

ATTEST:



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

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-49 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 13th day of August, 2019.



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

AGENDA ITEM 7.B.

Attachment 6

CIP Project Summary Sheets

ATTACHMENT 6

Project Name: 2018 Main Canal Reliability
Project Number: 924
Project Description: Prioritized repair and lining of Main Canal
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)								0
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		345,000						345,000
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)		0						0
Unfunded								0
Total	0	345,000	0	0	0	0	0	345,000

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		54,000						54,000
Environmental (7021)								0
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)		30,000						30,000
Construction Contract (7023)		216,000						216,000
Other CIP Costs (7025)		45,000						45,000
Other - TBD								0
Total	0	345,000	0	0	0	0	0	345,000

ADDITIONAL

ATTACHMENT 6

Project Name: 2018 Main Canal Reliability
Project Number: 924
Project Description: Prioritized repair and lining of Main Canal
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		114,017						114,017
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		923,451						923,451
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)		0						0
Unfunded								0
Total	0	1,037,468,345.00	0	0	0	0	0	1,037,468

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		47,635						47,635
Environmental (7021)								0
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)		35,000						35,000
Construction Contract (7023)		924,833						924,833
Other CIP Costs (7025)		30,000						30,000
Other - TBD								0
Total	0	1,037,468	0	0	0	0	0	1,037,468

Project Name: ALT Treatment Plant Replacement
Project Number: 907
Project Description: Construct new replacement water treatment plant
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)								0
Prior Reimbursements Received from EPA - 5								0
Capital Facility Charge (39) - 4								0
ALT WTP Capital Reserve (24) - 3	1,104,495	190,814						1,295,309
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
EPA Grant (35) - 1	1,433,600							1,433,600
SRF Loan - (20)	8,932,876	1,067,124						10,000,000
General Fund (10)								0
Other								0
Unfunded								0
Total	11,470,971	1,257,938						12,728,909

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)	402,601							402,601
Environmental (7021)	49,382							49,382
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)	866,849	20,977						887,826
Construction Contract (7023)	10,550,559	1,212,061						11,762,620
Other CIP Costs (7025)	115,200	24,900						140,100
Other - TBD								0
Total	11,470,971	1,257,938						12,728,909

ATTACHMENT 6

Project Name: ALT Treatment Plant Replacement
Project Number: 907
Project Description: Construct new replacement water treatment plant
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		120,000						120,000
Prior Reimbursements Received from EPA - 5								0
Capital Facility Charge (39) - 4								0
ALT WTP Capital Reserve (24) - 3	1,104,495	190,814						1,295,309
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
EPA Grant (35) - 1	1,433,600							1,433,600
SRF Loan - (20)	8,932,876	1,067,124						10,000,000
General Fund (10)								0
Other								0
Unfunded								0
Total	11,470,971	1,377,938	0	0	0	0	0	12,848,909

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)	402,601							402,601
Environmental (7021)	49,382							49,382
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)	866,849	20,977						887,826
Construction Contract (7023)	10,036,939	1,332,061						11,369,000
Other CIP Costs (7025)	115,200	24,900						140,100
Other - TBD								0
Total	11,470,971	1,377,938	0	0	0	0	0	12,848,909

Project Name: 2018 Treated Water Line Replacement/Rehab
Project Number: 922
Project Description: Prioritized replacement or rehabilitation of treated water lines
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)						412,850		412,850
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		379,500		396,750				776,250
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)								0
Unfunded								0
Total	0	379,500	0	396,750	0	412,850	0	1,189,100

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		60,000		63,000		65,000		188,000
Environmental (7021)								0
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)		30,000		32,000		34,000		96,000
Construction Contract (7023)		240,000		250,000		260,000		750,000
Other CIP Costs (7025)		13,500		51,750		53,850		155,100
Other - TBD								0
Total	0	379,500	0	396,750	0	412,850	0	1,189,100

ADDITIONAL

ATTACHMENT 6

Project Name: 2018 Treated Water Line Replacement/Rehab
Project Number: 922
Project Description: Prioritized replacement or rehabilitation of treated water lines
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)				360,352		412,850		773,202
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		343,102		36,398				379,500
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)								0
Unfunded								0
Total	0	343,102	0	396,750	0	412,850	0	1,152,702

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		33,778		63,000		65,000		161,778
Environmental (7021)								0
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)		12,985		32,000		34,000		78,985
Construction Contract (7023)		288,811		250,000		260,000		798,811
Other CIP Costs (7025)		7,526		51,750		53,850		113,128
Other - TBD								0
Total	0	343,102	0	396,750	0	412,850	0	1,152,702

Project Name: Install Backup Generator at the Office
Project Number: TBD
Project Description: Install backup generator at the District office for power outages
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		22,000						22,000
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)								0
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other								0
Unfunded								0
Total	0	22,000	0	0	0	0	0	22,000

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)								0
Environmental (7021)								0
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)								0
Construction Contract (7023)		20,000						20,000
Other CIP Costs (7025)								2,000
Other - TBD								0
Total	0	22,000	0	0	0	0	0	22,000

ADDITIONAL

ATTACHMENT 6

Project Name: Install Backup Generator at the Office
Project Number: TBD
Project Description: Install backup generator at the District office for power outages
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		29,575					0	29,575
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)								0
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other								0
Unfunded								0
Total	0	29,575	0	0	0	0	0	29,575

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)								0
Environmental (7021)								0
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)								0
Construction Contract (7023)		27,575						27,575
Other CIP Costs (7025)		2,000						2,000
Other - TBD								0
Total	0	29,575	0	0	0	0	0	29,575

ATTACHMENT 6

Project Name: Upcountry Ditch Reliability
Project Number:
Project Description: Prioritized repair of Upcountry Ditch
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)			197,287	526,500				723,787
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		138,000	329,213					467,213
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)								0
Unfunded								0
Total	0	138,000	526,500	526,500	0	0	0	1,191,000

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		95,000						95,000
Environmental (7021)		43,000						43,000
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)			25,000	25,000				50,000
Construction Contract (7023)			476,500	476,500				953,000
Other CIP Costs (7025)			25,000	25,000				50,000
Other - TBD								0
Total	0	138,000	526,500	526,500	0	0	0	1,191,000

ATTACHMENT 6

Project Name: Upcountry Ditch Reliability
Project Number:
Project Description: Prioritized repair of Upcountry Ditch
Funding Sources:

Sources	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)			586,500	586,500				1,173,000
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		138,000						138,000
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)								0
ALT Tank Replacement Loans & Repair (41)								0
ALT CDS Reserve Connection (42)								0
Grants (EPA)								0
SRF Loan								0
General Fund (10)								0
Other (EDCWA Cost Share)								0
Unfunded								0
Total	0	138,000	586,500	586,500	0	0	0	1,311,000

Project Cost Estimate:

Elements	Prior Years	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	Future Years	Total
Preliminary Engineering (7020)		95,000						95,000
Environmental (7021)		43,000						43,000
Land/ROW Acquisition (7022)								0
Construction Engineering (7024)			25,000	25,000				50,000
Construction Contract (7023)			536,500	536,500				1,073,000
Other CIP Costs (7025)			25,000	25,000				50,000
Other - TBD								0
Total	0	138,000	586,500	586,500	0	0	0	1,311,000

AGENDA ITEM 7.B.

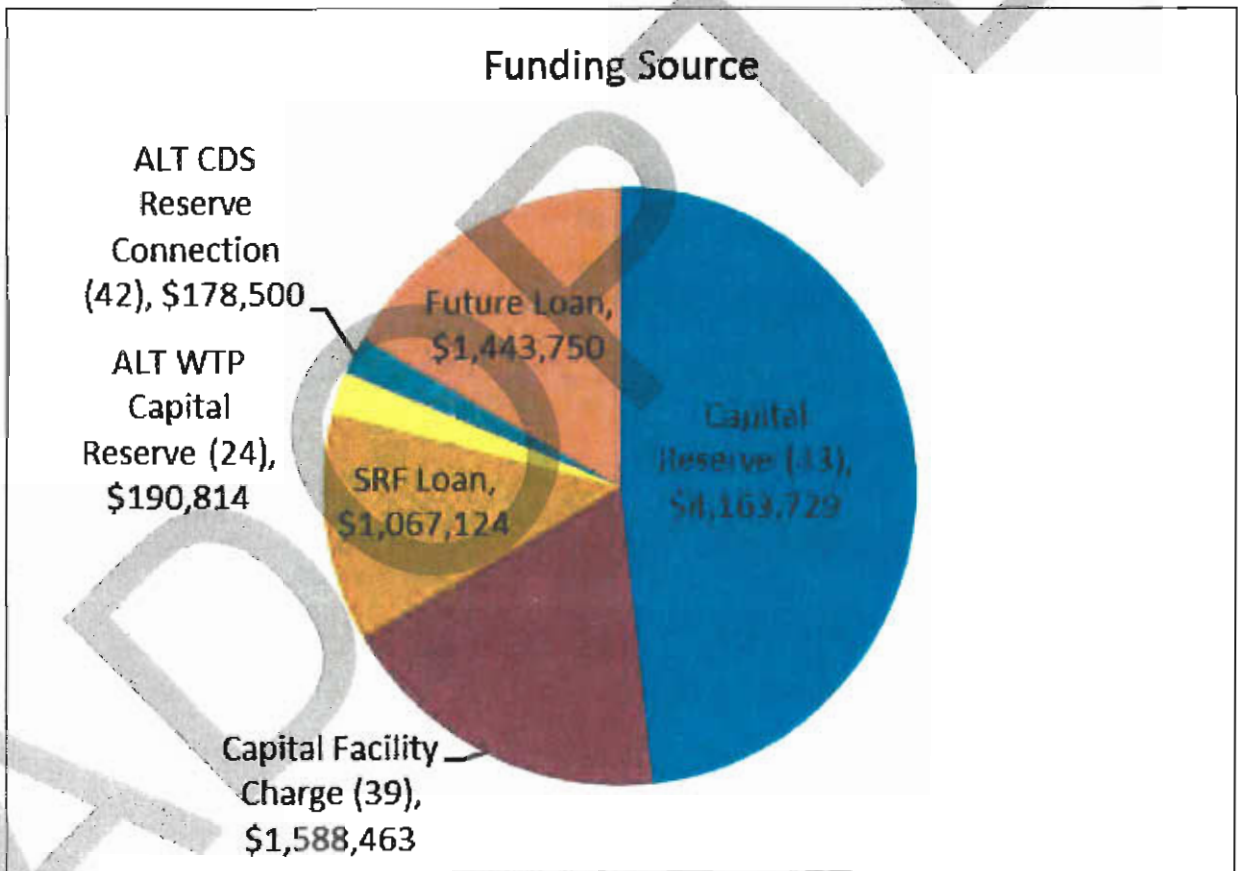
Attachment 7

CIP Charts

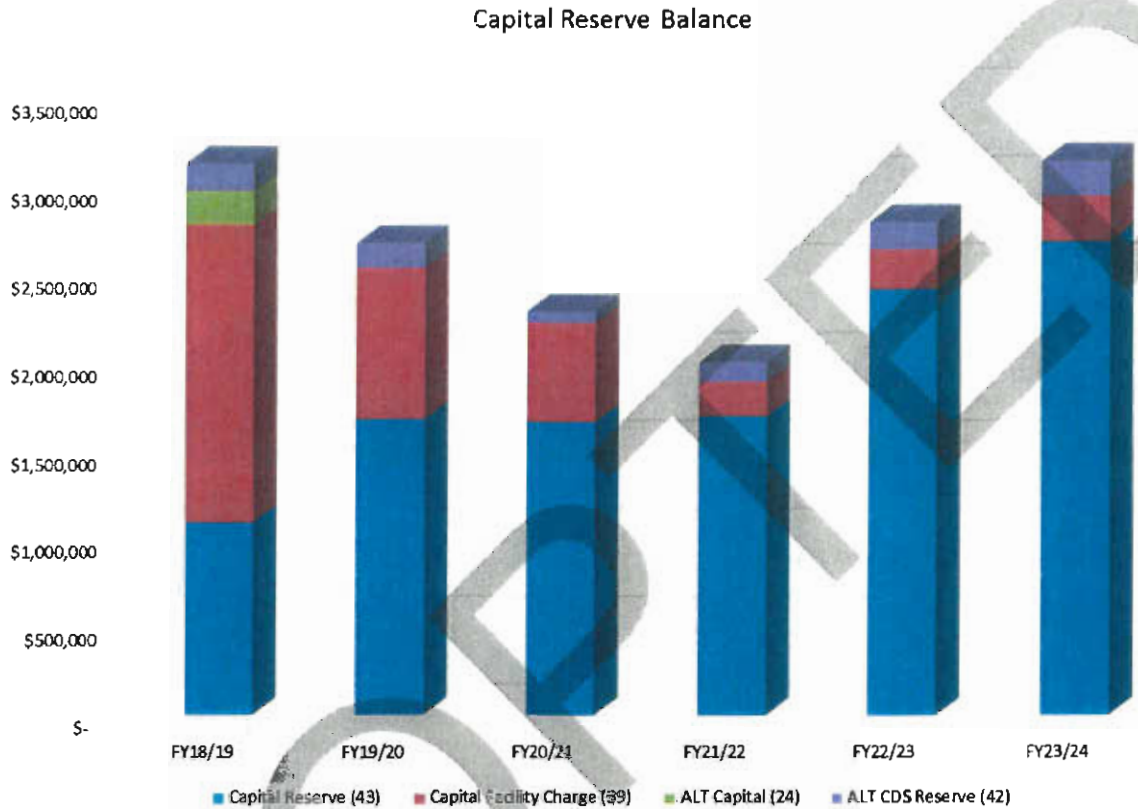
ATTACHMENT 7

Fund	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	TOTAL 2019-2024
Capital Reserve	\$ 905,185	\$1,039,587	\$1,021,685	\$372,550	\$824,722	\$4,163,729
Capital Facility Charge	\$ 862,500	\$329,213	\$396,750	\$0	\$0	\$1,588,463
ALT WTP Capital Reserve	\$ 190,814	\$0	\$0	\$0	\$0	\$ 190,814
SRF Loan	\$1,067,124	\$0	\$0	\$0	\$0	\$1,067,124
Future Loan	\$0	\$1,443,750	\$0	\$0	\$0	\$1,443,750
ALT CDS Reserve	\$ 58,500	\$ 120,000	\$0	\$0	\$0	\$ 175,000
Total	\$3,084,123	\$2,932,550	\$1,418,435	\$372,550	\$824,722	\$8,632,380

The following chart illustrates funding sources for all five fiscal years in the CIP.



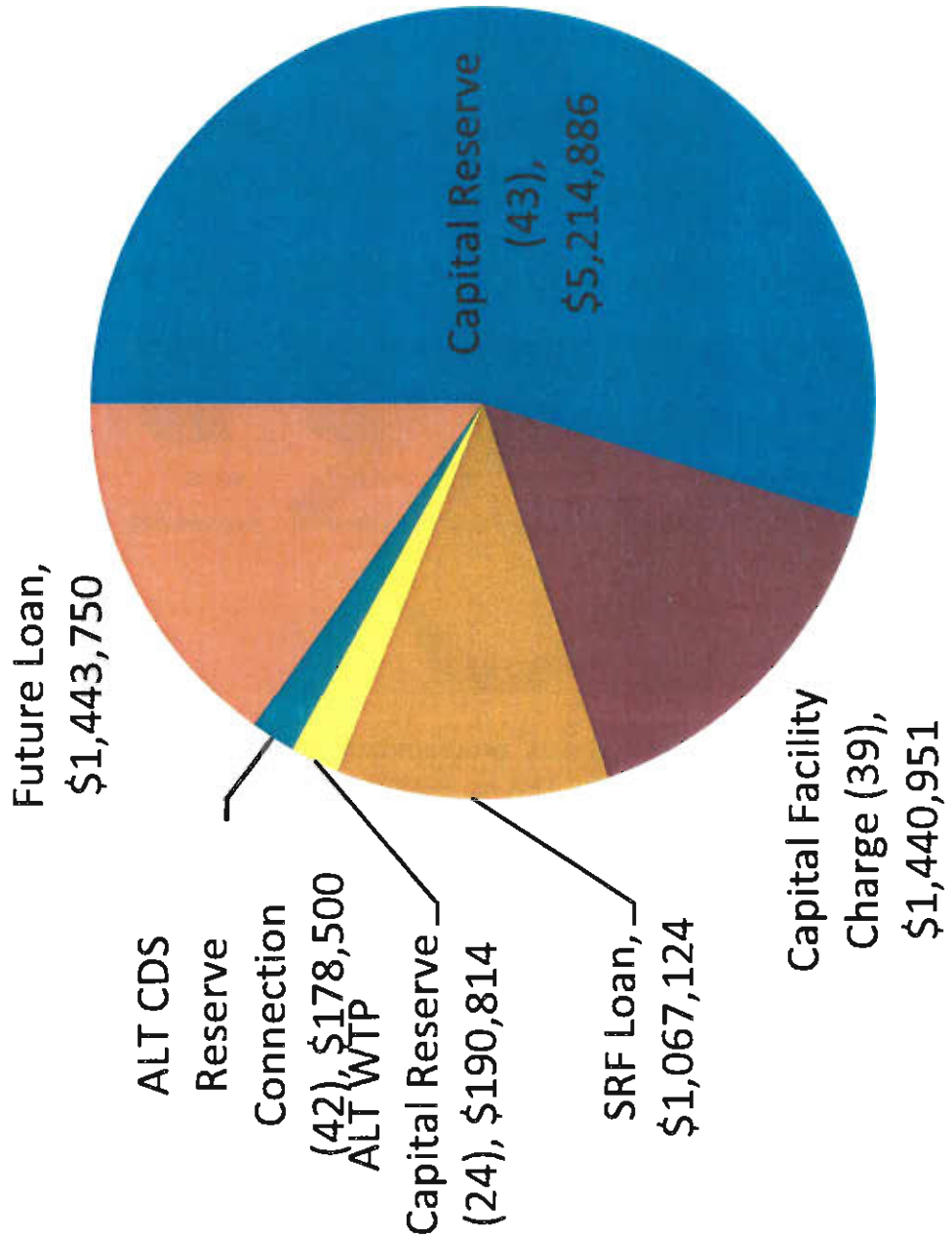
The last chart depicts end of year fund balance projections for capital reserve funds. These are based on Fiscal Year 2018/2019 end of year projected fund balances, and the spending plan as outlined in this CIP.



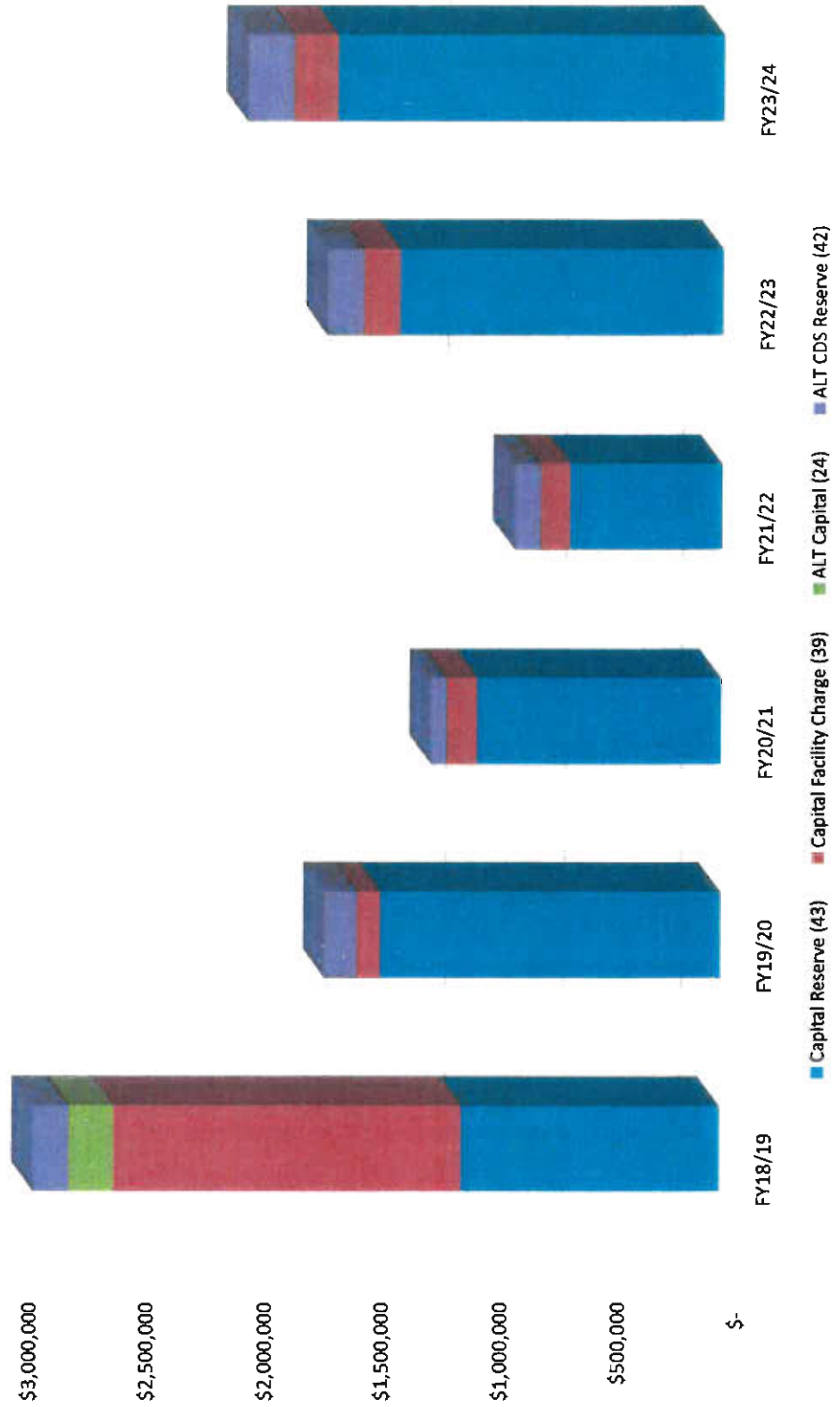
IV. Project Summary

Capital improvement projects programmed in the 2019/2020 to 2023/2024 Capital Improvement Plan are listed below. A project is only listed if there is funding programmed during Fiscal Year 2019/20 through Fiscal Year 2023/24. Detailed project costs estimates with expenditure plans for each project listed below are included in Appendix A.

Funding Source



Capital Reserve Balance



AGENDA ITEM 7.B.

Attachment 8

FY 19/20 Operating Budget Presentation



**FY2019/2020 OPERATING BUDGET
AMENDMENTS RELATED TO CAPITAL
EXPENSES**

Steven Palmer, General Manager
Georgetown Divide Public Utility District
February 11, 2020



NEW CAPITAL EXPENSES

- Three Previously Approved
 - 2018 Main Canal Reliability Project (10/8/19)
 - Capital Reserves Fund 43 - \$114,017
 - Capital Facility Fee Fund 39 - \$578,451
 - Auburn Lake Trails (Sweet) Water Treatment Plant (10/28/19)
 - Capital Reserves Fund 43 - \$120,000
- 2018 Treated Water Line Replacement (12/10/19)
 - Capital Facility Fee Fund 39 – (\$36,398)



NEW CAPITAL EXPENSES

- One Approved Today
 - Office Generator
 - Capital Reserves Fund 43 - \$8,000

FY19/20 IMPACTS

- Increase Capital Reserves Fund 43 Expenditures
 - \$905,185 to \$1,147,202
- Increase Capital Facility Fee Fund 39 Expenditures
 - \$862,500 to \$1,404,553



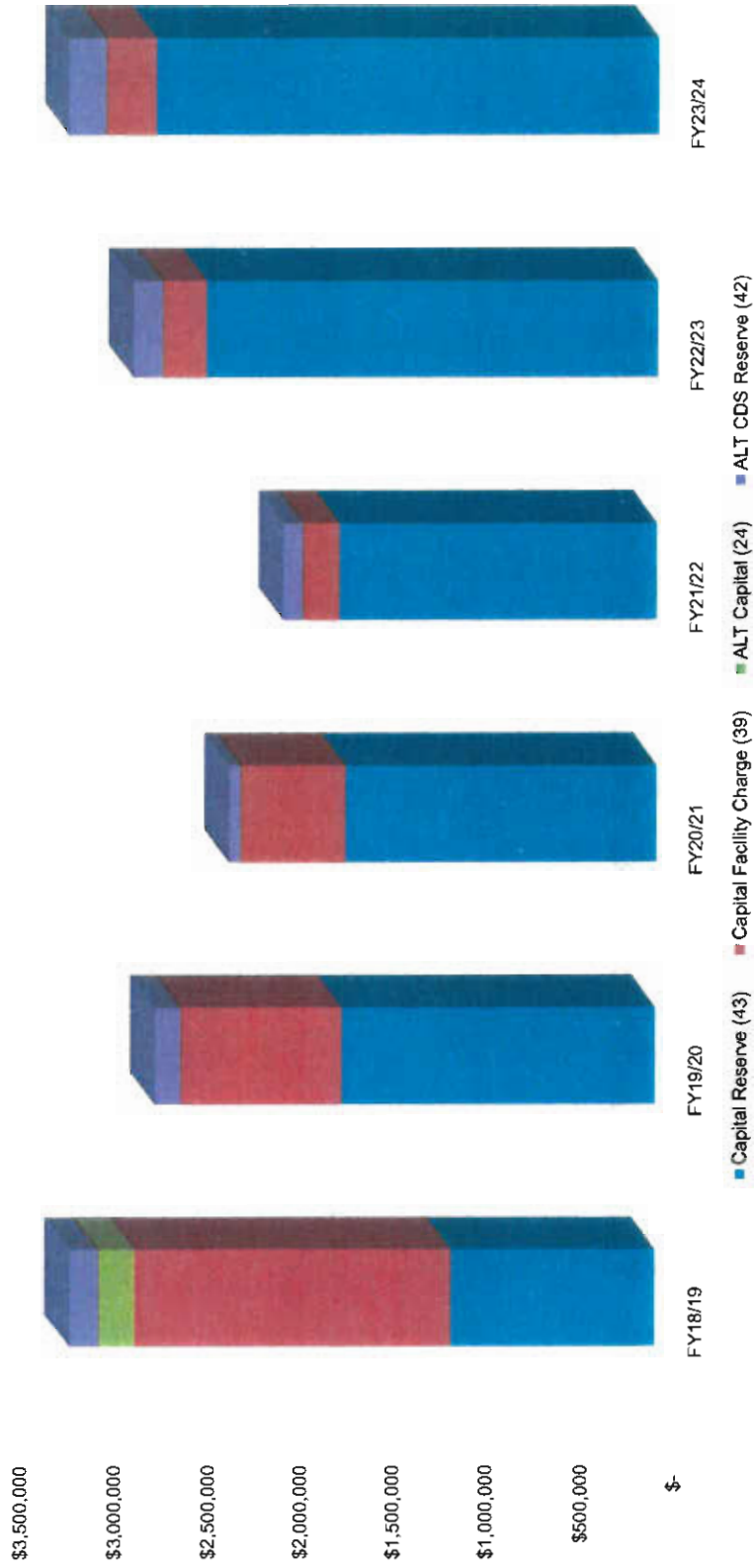
5-YEAR CIP IMPACTS

- Annual Treated Water Line Replacement
 - Shift \$360,352 in FY21/22 - Fund 39 to Fund 43
- Upcountry Ditch Rehabilitation
 - Shift \$329,213 in FY20/21 - Fund 39 to Fund 43
 - Increase total project cost by \$120,000

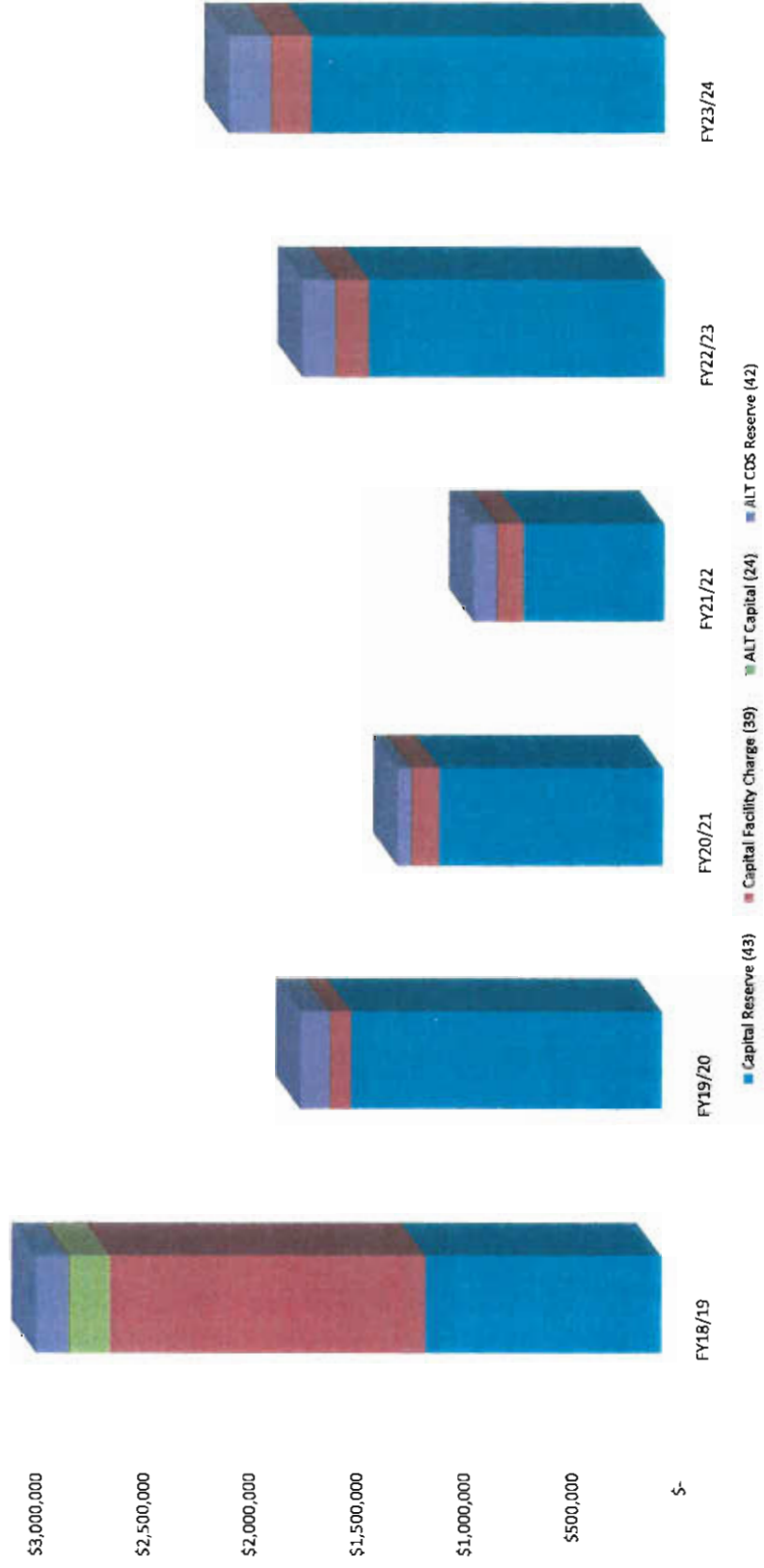
5-YEAR CIP IMPACTS

- Increase Fund 43 expenditures to \$5,214,900
- Decrease Fund 39 expenditures to \$1,441,000
- Capital project fund balance low \$769,700 -FY21/22

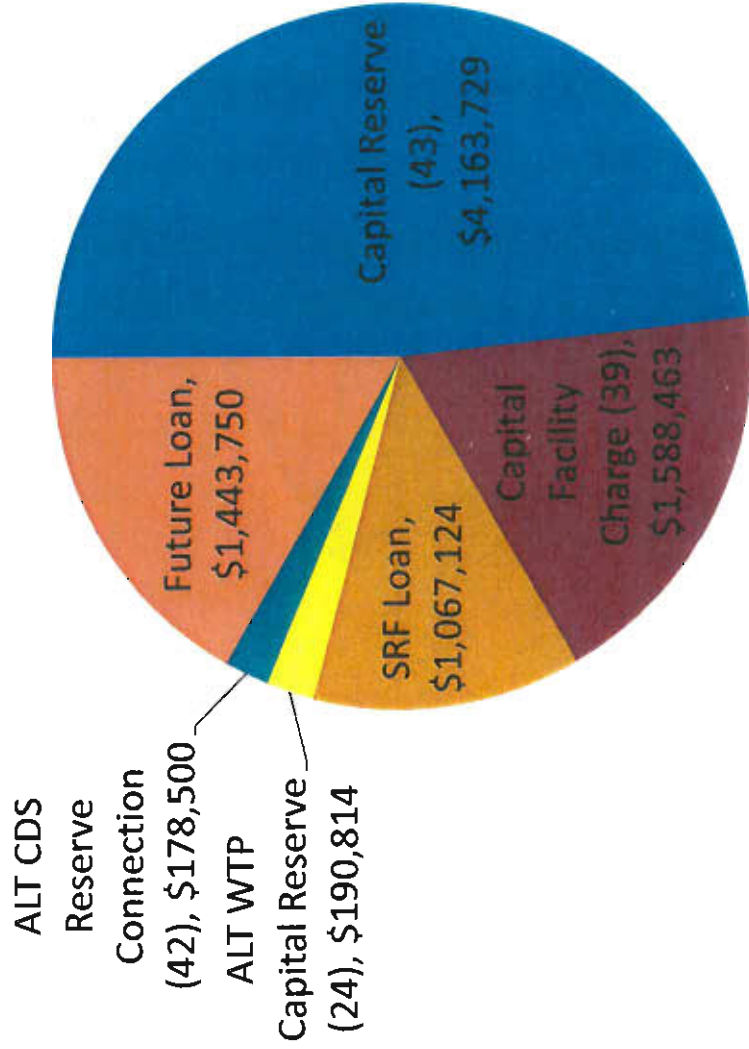
CAPITAL RESERVE BALANCE - ADOPTED



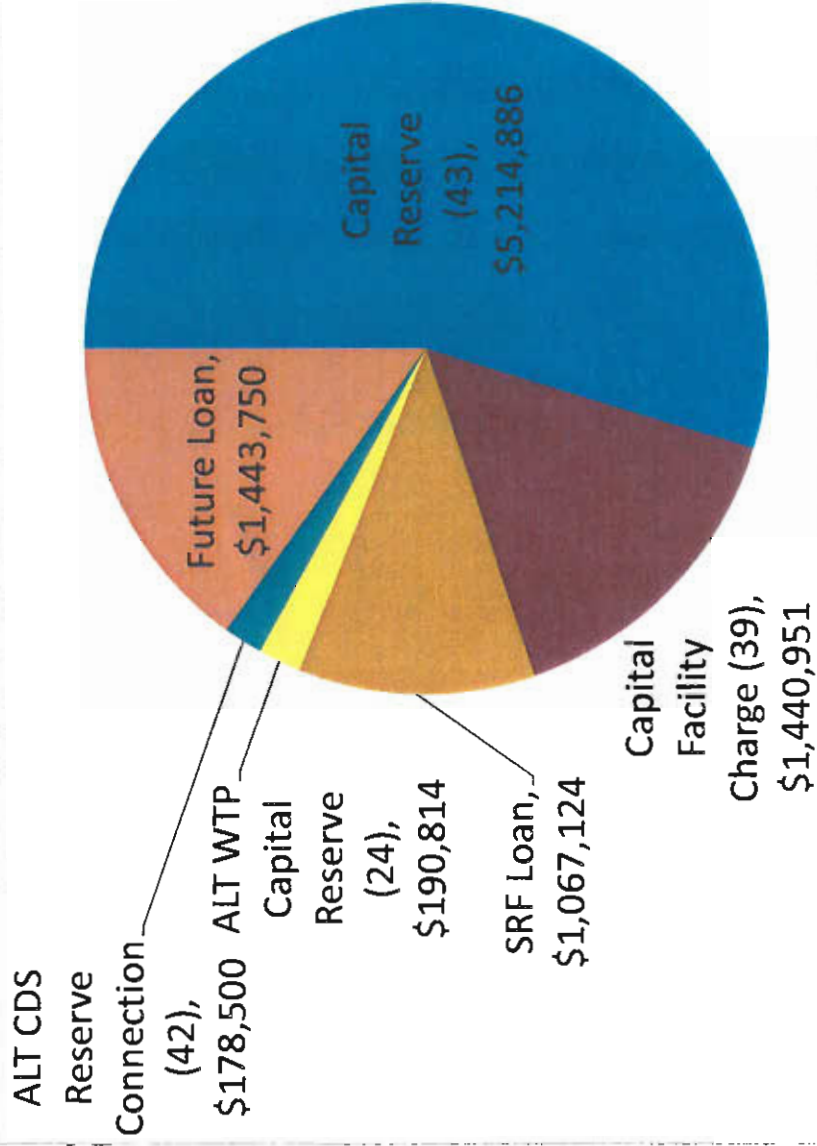
CAPITAL RESERVE BALANCE - REVISED



FUNDING SOURCE - ADOPTED



FUNDING SOURCE - REVISED



AGENDA ITEM 7.B.

Attachment 9

Resolution

RESOLUTION NO. 2020-
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
APPROVING AMENDMENTS TO THE FISCAL YEAR 2019/2020 OPERATING
BUDGET AND FIVE-YEAR CAPITAL IMPROVEMENT PLAN RESULTING FROM
PREVIOUS BOARD APPROVALS

WHEREAS, there have been three recent capital expense activities that the Board has approved related to the 2018 Main Canal Reliability Project, ALT (Sweet) Water Treatment Plant Project, and the 2018 Treated Water Line Replacement Project; and

WHEREAS, the Board is considering approval of an increase to the capital expenditures to fund a backup generator for the office; and

WHEREAS, these activities result in an increase in Fiscal Year 2019/2020 expenditures from Fund 43 Capital Reserves from \$905,185 to \$1,147,202 and in increase from Fund 39 Capital Facility Charges from \$862,500 to \$1,404,553; and

WHEREAS, these activities result in an increase in the planned five-year expenditure in Fund 43 Capital Reserve to \$5,214,900 and decrease from Fund 39 Capital Facility Charge to \$1,441,000; and

WHEREAS, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

WHEREAS, these changes were reflected in the revised documents presented by the General Manager and reviewed by the Board at the January 14, 2020 Board meeting.

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

1. The budget change request presented in Attachment 3 to the Staff Report and attached as Exhibit A to this resolution is approved.
2. The Fiscal Year 2019/2020 Operating Budget changes presented in Attachment 4 to the Staff Report and attached as Exhibit B to this resolution are approved.
3. The Capital Improvement Plan Summary Sheet and Chart changes presented in Attachments 6 and 7 to the Staff Report and attached as Exhibit C to this resolution are approved.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the eleventh day of February 2020, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

David Souza, 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 2020-__ duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this eleventh day of February 2020.

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



NEW BUSINESS

ITEM 7.C.

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF FEBRUARY 11, 2020
AGENDA ITEM NO. 7.C.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: ADOPT A RESOLUTION FREEZING TREATED AND IRRIGATION WATER RATES FOR THE CALENDAR YEAR 2020

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager

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

BACKGROUND

This item was presented to the Board at the January 14, 2020 Board meeting. The Staff Report and attachments from that meeting are included as Attachment 1. The Board did not take action at that time and instead directed the General Manager to present the item to the Finance Committee for their recommendation, and to bring the item back to the Board at the February Board meeting.

DISCUSSION

The Board has the authority to adopt a resolution setting the 2020 water rates lower than recommended by the RCAC Water Financial Analysis. The Board adopted Resolution 2019-14 in February 2019 setting the 2019 rates lower than those previously approved by the Board. If the Board takes action to set calendar year 2020 water rates lower than previously approved, then this would be the second year in a row that the Board has decided not to implement rate increases that were approved in 2017.

The District Finance Committee reviewed this proposed rate freeze at its meeting on January 29, 2020. The General Manager presented the January 14, 2020 Board Staff Report to the committee, along with detailed monthly operating revenue and water usage information for calendar years 2017, 2018, and 2019 for the committee to review. At that time, the committee voted to, "Recommend that the Board continue the temporary rate freeze until July 1, 2020 to allow additional time for review; and request that the Board direct the Finance Committee to review the rate increase schedule and rate increase percentages planned to be implemented on July 1, 2020."

The Finance Committee also requested that the General Manager place the item on the agenda for their meeting on February 5, 2020 so that they could develop a backup recommendation in case the Board did not agree with their primary recommendation. The Committee also requested that the General Manager also provide actual non-operating revenue information for Fiscal Year 2018/2019, in addition to the operating revenue that was already provided.

The handouts provided to the Finance Committee are included in Attachment 2 and 3.

FISCAL IMPACT

The fiscal impact of the action to freeze rates for another 12-months are:

- Reduce Fiscal Year 2019/2020 Budget water operating revenue by approximately \$112,000
- Reduce Fiscal Year 2019/2020 budgeted transfer of \$1,492,825 from Operating Fund 10 to Capital Reserves Fund 43 by approximately \$112,000.
- Reduce projected revenue by an additional \$224,516 for calendar 2020, resulting in a total lost revenue of \$434,609 during calendar year 2020.
- Reduce water revenue by a cumulative total of \$658,748 from calendar year 2020 through 2022 (in addition to the \$881,304 reduction due to the 2019 rate freeze); based on water revenue projections from the Water Financial Analysis.
- Delay planned capital improvement projects such as treated water line replacement and upcountry ditch rehabilitation.

Rates must be set to provide for the future sustainability of the District. Rates must account for years of inflation since 2011, reduction in revenue due to water conservation, elimination of tiered water rates, and to set aside adequate funding to replace capital infrastructure. If rates are not set properly, initially the District will be forced to draw from reserves to fund operating expenses and to defer much needed capital improvements and replacements. Once reserves are depleted the District will be unable to meet its financial obligations.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

Staff's recommendation is to maintain the rate structure as adopted in the attached Resolution 2019-14 and to not freeze water rates for a second year. Freezing rates again would keep rates unchanged for three consecutive years and impact the ability of the District to complete much needed capital rehabilitation projects.

ALTERNATIVES

Alternatively, the Board may reject Staff's recommendation and adopt the resolution included as Attachment 4, which holds water rates at the 2018 water rates for another year.

ATTACHMENTS

1. January 14, 2020 Staff Report
2. January 29, 2020 Finance Committee Handouts
3. February 5, 2020 Finance Committee Handouts
4. Resolution

ATTACHMENT 1
JANUARY 14, 2020 STAFF REPORT

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 14, 2020
AGENDA ITEM NO. 8.D.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: ADOPT A RESOLUTION FREEZING TREATED AND IRRIGATION WATER RATES FOR THE CALENDAR YEAR 2020

PREPARED BY: Steven Palmer, PE, General Manager

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

BACKGROUND

In December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates that resulted in a Water Financial Analysis prepared by an experienced professional. This Water Financial Analysis and adopted rate structure addressed findings and recommendations from the 2016 Grand Jury Report, bringing the District into compliance with recent court decisions regarding tiered rates, and making the District eligible for grants and loans. The process followed is detailed in the Staff Report from February 12, 2019 and January 8, 2019, which are included as Attachment 1. At the culmination of that process, the Board of Directors accepted and closed the Proposition 218 Public Notice and protest process, and adopted the following rates for water service:

Treated Water

Meter Size	Monthly Base Charge				
	Jan 1, 2018 (Current)	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 156.63	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the base charge for all treated water customers.

Tier	Usage Rate (per CF)				
	Jan 1, 2018 (Current)	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

Irrigation Water

Meter Size	Monthly Base Charge (Irrigation Season Only)				
	Jan 1, 2018 (Current)	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

Note: Irrigation water is delivered, and monthly charges are only billed during the five (5) month irrigation season.

At the January 8, 2019 Board meeting, the Board of Directors voted 4-1 to “temporarily freeze the rate increases for no more than 12 months and direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit. And then they’ll bring back recommendations to the Board for possible rate adjustments.”

The first part of the Board action from January 8, 2019 was to “temporarily freeze the rate increases for no more than 12 months.” At the February 12, 2019 meeting, the Board adopted Resolution 2019-14 freezing rates, Attachment 2. The resolution also specifies that after the November/December 2019 billing period, the rates will increase to the previously adopted rates for 2019 as described in Resolution 2017-30 (included with Attachment 1).

The second part of the Board action from January 8, 2019 was to “direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit.” A forensic audit is an examination and evaluation of financial transactions for presentation to the court and for the purpose of identifying and documenting fraud. Based on the discussions among the Directors at that Board meeting, the Board’s goal was to have an independent evaluation of the capital replacement program that was developed for the Water Financial Analysis prepared by Rural Community Assistance Corporation (RCAC), dated October 2017; a forensic audit would not meet this goal. The Board directed the General Manager to issue a request for proposals (RFP) to select an engineering firm to provide an independent evaluation of the capital replacement program. One proposal was received from Bennett Engineering Services, Inc. in the amount of \$61,996, and the General Manager presented a professional services agreement to the Board for consideration at the Board meeting on September 10, 2019. At that meeting, the Board decided to not approve the agreement and to not move forward with the independent evaluation of the capital replacement program.

ADOPTED 2020 RATE INCREASES

Based on the Board adopted rate schedule, the monthly base charge and usage rates for treated water rates are set to increase by 5% with the January and February billing cycle. This equates to an increase of \$1.47 per month for the monthly base charge and an increase of \$0.0013 per cubic foot (\$0.00017 per gallon) for the usage rate. A customer who uses the District average of 2,100 cubic feet of water per billing cycle would expect their bill to increase by \$2.83 per month (\$5.67 per billing cycle).

Irrigation water rates are set to increase by 10%. The cost for one miner's inch of water will increase by \$15.40 per month. One miner's inch equates to 16,156 gallons of water per day, or 2,471,990 gallons (330,480 cubic feet) per five (5) month irrigation season. This equates to a cost of \$0.00233 per cubic foot in 2018 and 2019, and \$0.00257 per cubic foot in 2020.

At the December 12, 2019 Board meeting, the Board of Directors directed the General Manager to bring a resolution to the Board to keep water rates at the current rates of \$29.41 per month and \$0.0255 per cubic foot of treated water, and \$154.20 per miner's inch per month for irrigation water. These rates are the same as those that were effective two years ago in 2018.

DISCUSSION

Any changes to the adopted rate structure will have a direct impact on the service received by District customers. The adopted rates structure already includes a level of service that is lower than the initial recommendation from RCAC's analysis. The RCAC analysis that was initially presented to the Board in October 2017 recommended a first-year contribution of \$1,995,634 from treated water customers and \$377,759 from irrigation water customers towards the replacement and rehabilitation of assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.). The Board did not adopt that recommendation.

The Board reviewed the information presented in the RCAC study and directed staff to assume that assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.) would last longer than industry standards, and to reach the capital contribution goal in ten (10) years instead of five (5). Consequently, the Final Water Financial Analysis included lower contributions to capital replacements, and lower water rates than originally recommended by RCAC. The recommended and adopted water rates in the Water Financial Analysis are summarized in the following table.

	Year One (2018)		Year Two (2019)		Year Three (2022)	
	Recommended	Adopted	Recommended	Adopted	Recommended	Adopted
Treated	\$3,169,350	\$2,676,333	\$3,352,764	\$2,838,472	\$3,924,733	\$3,335,081
Irrigation	\$1,107,650	\$ 479,543	\$1,218,415	\$ 527,497	\$1,621,711	\$ 702,099
<i>Total</i>	<i>\$4,277,000</i>	<i>\$3,155,876</i>	<i>\$4,571,179</i>	<i>\$3,365,969</i>	<i>\$5,546,444</i>	<i>\$4,037,180</i>
<i>Annual Shortfall</i>	<i>\$1,121,124</i>		<i>\$1,205,210</i>		<i>\$1,509,264</i>	

ANALYSIS

The Board has the authority to adopt a resolution setting the 2020 water rates lower than recommended by the RCAC Water Financial Analysis. The Board adopted Resolution 2019-14 in February 2019 setting the 2019 rates lower than those previously approved by the Board. If the Board takes action to set calendar year 2020 water rates lower than previously approved, then this would be the second year in a row that the Board has decided not to implement rate increases that were approved in 2017. The District Finance Committee has not reviewed this proposed rate freeze.

REVENUE IMPACTS

In order to analyze the impact of freezing water rates, staff compared the treated water and irrigation water revenues projected by the adopted rates to actual water revenue, and to various rate freeze durations as shown in the following tables.

Calendar Year	Revenue		
	Actual	1 Year Rate Freeze	Adopted Rates
2018	\$3,221,358	\$3,155,876	\$3,155,876
2019	\$3,078,250	\$3,155,876	\$3,365,969

Calendar Year	Water Revenue (\$)				
	Adopted Rates	1 Year Rate Freeze	2 Year Rate Freeze	3 Year Rate Freeze	4 Year Rate Freeze
2018	3,155,876	3,155,876	3,155,876	3,155,876	3,155,876
2019	3,365,969	3,155,876	3,155,876	3,155,876	3,155,876
2020	3,590,485	3,365,969	3,155,876	3,155,876	3,155,876
2021	3,814,624	3,590,485	3,365,969	3,155,876	3,155,876
2022	4,037,180	3,814,624	3,590,485	3,365,969	3,155,876
<i>Total</i>	<i>17,964,134</i>	<i>17,082,830</i>	<i>16,424,082</i>	<i>15,989,473</i>	<i>15,779,380</i>
<i>Lost Revenue</i>	<i>--</i>	<i>(881,304)</i>	<i>(1,540,052)</i>	<i>(1,974,661)</i>	<i>(2,184,754)</i>

2019 RATE FREEZE IMPACT

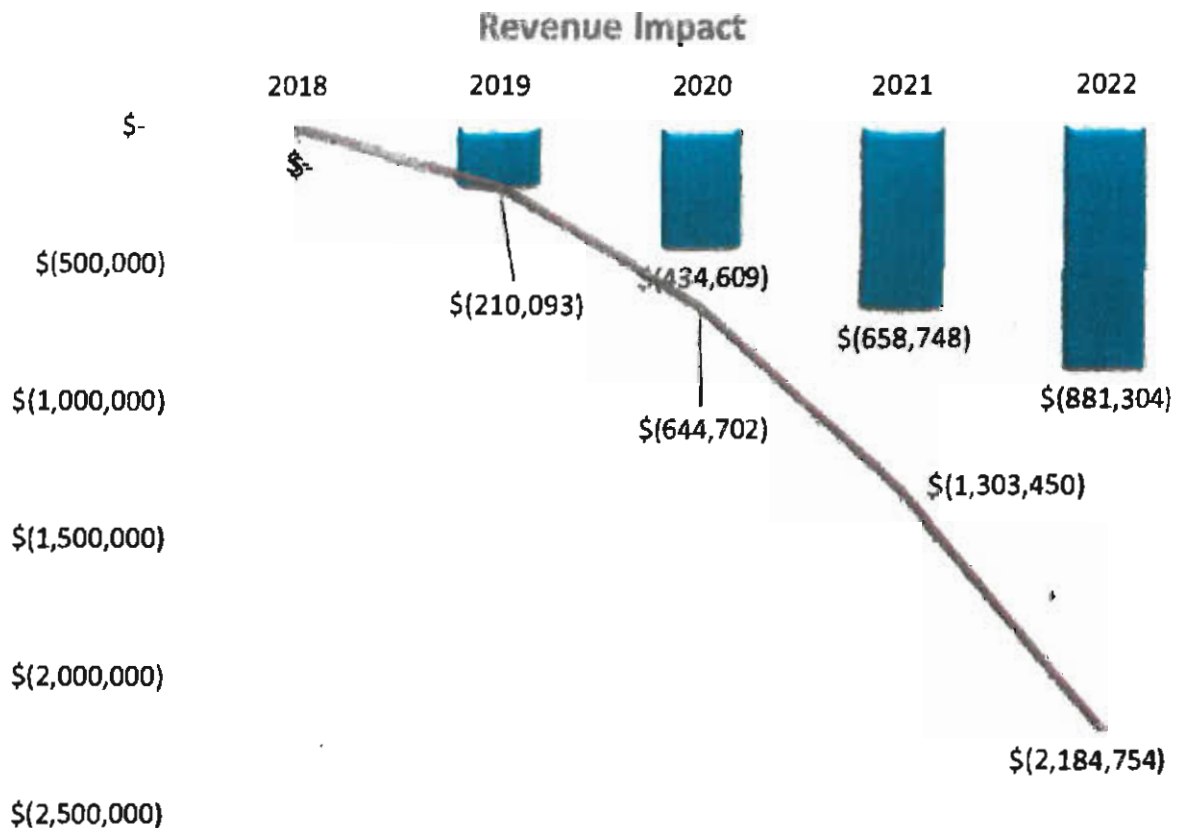
The tables above illustrate that the action to freeze rates during calendar year 2019 resulted in a revenue approximately \$210,093 less than the amount projected by the adopted rate structure for each remaining year of the five year rates. In other words, the impact of the 2019 water rate freeze is \$881,304 less revenue over the life of the rates.

2020 RATE FREEZE IMPACT

If the calendar year 2020 water rates are held at the 2018 water rates, the District revenue during 2020 will be \$434,609 less than projected by the adopted rate structure. As shown in the table, the impact of a two year rate freeze is a revenue reduction of \$1,540,052. The most immediate impact is that the current fiscal year operating revenue will be reduced by approximately \$112,000.

FUTURE RATE FREEZE IMPACTS

If water rates are not increased as planned during the next three years, the total amount of lost revenue will be \$2,184,754. The revenue impacts for each year of a rate freeze are shown in the following chart.



This loss of revenue will result in reduced service to customers in the form of reduced maintenance and delayed replacement of pipelines, tanks, meters, pumps, etc.

IMPACT ON INFRASTRUCTURE REPAIR AND REPLACEMENT (CIP)

The most immediate impact of an additional rate freeze is a further reduction in funding available for capital projects. This has a direct impact on the ability of the District to make necessary infrastructure repairs and replacements and results in the immediate delay of planned capital improvement projects.

The adopted 2019-2024 Capital Improvement Plan (CIP) identifies expenditures of \$6,121,506 of District funds over the next five years to replace and rehabilitate aging infrastructure (\$1,224,301 annual average). This does not include new loans or current loan payments, and the adopted CIP assumes that treated water and irrigation water rates would increase by 5% and 10% per year, respectively, as specified in Resolution 2019-14. Recent construction contract bid results for the 2018 Main Canal Reliability Project have increased the planned five-year expenditures to \$6,905,576. Revenue reduction of an additional \$644,702 (\$1,540,052 total) caused by a second year of a rate freeze will necessitate delay of projects currently planned in the CIP. Projects most likely to be delayed are the Upcountry Ditch Rehabilitation and/or treated water line replacement projects. Reduced revenue may also impact the District's ability to obtain a loan for the Automated Meter Replacement Project, and a grant for

the Upcountry Ditch Rehabilitation Project. This reduced revenue and project delays would need to be addressed during the annual update of the Five Year CIP.

LONGER TERM IMPACTS

Due to inflation, multiple years of rate freezes have the potential to impact the operating budget. By continuing to freeze rates, District revenue will begin to be eroded by annual cost inflation. The Water Financial Analysis estimated that District expenses will increase an average of 3% per year between 2018 and 2021. In fact, during the last two years the consumer price index for urban wage earners and clerical workers (CPI-W) West B/C for March has increased 2.8% in 2018 and 2.1% in 2019. Continuing to delay capital replacement and rehabilitation projects will result in higher probability of catastrophic failures, more emergency/temporary repairs, and increased costs.

A freeze in rates for any length of time will result in lost revenue that will never be recovered. A freeze for an extended length of time will jeopardize the District's ability to deliver water, result in increased capital replacement costs, and would likely raise concerns with the El Dorado County Grand Jury.

FISCAL IMPACT

The fiscal impact of the action to freeze rates for another 12-months are:

- Reduce Fiscal Year 2019/2020 Budget water operating revenue by approximately \$112,000
- Reduce Fiscal Year 2019/2020 budgeted transfer of \$1,492,825 from Operating Fund 10 to Capital Reserves Fund 43 by approximately \$112,000.
- Reduce projected revenue by an additional \$224,516 for calendar 2020, resulting in a total lost revenue of \$434,609 during calendar year 2020.
- Reduce water revenue by a cumulative total of \$658,748 from calendar year 2020 through 2022 (in addition to the \$881,304 reduction due to the 2019 rate freeze); based on water revenue projections from the Water Financial Analysis.
- Delay planned capital improvement projects such as treated water line replacement and upcountry ditch rehabilitation.

Rates must be set to provide for the future sustainability of the District. Rates must account for years of inflation since 2011, reduction in revenue due to water conservation, elimination of tiered water rates, and to set aside adequate funding to replace capital infrastructure. If rates are not set properly, initially the District will be forced to draw from reserves to fund operating expenses and to defer much needed capital improvements and replacements. Once reserves are depleted the District will be unable to meet its financial obligations.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

Staff's recommendation is to maintain the rate structure as adopted in the attached Resolution 2019-14 and to not freeze water rates for a second year. Freezing rates again would keep rates unchanged for three consecutive years and impact the ability of the District to complete much needed capital rehabilitation projects.

ALTERNATIVES

Alternatively, the Board may reject Staff's recommendation and adopt the resolution included as Attachment 3, which holds water rates at the 2018 water rates for another year.

ATTACHMENTS

1. February 12, 2019 Report
2. Resolution 2019-14 Freezing Treated and Irrigation Water Rates
3. Resolution
4. Powerpoint Presentation



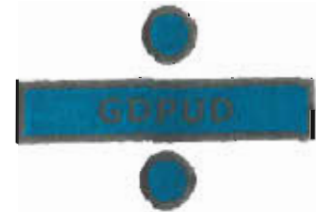
NEW BUSINESS

ITEM 8.D.

ATTACHMENT 1

FEBRUARY 12, 2019 STAFF REPORT

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



AGENDA SECTION: NEW BUSINESS

SUBJECT: ADOPT A RESOLUTION FREEZING TREATED AND IRRIGATION WATER RATES FOR THE CALENDAR YEAR 2019, AND REVIEW AND PROVIDE DIRECTION ON THE PLAN TO REVIEW THE CAPITAL REPLACEMENT PROGRAM INCLUDED IN THE WATER FINANCIAL ANALYSIS BY RURAL COMMUNITY ASSISTANCE CORPORATION, DATED OCTOBER 2017

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager

BACKGROUND

In December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates. The 15-month process to update water rates included two (2) public workshops, and seven (7) meetings of either the Board of Directors or Finance Committee. The process followed is detailed in the Staff Report from January 8, 2019, which is included as Attachment 1.

At the culmination of that process, the Board of Directors accepted and closed the Proposition 218 Public Notice and protest process, and adopted the following rates for water service:

Treated Water

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 23.57	\$ 313.68	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	—	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

Irrigation Water

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 47.00	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

Note: Irrigation water is delivered, and monthly charges are only billed during the five (5) month irrigation season.

At the January 8, 2019 Board meeting, the Board of Directors voted 4-1 to “temporarily freeze the rate increases for no more than 12 months and direct the General Manager, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit. And then they’ll bring back recommendations to the Board for possible rate adjustments.”

DISCUSSION / ANALYSIS

The first part of the Board action from January 8, 2019 was to “temporarily freeze the rate increases for no more than 12 months.” In order to freeze the rates, the Board needs to adopt a resolution setting the rates lower than the previously adopted rates. That resolution is included as Attachment 2. The resolution also specifies that after the November/December 2019 billing period, the rates will increase to the previously adopted rates for 2019 as described in Resolution 2017-30 (Attachment 3).

The second part of the Board action from January 8, 2019 was to “direct the General Manager, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit.” A forensic audit is an examination and evaluation of financial transactions for presentation to court and for the purpose of identifying and documenting fraud.

Based on the discussions among the Directors at that Board meeting, it is the General Manager’s understanding that the Board’s goal is to have an independent evaluation of the capital replacement program that was developed for the Water Financial Analysis prepared by Rural Community Assistance Corporation (RCAC), dated October 2017. A forensic audit would not meet this goal. In order to provide an independent evaluation of the capital replacement program developed for the Water Financial Analysis, the General Manager recommends the District hire a professional engineering firm to review the costs listed for each project. The basic scope of work for the engineering firm would include the following:

- Estimate the cost to replace each item identified in the capital replacement program. The cost estimates would be prepared in 2019 dollars and based on the engineering firms experience with recent similar projects and readily available public records.
- Estimate the replacement year for each item identified in the capital replacement program.
- Adjust the costs estimates from 2019 dollars to the replacement year for each item. Engineering firm will provide written justification for the cost adjustment from 2019 dollars to the replacement year for each item.

The expected deliverable would be a report from the engineering firm detailing the assumptions, methodology, references; and summarizing the results. The report would likely include table(s) similar in form and content to the capital replacement program that is Exhibits 1T and 1I in the Water Financial Analysis. Those exhibits are also included with this Staff Report as Attachment 4.

Following today's Board meeting, the General Manager will prepare and distribute a Request for Proposals (RFP) to select an engineering firm to provide these services. The RFP will be circulated for four (4) weeks. The proposals would be reviewed and independently ranked by three District staff members. Rankings will be based on criteria listed in the RFP. Depending on the results of the independent ranking, firms may be interviewed to identify the engineering firm most qualified to perform this work for the District. Interviews are not typically conducted or required for contracts of this scope and magnitude. If the price submitted by the most qualified firm is \$45,000 or less, then the General Manager will execute the agreement. If the price submitted by the most qualified firm is more than \$45,000, then Board approval of the agreement is required it will be presented to the Board for approval. In either case, this expense was unforeseen and not included in the Fiscal Year 2018/2019 operating budget. The Board will need to approve a budget amendment to fund this work.

The last part of the January 8, 2019 Board action is "And then they'll bring back recommendations to the Board for possible rate adjustments." Once the engineering firm's work is complete, the results of the independent evaluation of the capital replacement program would be presented to the Board at the next possible Board meeting. At that point, the Board can provide direction to the General Manager on whether to proceed with developing possible rate adjustments.

FISCAL IMPACT

As reported in the Staff Report from January 8, 2019 regarding freezing treated and irrigation water rates, the action to freeze rates for 12-months will reduce revenue by \$210,000.

The actual cost of the independent evaluation of the costs in the capital replacement program is not known at this time and will not be known until proposals are received and ranked. The General Manager estimates that costs are likely to be in the range of \$50,000 and could be more. This expense was unforeseen and not included in the Fiscal Year 2018/2019 operating budget. The Board will need to approve a budget amendment at a future meeting to fund this work.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

In order to freeze the rates for 2019, the Board must adopt the attached resolution.

As a second and independent action, if the Board wishes to proceed with an independent evaluation of the costs in the capital replacement program, then the Board needs to direct the General Manager to proceed with the RFP and selection process to select an engineering firm. A budget amendment and the professional services agreement, if needed, for this work will be presented to the Board at a future meeting.

ATTACHMENTS

1. January 8, 2019 Staff Report Regarding Freezing Treated and Irrigation Water Rates
2. Resolution 2019-14 Freezing Treated and Irrigation Water Rates
3. Resolution 2017-30
4. Capital Replacement Program (Exhibits 1T and 1I) from Water Financial Analysis, October 2017

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 8, 2019
AGENDA ITEM NO. 7.B.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: DISCUSS AND PROVIDE DIRECTION ON FREEZING TREATED AND IRRIGATION WATER RATES AT THE CALENDAR YEAR 2018 RATES

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager

BACKGROUND

In December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates. The District started this process for several reasons:

1. Prior to December 2017, the last time the rates were reviewed and updated was 2008. It is considered best practice to evaluate water rates every three to five years.
2. In 2008, the Board adopted rate increases for 2009, 2010, and 2011; however, they did not adopt the recommended increase for 2012 and 2013. If the recommended rates for 2012 and 2013 had been adopted, the treated water base rate would have been \$52.98 and the irrigation water rate for one miner's inch for one season would have been \$440. Instead, the rates for 2011 through 2017 were charged at the 2011 rate of \$47.14 base rate for treated water, and \$363.70 for one miner's inch for one season.
3. The District's water rates were too low to qualify for State and Federal grants. State and Federal agencies measure water affordability using the water rate as a percentage of the median household income. To qualify for State and Federal grants, the District must maintain an affordability index ranging between 1.5% and 4.0%. In 2017, the water affordability for the District was 1.25%.
4. The District's water rates were too low to qualify for loans. When considering lending money, lenders look at the ratio of net operating income to debt service, which is called the debt-service coverage ratio. Lenders require a minimum ratio of 1.20 to qualify for loan programs. The District's debt-service coverage ratio were projected to decrease to 1.0 in 2020.
5. Operating expenses were forecast to exceed future revenue projections by significant and ever-increasing amounts, reaching over \$300,000 annually within three years.
6. Over 60% of the District's infrastructure is over 40 years old and failures are becoming common.
7. The District did not have enough revenue to adequately fund capital replacement projects.

8. Recent court decisions require the District to justify its tiered rate system, including the practice of including a water allowance in the fixed base charge (e.g. Capistrano Taxpayers Association, Inc. versus City of San Juan Capistrano).
9. The 2016 Grand Jury Report, dated May 17, 2017, recommended that "Once the rate study is submitted to the Board, the District must initiate a voter-approved rate increase process as soon as possible," and made the following findings:
 - a. "The District water rates are insufficient to support current operations and infrastructure and maintenance."
 - b. "Total revenues are not adequate to support operations and fund needed capital improvement reserves."
 - c. "The District loses significant revenue due to outdated water meters."
 - d. "The District also loses water and revenue due to leaks in the aging infrastructure."
 - e. "Employee compensation is too low for an agency this size, making recruitment and retention difficult."
 - f. "The current staffing levels are insufficient, which impairs the District's ability to operate efficiently."
 - g. "The District cannot depend on new hookups and ratepayers to supplement revenues as population growth has slowed on the Divide, necessitating the need for the District to look internally for revenue."
 - h. "The Jury found no evidence that either the District Board or staff is "preparing the ground" with their customers for what may be steep increases in their bills."
10. Other recommendations of the 2016 Grand Jury Report included:
 - a. "Along with replacing aging water meters, the District must upgrade their aging infrastructure and prioritize maintenance and capital improvement projects."
 - b. "The District must offer competitive salaries to attract qualified professional staff."
 - c. "The District must review staffing levels and fill key positions with permanent staff to ensure continuity of operations."

The 15-month process to update water rates included two (2) public workshops, and seven (7) meetings of either the Board of Directors or Finance Committee. A summary of those meetings is presented below:

- September 27, 2016 – Board initiated the process to enlist Rural Community Assistance Corporation (RCAC) to perform a Water Financial Analysis and calculate water rates at no cost to the District. RCAC receives funding from the State to help communities like the District to stay in compliance with regulations.
- April 25, 2017 – Staff and RCAC provided the District Finance Committee with a presentation regarding the methodology being followed for the current rate study and requested input regarding several policy related decisions. The policy questions discussed were: subsidy program for low income customers, capital reserve fund balance, non-operating revenue/property tax allocation, rate tiers, quantity of water included in the base rate, and functional cost allocation.
- May 8, 2017 – Staff presented the information from the April Finance Committee meeting to the Board to obtain Board concurrence on moving forward with this methodology for the rate calculation. By motion action, the Board provided direction on the subsidy program, loan and grant assumptions for the

Freezing Treated and Irrigation Water Rates
Board Meeting of January 8, 2019
Agenda Item No. 7.B.

recapitalization program, and excluding hydroelectric revenue from the operating budget and rate calculation.

- **August 22, 2017** – Board approved an outreach approach for the water rate calculations consisting of two public workshops, one Board meeting workshop, one Board meeting to authorize the 45-day public hearing, and one Board meeting to hold the public hearing required to adopt the rates.
- **September 18, 2017** – Public Workshop #1 at Georgetown Elementary School.
- **October 3, 2017** – Presentation to Board regarding Public Workshop #1.
- **October 12, 2017** – Public Workshop #2 at Cool Community Hall. RCAC presented the following rates at that meeting:

Scenario	Treated Water				Irrigation Water	
	Year One		Year Five		Year One	Year Five
	Monthly Base Charge	Usage Rate	Monthly Base Charge	Usage Rate	Monthly per MI	Monthly per MI
1 - (85/15)	\$ 49.62	0.0225	\$ 60.30	0.0273	\$383.60	\$561.60
2 - (74/26)	\$ 55.81	0.0225	\$ 67.84	0.0273	\$356.20	\$521.40
3 - (50/50)	\$ 62.00	0.0225	\$ 75.38	0.0273	\$274.00	\$401.20

Notes:

1. Scenario 1 splits property tax based on asset values (85% treated, 15% irrigation). Scenario 2 splits property tax based on operating expenses (74% treated, 26% irrigation). Scenario 3 splits property tax evenly between treated and irrigation.
 2. Monthly base charge shown is for 3/4-inch meter size.
 3. Irrigation rate shown is for 1 miner's inch. One (1) miner's inch equates to an approximate flow rate of 1.5 cubic feet per minute (11.22 gallons per minute). During a 5-month irrigation season this is approximately 330,480 cubic feet (2,471,990 gallons).
- **October 18, 2017** – Board Workshop at Northside School. As recommended at the Public Workshop #2, Scenario 2 was presented to the Board along with a few alternatives.
 - Staff received direction from the Board to prepare a Rate Study report based on Scenario 2 with the following changes for review and possible approval at a Special Board Meeting on October 24, 2017:
 - Residential 5/8-inch, 3/4-inch, and 1-inch meters pay the same base rate.
 - Allocate property tax revenue to cover all administration costs, allocate \$35,000 of property tax revenue for a low-income rate assistance program, and allocate remainder to irrigation water capital reserves;
 - Review and revise capital replacement schedule; and
 - Achieve a balanced budget for operating and capital reserves in 10 years instead of 5 years.
 - **October 24, 2017** – Based on input received, direction from the Board, and sound financial and best government practices, RCAC prepared a Water Financial

Freezing Treated and Irrigation Water Rates
Board Meeting of January 8, 2019
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Analysis and rate calculation for review by the Board at the October 24, 2017 Board Meeting. The Water Financial Analysis provides an explanation and justification of the calculated treated and irrigation water rates for five years, and documents compliance with laws and regulations. The Board reviewed the Water Financial Analysis and adopted a resolution authorizing the General Manager to prepare and deliver notice of a public hearing pursuant to Proposition 218. The Final Water Financial Analysis is included as Attachment 1.

- **December 12, 2017** – Board of Directors accepted and closed the Proposition 218 Public Notice and protest process, and adopted the following rates for water service:

Treated Water

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 23.57	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	–	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

Irrigation Water

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 47.00	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

Note: Irrigation water is delivered, and monthly charges are only billed during the five (5) month irrigation season.

Based on the Board adopted rate schedule, the monthly base charge and usage rates for treated water rates are set to increase by 5% with the January and February billing cycle. This equates to an increase of \$1.47 per month for the monthly base charge and an increase of \$0.0013 per cubic foot (\$0.0097 per gallon) for the usage rate. A customer who uses the District average of 2,100 cubic feet of water per billing cycle would expect their bill to increase by \$2.83 per month (\$5.67 per billing cycle).

Irrigation water rates are set to increase by 10%. The cost for one miner's inch of water will increase by \$15.40 per month, or \$77.00 per season. One miner's inch equates to 16,156 gallons of water per day, or 2,471,990 gallons (330,480 cubic feet) per five (5) month irrigation season. This equates to a cost of \$0.00233 per cubic foot in 2018, and \$0.00257 per cubic foot in 2019.

At the December 12, 2018 Board meeting, the Board of Directors requested that the General Manager bring back for discussion and direction an item to keep water rates at the current rates of \$29.41 per month and \$0.0255 per cubic foot of treated water, and \$154.20 per miner's inch per month for irrigation water.

DISCUSSION

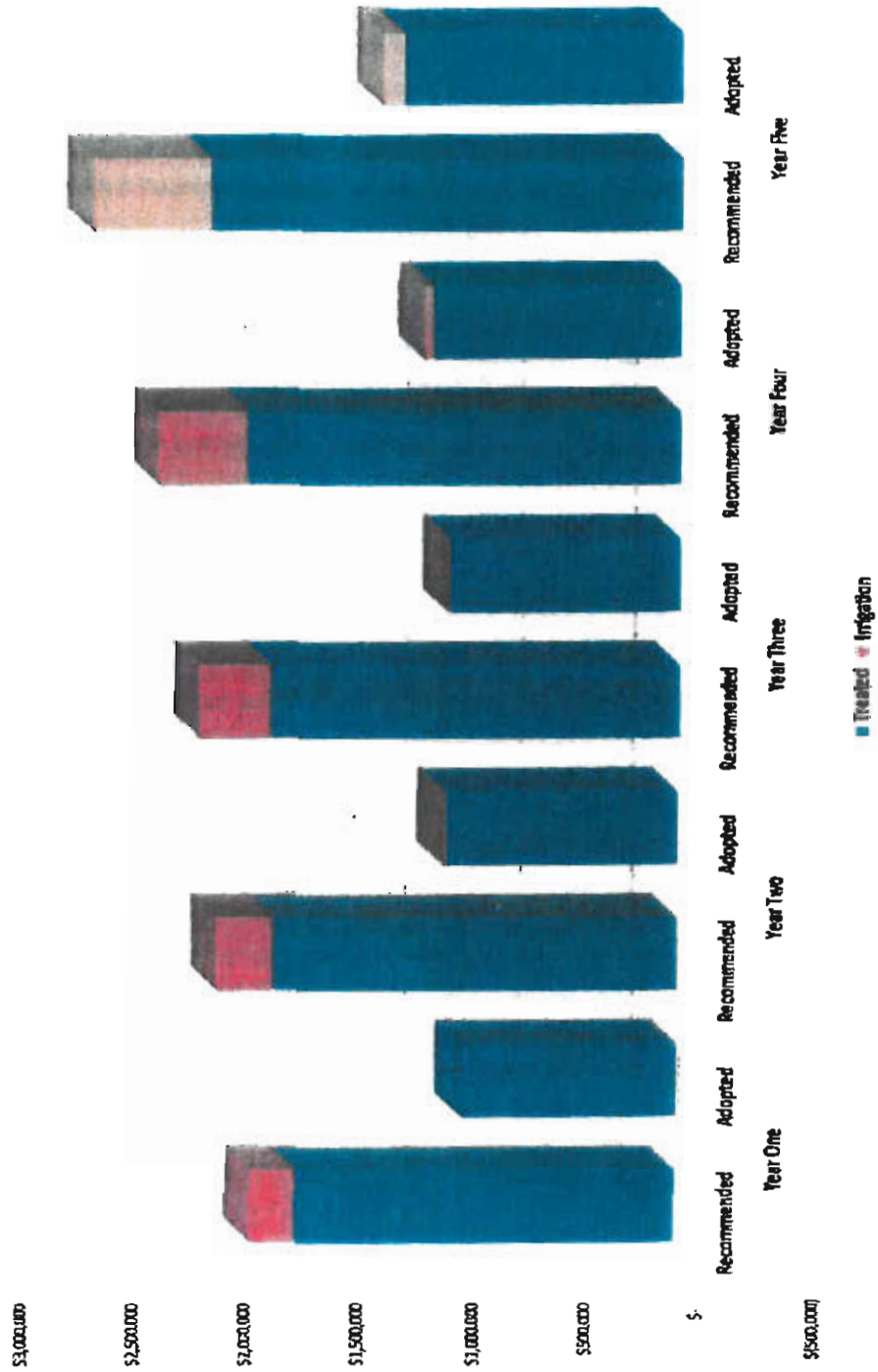
Any changes to the adopted rate structure will have a direct impact on the service received by District customers. The adopted rates structure already includes a level of service that is lower than the initial recommendation from RCAC's analysis. The RCAC analysis that was presented to the Board on October 18, 2017 recommended a first-year contribution of \$1,995,634 from treated water customers and \$377,759 from irrigation water customers towards replacement and rehabilitation of assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.).

The Board reviewed the information presented in the RCAC study and directed staff to assume that assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.) would last longer than industry standards, and to reach the capital contribution goal in ten (10) years instead of five (5). Consequently, the Final Water Financial Analysis included lower contributions to capital replacements, and lower water rates than originally recommended by RCAC. The adopted rates plan for an annual contribution of \$957,026 from treated water customers and \$0 from irrigation water customers in year one of the new rates, increasing to \$1,223,578 and \$89,924, respectively, in year five of the new rates. The recommended and adopted capital expenditures in the Water Financial Analysis are summarized in the following table and chart.

	Year One		Year Two		Year Five	
	Recommended	Adopted	Recommended	Adopted	Recommended	Adopted
Treated	\$1,686,326	\$957,026	\$1,786,107	\$1,028,624	\$2,077,079	\$1,223,578
Irrigation	\$ 189,272	\$ (1,054)	\$ 244,626	\$ 6,975	\$ 513,987	\$ 89,924

GDPUD Board Mtg. of 2/12/2019
 AGENDA ITEM 7.D.
 Attachment 1
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Capital Expenditures

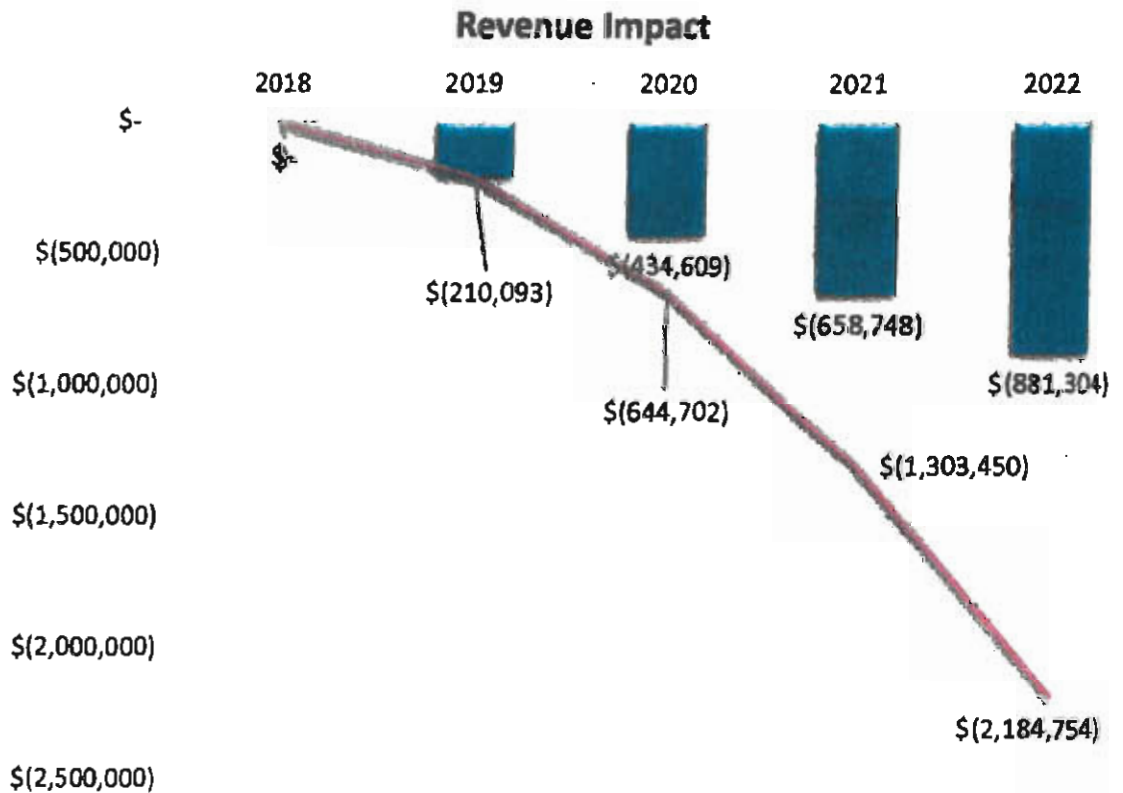


The adopted 2018-2023 Capital Improvement Plan (CIP) planned expenditures of \$4,234,585 of District funds over the next five years to replace and rehabilitate aging infrastructure (average \$846,917). This does not include new loans or current loan payments. Over the life of the CIP, District fund balance available to replace aging infrastructure are estimated to increase by approximately \$2,000,000.

ANALYSIS

The Board has the authority to adopt a resolution setting the 2019 water rates lower than recommended by the RCAC Water Financial Analysis, and lower than those approved in December 2017.

There are financial impacts to not implementing the already approved rate increase for 2019. This action will reduce revenue by approximately \$210,093 in the first year (2019) increasing to \$881,304 in the fifth year. If rates are not increased during the next five years, the total amount of lost revenue will be \$2,184,754. The revenue impacts are shown in the following chart.



This loss of revenue will result in reduced service to customers in the form of reduced maintenance and deferred replacement of pipelines, tanks, meters, pumps, etc.

The adoption of the current rate structure was the culmination of a 15-month long process involving nine (9) public meetings that resulted in a Water Financial Analysis prepared by an experienced professional. This Water Financial Analysis and adopted rate structure address findings and recommendations from the 2016 Grand Jury Report, bring the District into compliance with recent court decisions regarding tiered rates, and made the District eligible for grants and loans.

A freeze in rates for any length of time will result in lost revenue that will never be recovered. A freeze for an extended length of time will jeopardize the District's ability to deliver water, result in increased capital replacement costs, and would likely raise concerns with the El Dorado County Grand Jury.

The District Finance Committee reviewed this proposed rate freeze at their Special Meeting on January 4, 2019. Their input was not available at the time this Staff Report was prepared, but it will be incorporated into the oral presentation to the Board.

FISCAL IMPACT

Rates must be set to provide for the future sustainability of the District. Rates must account for years of inflation since 2011, reduction in revenue due to water conservation, elimination of tiered water rates, and to set aside adequate funding to replace capital infrastructure. If rates are not set properly, initially the District will be forced to draw from reserves to fund operating expenses and to defer much needed capital improvements and replacements. Once reserves are depleted the District will be unable to pay its bills and obligation. Ultimately, lack of keeping rates set properly will result in pressure from the State to consolidate with a neighboring district and could result in the State taking over the assets and obligations of the District.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

Staff recommendation is that the Board does not freeze treated and irrigation water rates at the Calendar Year 2018 rates.

ALTERNATIVES

1. Provide other direction regarding freezing the treated and irrigation water rates at the Calendar Year 2018 rates.

ATTACHMENTS

1. RCAC Water Financial Analysis
2. Grand Jury Report Link and Findings Pages
3. Capistrano Taxpayers Case Summary

**RESOLUTION NO. 2019-14
 OF THE BOARD OF DIRECTORS OF THE
 GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 FREEZING TREATED AND WATER IRRIGATION RATES AT THE 2018 RATES
 UNTIL THE END OF THE DECEMBER 2019 BILLING PERIOD**

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

WHEREAS, in December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates; and

WHEREAS, that process resulted in a Water Financial Analysis (aka Water Rate Study), dated October 24, 2017, prepared by Rural Community Assistance Corporation (RCAC) that established various proposed rates; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIII, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; verified and counted the protests and determined that the District may proceed with the proposed water rates; and

WHEREAS, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

WHEREAS, those rates were set to increase effective with the January/February 2019 billing period; and

WHEREAS, at the January 8, 2019 meeting the Board acted by motion to "temporarily freeze the rate increases for no more than 12 months;" and

WHEREAS, Board determinations regarding District rates should be made by resolution or ordinance; and

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

1. Effective with the January/February 2019 billing period, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge
5/8, 3/4, 1"	\$ 29.41
1.5"	\$ 98.02
2"	\$ 156.83
3"	\$ 313.66
4"	\$ 490.09

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

2. Effective with the January/February 2019 billing period, the usage rate for treated water customers will be \$0.0255 per cubic foot.
3. Effective with the January/February 2019 billing period, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)
½"	\$ 77.00
Per each 1"	\$ 154.20

4. The above listed rates will be effective through the November/December 2019 billing period.
5. Effective with the January/February billing period for each following year, respectively, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge		
	2020	2021	2022
5/8, 3/4, 1"	\$ 30.88	\$ 32.42	\$ 34.04
1.5"	\$ 102.92	\$ 108.07	\$ 113.47
2"	\$ 164.67	\$ 172.91	\$ 181.55
3"	\$ 329.34	\$ 345.81	\$ 363.10
4"	\$ 514.60	\$ 540.33	\$ 567.34

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

6. Effective with the January/February billing period each following year, respectively, the usage rate for treated water customers are established as follows:

Usage Charge (per CF)		
2020	2021	2022
\$ 0.0268	\$ 0.0281	\$ 0.0295

7. Effective with the January/February billing period each following year, respectively, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)		
	2020	2021	2022
½"	\$ 84.80	\$ 93.20	\$ 102.60
Per each 1"	\$ 169.60	\$ 186.60	\$ 205.20

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

AYES:

NOES:

ABSENT/ABSTAIN:

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

Attest:

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

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-14 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this twelfth day of February 2019.

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

RESOLUTION NO. 2017-30

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
 GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 ADOPTING NEW RATES FOR TREATED WATER AND
 IRRIGATION WATER SERVICES**

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

WHEREAS, a Water Rate Study, dated October 24, 2017, prepared by RCAC ("Water Rate Study"), establishes various rates proposed therein, which the District Board finds are reasonably related to the cost of service for the District; and

WHEREAS, in preparing the Water Rate Study, staff and RCAC held several workshops and recommended a range of alternatives that the District could adopt regarding the revised water rates, which the District Board has reviewed; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIII D, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; and

WHEREAS, the District has verified and counted the protests and determined that the District may proceed with the proposed water rates.

NOW, THEREFORE, BE IT RESOLVED THAT THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, DOES HEREBY ACCEPT AND CLOSE the Proposition 218 proceedings in connection with the District's proposed water rates, with receipt of less than a majority protest vote as declared by the District Secretary. The District Board may adopt multi-year rate increases for water rates, in accordance with the Water Rate Study, in compliance with Proposition 218.

NOW, THEREFORE, BE IT and it is hereby RESOLVED by the Board of Directors of the Georgetown Divide Public Utility District as follows:

Beginning on January 1, 2018, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 23.57	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	--	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

NOW, THEREFORE, BE IT and it is hereby RESOLVED by the Board of Directors of the Georgetown Divide Public Utility District as follows:

Beginning on January 1, 2018, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 47.00	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

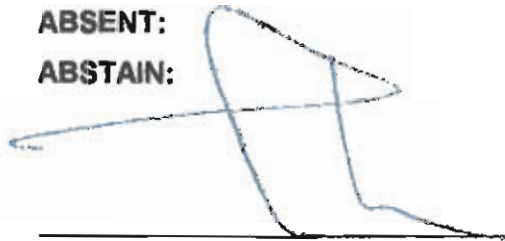
PASSED, APPROVED, AND ADOPTED by the Georgetown Divide Public Utility District at a special meeting held on the 12th day of December 2017; motioned by Director Hanschild, seconded by Director Wadle, and upon roll call was carried by the following vote of:

AYES: Halpin, Hanschild, Uso, Wadle


NAYS:

ABSENT:

ABSTAIN:




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

ATTEST: 

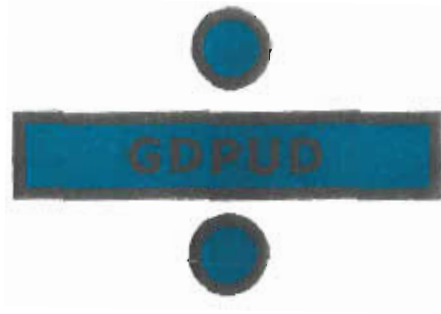
Steven Palmer, Clerk and Ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2017-30 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 12th day of December 2017.



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



NEW BUSINESS

ITEM 8.D.

ATTACHMENT 2
RESOLUTION 2019-14

RESOLUTION NO. 2019-14
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
FREEZING TREATED AND WATER IRRIGATION RATES AT THE 2018 RATES
UNTIL THE END OF THE DECEMBER 2019 BILLING PERIOD

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

WHEREAS, in December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates; and

WHEREAS, that process resulted in a Water Financial Analysis (aka Water Rate Study), dated October 24, 2017, prepared by Rural Community Assistance Corporation (RCAC) that established various proposed rates; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIII, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; verified and counted the protests and determined that the District may proceed with the proposed water rates; and

WHEREAS, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

WHEREAS, those rates were set to increase effective with the January/February 2019 billing period; and

WHEREAS, at the January 8, 2019 meeting the Board acted by motion to "temporarily freeze the rate increases for no more than 12 months;" and

WHEREAS, Board determinations regarding District rates should be made by resolution or ordinance; and

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

1. Effective with the January/February 2019 billing period, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge
5/8, 3/4, 1"	\$ 29.41
1.5"	\$ 98.02
2"	\$ 156.83
3"	\$ 313.66
4"	\$ 490.09

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

- Effective with the January/February 2019 billing period, the usage rate for treated water customers will be \$0.0255 per cubic foot.
- Effective with the January/February 2019 billing period, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)
½"	\$ 77.00
Per each 1"	\$ 154.20

- The above listed rates will be effective through the November/December 2019 billing period.
- Effective with the January/February billing period for each following year, respectively, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge		
	2020	2021	2022
5/8, 3/4, 1"	\$ 30.88	\$ 32.42	\$ 34.04
1.5"	\$ 102.92	\$ 108.07	\$ 113.47
2"	\$ 164.67	\$ 172.91	\$ 181.55
3"	\$ 329.34	\$ 345.81	\$ 363.10
4"	\$ 514.60	\$ 540.33	\$ 567.34

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

- Effective with the January/February billing period each following year, respectively, the usage rate for treated water customers are established as follows:

Usage Charge (per CF)		
2020	2021	2022
\$ 0.0268	\$ 0.0281	\$ 0.0295

- Effective with the January/February billing period each following year, respectively, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)		
	2020	2021	2022
½"	\$ 84.80	\$ 93.20	\$ 102.60
Per each 1"	\$ 169.60	\$ 186.60	\$ 205.20

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

AYES: *Garcia, Halpin, Saunders, Souza*

NOES: *Wadlee*

ABSENT/ABSTAIN:

Dane Wadlee

Dane Wadlee, 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 2019-14 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this twelfth day of February 2019.

Steven Palmer

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



NEW BUSINESS

ITEM 8.D.

ATTACHMENT 3

RESOLUTION

RESOLUTION NO. 2020-
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
FREEZING TREATED AND WATER IRRIGATION RATES AT THE 2018 RATES
UNTIL THE END OF THE DECEMBER 2020 BILLING PERIOD

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

WHEREAS, in December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates; and

WHEREAS, that process resulted in a Water Financial Analysis (aka Water Rate Study), dated October 24, 2017, prepared by Rural Community Assistance Corporation (RCAC) that established various proposed rates; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIII D, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; verified and counted the protests and determined that the District may proceed with the proposed water rates; and

WHEREAS, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

WHEREAS, those rates were set to increase effective with the January/February 2019 billing period; and

WHEREAS, at the January 8, 2019 meeting the Board acted by motion to "temporarily freeze the rate increases for no more than 12 months;" and

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

WHEREAS, at the December 10, 2019 meeting the Board directed the General Manager to analyze the impact of a rate freeze on District business and present it at the January 14, 2020 Board meeting; and

WHEREAS, the General Manager presented, and the Board reviewed that analysis at the January 14, 2020 Board meeting.

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

1. Effective with the January/February 2020 billing period, the monthly charges

(billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge
5/8, 3/4, 1"	\$ 29.41
1.5"	\$ 98.02
2"	\$ 156.83
3"	\$ 313.66
4"	\$ 490.09

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

- Effective with the January/February 2020 billing period, the usage rate for treated water customers will be \$0.0255 per cubic foot.
- Effective with the January/February 2020 billing period, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)
1/2"	\$ 77.00
Per each 1"	\$ 154.20

- The above listed rates will be effective through the November/December 2020 billing period.
- Effective with the January/February billing period for each following year, respectively, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge	
	2021	2022
5/8, 3/4, 1"	\$ 30.88	\$ 32.42
1.5"	\$ 102.92	\$ 108.07
2"	\$ 164.67	\$ 172.91
3"	\$ 329.34	\$ 345.81
4"	\$ 514.60	\$ 540.33

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

- Effective with the January/February billing period each following year, respectively, the usage rate for treated water customers are established as follows:

Usage Charge (per CF)	
2021	2022
\$ 0.0268	\$ 0.0281

7. Effective with the January/February billing period each following year, respectively, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)	
	2021	2022
½"	\$ 84.80	\$ 93.20
Per each 1"	\$ 169.60	\$ 186.60

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the fourteenth day of January 2020, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

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 2020- duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this fourteenth day of January 2020.

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

ATTACHMENT 2

JANUARY 29, 2020 FINANCE COMMITTEE HANDOUTS

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Fund Summary
Fiscal Year 2019-2020
June 4, 2019

Description	Beginning Balance	Revenues	Expenses	Ending Balance
10 - GENERAL FUND				
<i>Revenue</i>				
Water operating revenue	\$ -	\$ 3,401,832	\$ -	\$ -
Non-operating revenue		1,861,651		
Supplemental charge		648,923		
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 5,912,406</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
5100 - Source of Supply	\$ -	\$ -	\$ 395,376	\$ -
5200 - Raw Water			803,528	
5300 - Water Treatment			721,543	
5400 - Treated Water			702,582	
5500 - Customer Service			346,184	
5600 - Admin			1,641,863	
Low Income Rate Assistance Program (Property Tax)			35,000	
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,646,176</u>	<u>\$ -</u>
<i>Transfers</i>				
Transfer supplemental charge to SRF Loan Fund			\$ 648,923	
Transfer from Operating to Capital Reserve (Fund 43)			1,492,825	
<i>Total Transfers</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,141,748</u>	<u>\$ -</u>
TOTAL GENERAL FUND	<u>\$ 2,450,742</u>	<u>\$ 5,912,406</u>	<u>\$ 6,787,923</u>	<u>\$ 1,575,225</u>
40 - ALT ZONE FUND				
<i>Revenue</i>				
Wastewater operating revenue	\$ -	\$ 190,500	\$ -	\$ -
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 190,500</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
6700 - Zone	\$ -	\$ -	\$ 294,505	\$ -
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,505</u>	<u>\$ -</u>
TOTAL ALT ZONE FUND	<u>\$ 1,032,472</u>	<u>\$ 190,500</u>	<u>\$ 294,505</u>	<u>\$ 928,468</u>
GRAND TOTAL REVENUES AND EXPENSES	<u>\$ 3,483,215</u>	<u>\$ 6,102,906</u>	<u>\$ 7,082,429</u>	<u>\$ 2,503,693</u>
UNRESTRICTED RESERVE FUNDS				
08 - SMUD	\$ 307,710	\$ 110,900	\$ -	\$ 418,610
19 - Stumpy Meadows	1,064,692	13,454	-	1,078,146
24 - ALT Capital Reserve	190,814	-	190,814	(0)
30 - Small Hydro	691,887	60,000	-	751,887
43 - Capital Reserve	1,094,935	1,492,825	905,185 (A)	1,682,575
TOTAL UNRESTRICTED RESERVE FUNDS	<u>\$ 3,350,037</u>	<u>\$ 1,677,179</u>	<u>\$ 1,095,999</u>	<u>\$ 3,931,217</u>

Note:

(A) - Capital Reserve Fund 43 Expenditures decreased by \$481,250 to reflect Board direction to postpone funding for meter replacement project until FY20/21

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Fund Summary
 Fiscal Year 2019-2020

Description	Beginning Balance	Revenues	Expenses	Ending Balance
10 - GENERAL FUND				
<i>Revenue</i>				
Water operating revenue	\$ -	\$ 3,178,165 (D)	\$ -	\$ -
Non-operating revenue		1,861,651		
Supplemental charge		648,923		
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 5,688,739</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
5100 - Source of Supply	\$ -	\$ -	\$ 395,376	\$ -
5200 - Raw Water			803,628	
5300 - Water Treatment			742,323 (B)	
5400 - Treated Water			702,582	
5500 - Customer Service			346,184	
5600 - Admin			1,641,863	
Low Income Rate Assistance Program (Property Tax)			35,000	
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,666,956 (B)</u>	<u>\$ -</u>
<i>Transfers</i>				
Transfer supplemental charge to SRF Loan Fund			\$ 648,923	
Transfer from Operating to Capital Reserve (Fund 43)			1,380,825	
<i>Total Transfers</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,029,748</u>	<u>\$ -</u>
TOTAL GENERAL FUND	<u>\$ 2,450,742</u>	<u>\$ 5,688,739</u>	<u>\$ 6,696,703 (B)</u>	<u>\$ 1,442,778</u>
40 - ALT ZONE FUND				
<i>Revenue</i>				
Wastewater operating revenue	\$ -	\$ 190,500	\$ -	\$ -
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 190,500</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
6700 - Zone	\$ -	\$ -	\$ 294,505	\$ -
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,505</u>	<u>\$ -</u>
TOTAL ALT ZONE FUND	<u>\$ 1,032,472</u>	<u>\$ 190,500</u>	<u>\$ 294,505</u>	<u>\$ 928,468</u>
GRAND TOTAL REVENUES AND EXPENSES	<u>\$ 3,483,215</u>	<u>\$ 5,879,239</u>	<u>\$ 6,991,208 (B)</u>	<u>\$ 2,371,246</u>
UNRESTRICTED RESERVE FUNDS				
08 - SMUD	\$ 307,710	\$ 110,900	\$ -	\$ 418,610
19 - Stumpy Meadows	1,064,692	13,454	-	1,078,146
24 - ALT Capital Reserve	190,814	-	190,814	(0)
30 - Small Hydro	691,887	60,000	-	751,887
43 - Capital Reserve	1,094,935	1,380,825	1,147,202 (C)	1,328,558
TOTAL UNRESTRICTED RESERVE FUNDS	<u>\$ 3,350,037</u>	<u>\$ 1,565,179</u>	<u>\$ 1,338,016</u>	<u>\$ 3,577,200</u>

Note (B): Increase of \$20,780 approved by Board on August 13, 2019 for new state water sampling requirement
(C): Increase from \$905,185 as approved by Board for ALT WTP & 2018 Main Canal Reliability Projects
(D): Reduce revenue due to potential rate freeze

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Summary of Restricted Funds
 Fiscal Year 2019-2020

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
RESTRICTED FUNDS (3) (4) (5)				
09 CABY Grant	\$ (518,601)	518,601	-	\$ (0)
14 Stewart Mine	\$ (8,232)	-	-	\$ (8,232)
17 Water Development	\$ 412,296	4,960	-	\$ 417,256
20 ALT Fund (6)	\$ 1,585,624	1,716,047	1,067,124	\$ 2,234,547
29 State Revolving Fund	\$ 21,702	-	-	\$ 21,702
37 Garden Valley Water Improvement District	\$ 108,814	-	-	\$ 108,814
39 Capital Facility Charges	\$ 1,694,217	-	862,500	\$ 831,717
41 ALT Tank Replacement and Loan	\$ 44,902	-	-	\$ 44,902
42 ALT Community Disposal Service Reserve	\$ 153,088	-	58,500	\$ 94,588
51 Kelsey North Assessment District	\$ 21,385	-	-	\$ 21,385

Notes:

- (3) Restricted funds are those whose usage are legally restricted for specific purposes
- (4) Retiree fund (12) is not shown to avoid duplicate budget
- (5) State Revolving Fund Fund 29 expenses include \$2,296 per month for existing SRF loan for Walton WTP
- (6) ALT Fund includes supplemental charge revenue, a portion of ALT WTP construction expenses, and SRF loan draws for ALT WTP

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Summary of Restricted Funds
 Fiscal Year 2019-2020

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
RESTRICTED FUNDS (3) (4) (5)				
09 CABY Grant	\$ (518,601)	518,601	-	\$ (0)
14 Stewart Mine	\$ (8,232)	-	-	\$ (8,232)
17 Water Development	\$ 412,296	4,960	-	\$ 417,256
20 ALT Fund (6)	\$ 1,585,624	1,716,047	1,067,124	\$ 2,234,547
29 State Revolving Fund	\$ 21,702	-	-	\$ 21,702
37 Garden Valley Water Improvement District	\$ 108,814	-	-	\$ 108,814
39 Capital Facility Charges	\$ 1,694,217	-	1,404,553 (E)	\$ 289,664
41 ALT Tank Replacement and Loan	\$ 44,902	-	-	\$ 44,902
42 ALT Community Disposal Service Reserve	\$ 153,088	-	58,500	\$ 94,588
51 Kelsey North Assessment District	\$ 21,385	-	-	\$ 21,385

Notes:

- (3) Restricted funds are those whose usage are legally restricted for specific purposes
- (4) Retiree fund (12) is not shown to avoid duplicate budget
- (5) State Revolving Fund Fund 29 expenses include \$2,296 per month for existing SRF Loan for Walton WTP
- (6) ALT Fund includes supplemental charge revenue, a portion of ALT WTP construction expenses, and SRF loan draws for ALT WTP
- (E) Increase to \$1,404,553 as approved by Board for ALT WTP & 2018 Main Canal Reliability Projects

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Proposed Budget
Revenue Summary
 Fiscal Year 2019-20

Description	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Proposed
WATER OPERATING REVENUE				
Water Sales				
Residential	\$ 1,862,227	\$ 2,381,907	\$ 2,558,900	\$ 2,900,000
Commercial/Construction	260,936	304,393	354,855	10,000
Irrigation	317,330	480,000	419,072	436,179
Penalties	46,739	46,000	45,625	46,000
Other (2)	10,951	10,436	9,368	9,653
	<u>\$ 2,498,183</u>	<u>\$ 3,222,736</u>	<u>\$ 3,387,819</u>	<u>\$ 3,401,832</u>
WATER NON-OPERATING REVENUE				
Property taxes	1,577,792	1,660,000	1,655,400	1,720,000
Interest Income	18,884	10,500	52,225	52,100
Leases	73,023	105,500	90,388	89,551
Sale of Assets				
Other	291,035	-	66,915	-
	<u>\$ 1,960,734</u>	<u>\$ 1,776,000</u>	<u>\$ 1,864,928</u>	<u>\$ 1,861,651</u>
Supplemental Charge (1)	657,545	648,923	648,923	648,923
	<u>\$ 5,116,462</u>	<u>\$ 5,647,659</u>	<u>\$ 5,901,671</u>	<u>\$ 5,912,406</u>
WASTEWATER OPERATING REVENUE				
Zone charges	313,315	391,600	313,327	150,500
Escrow fees	28,725	25,100	19,733	28,000
Septic design fees	2,400	2,700	800	3,000
Interest income	10,581	7,200	10,624	9,000
Other	-	-	-	-
	<u>\$ 355,021</u>	<u>\$ 426,600</u>	<u>\$ 344,484</u>	<u>\$ 190,500</u>
	<u>\$ 5,471,483</u>	<u>\$ 6,074,259</u>	<u>\$ 6,246,155</u>	<u>\$ 6,102,906</u>

Notes:

- (1) Supplemental charge revenue can only be used to fund the State Revolving Fund loan
- (2) Other revenue are connection fees

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Revenue Summary
 Fiscal Year 2019-20

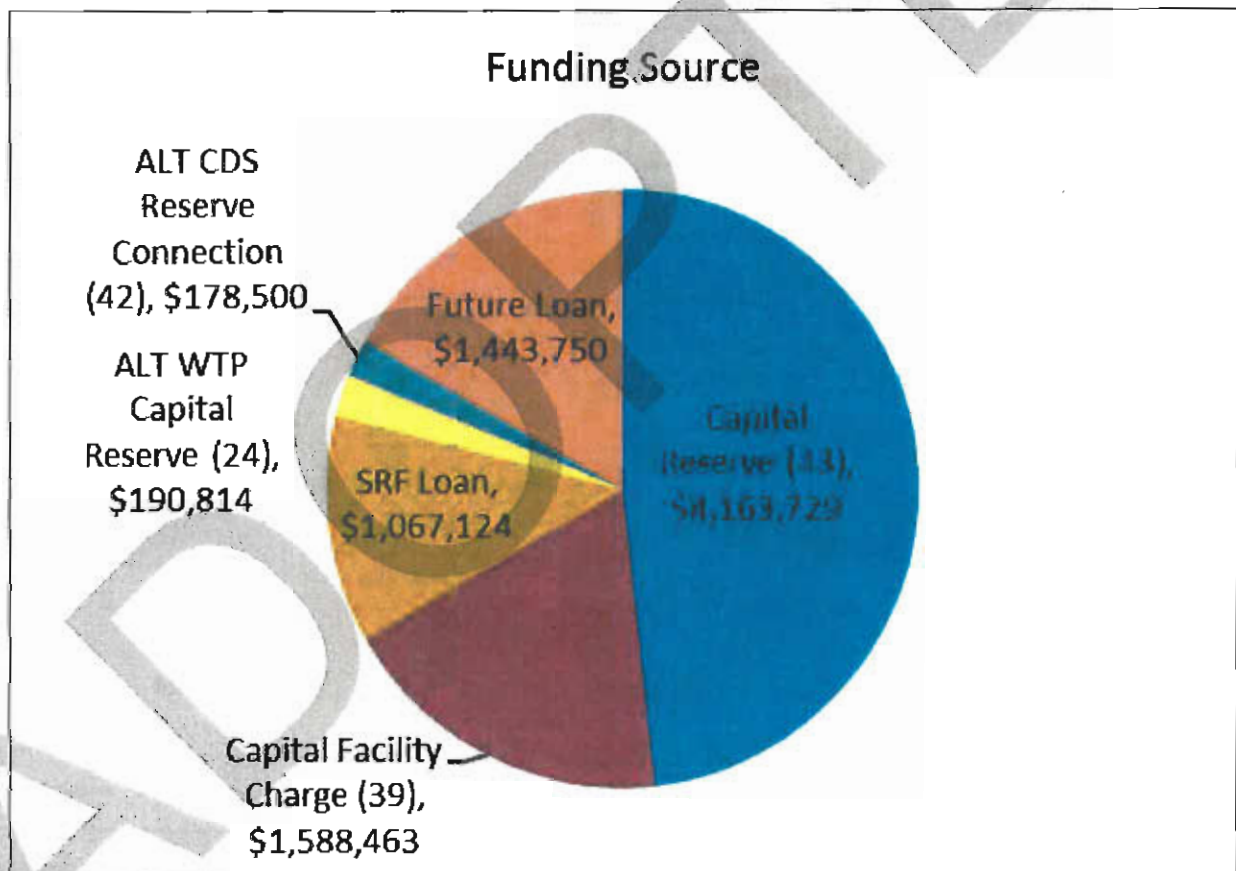
Description	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 RATE FREEZE
WATER OPERATING REVENUE				
Water Sales				
Residential	\$ 1,862,227	\$ 2,381,907	\$ 2,558,900	\$ 2,676,333
Commercial/Construction	260,936	304,393	354,855	10,000
Irrigation	317,330	480,000	419,072	436,179
Penalties	46,739	46,000	45,625	46,000
Other (2)	10,951	10,436	9,368	9,653
	<u>\$ 2,498,183</u>	<u>\$ 3,222,736</u>	<u>\$ 3,387,819</u>	<u>\$ 3,178,165</u>
WATER NON-OPERATING REVENUE				
Property taxes	1,577,792	1,660,000	1,655,400	1,720,000
Interest Income	18,884	10,500	52,225	52,100
Leases	73,023	105,500	90,388	89,551
Sale of Assets				
Other	291,035	-	66,915	-
	<u>\$ 1,960,734</u>	<u>\$ 1,776,000</u>	<u>\$ 1,864,928</u>	<u>\$ 1,861,651</u>
Supplemental Charge (1)	657,545	648,923	648,923	648,923
	<u>\$ 5,116,462</u>	<u>\$ 5,647,659</u>	<u>\$ 5,901,671</u>	<u>\$ 5,688,739</u>
WASTEWATER OPERATING REVENUE				
Zone charges	313,315	391,600	313,327	150,500
Escrow fees	28,725	25,100	19,733	28,000
Septic design fees	2,400	2,700	800	3,000
Interest income	10,581	7,200	10,624	9,000
Other	-	-	-	-
	<u>\$ 355,021</u>	<u>\$ 426,600</u>	<u>\$ 344,484</u>	<u>\$ 190,500</u>
	<u>\$ 5,471,483</u>	<u>\$ 6,074,259</u>	<u>\$ 6,246,155</u>	<u>\$ 5,879,239</u>

Notes:

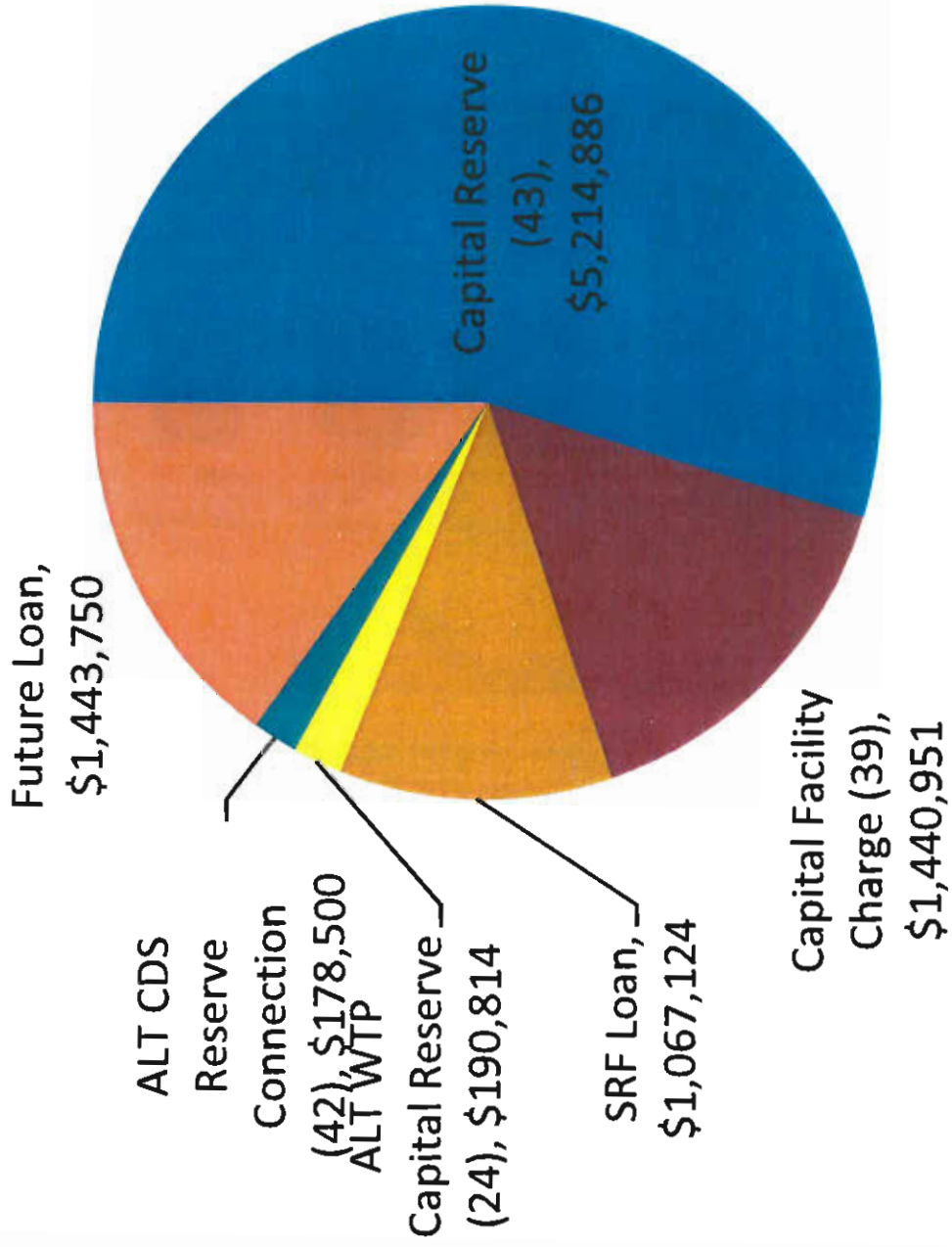
- (1) Supplemental charge revenue can only be used to fund the State Revolving Fund loan
 (2) Other revenue are connection fees

Fund	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	TOTAL 2019-2024
Capital Reserve	\$ 905,185	\$1,039,587	\$1,021,685	\$372,550	\$824,722	\$4,163,729
Capital Facility Charge	\$ 862,500	\$329,213	\$396,750	\$0	\$0	\$1,588,463
ALT WTP Capital Reserve	\$ 190,814	\$0	\$0	\$0	\$0	\$ 190,814
SRF Loan	\$1,067,124	\$0	\$0	\$0	\$0	\$1,067,124
Future Loan	\$0	\$1,443,750	\$0	\$0	\$0	\$1,443,750
ALT CDS Reserve	\$ 58,500	\$ 120,000	\$0	\$0	\$0	\$ 175,000
Total	\$3,084,123	\$2,932,550	\$1,418,435	\$372,550	\$824,722	\$8,632,380

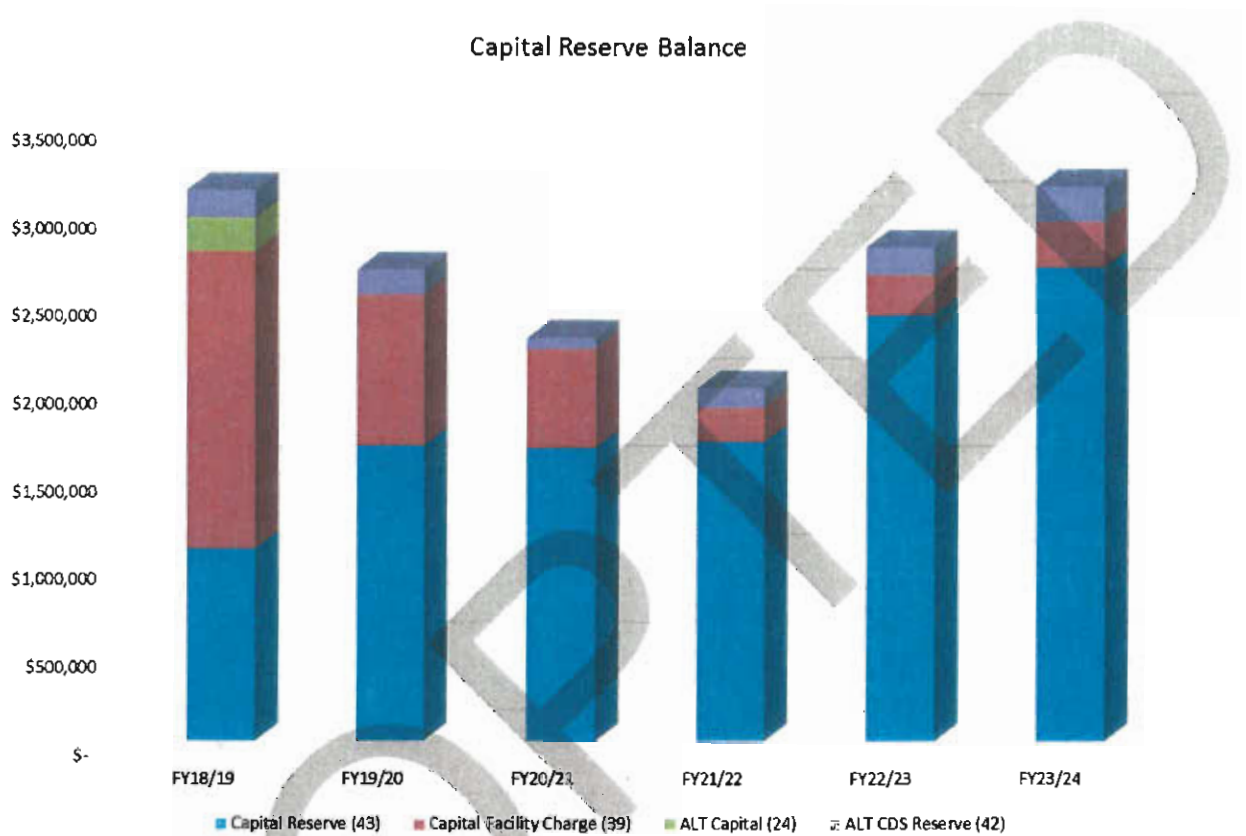
The following chart illustrates funding sources for all five fiscal years in the CIP.



Funding Source



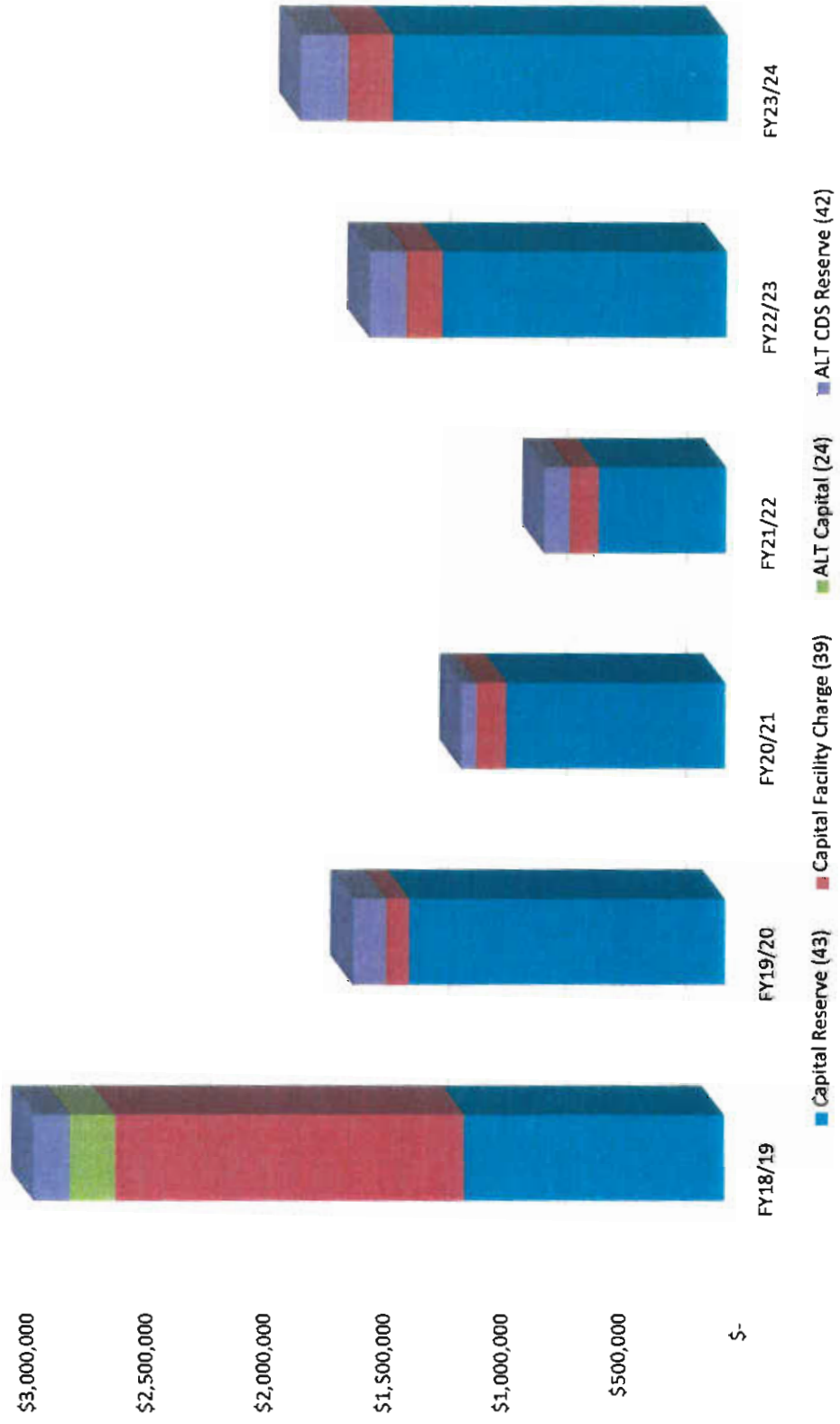
The last chart depicts end of year fund balance projections for capital reserve funds. These are based on Fiscal Year 2018/2019 end of year projected fund balances, and the spending plan as outlined in this CIP.



IV. Project Summary

Capital improvement projects programmed in the 2019/2020 to 2023/2024 Capital Improvement Plan are listed below. A project is only listed if there is funding programmed during Fiscal Year 2019/20 through Fiscal Year 2023/24. Detailed project costs estimates with expenditure plans for each project listed below are included in Appendix A.

Capital Reserve Balance with 2020 Rate Freeze



ANALYSIS OF REVENUES

Irrigation Water per Calendar Year											
2017	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2017				
							388				
							614.5				
		\$ 87,571.98	\$ (458.16)	\$ 138,312.98	\$ 8,118.68		\$ 233,545.48				
Irrigation Water per Calendar Year											
2018	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2018				
			394	392	393		562.5				
		\$ 160,976.68	\$ 11,667.72	\$ 251,593.94	\$ (290.96)		\$ 423,947.38				
Irrigation Water per Calendar Year											
2019	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2019				
			378	373	369		540				
	\$ (0.66)	\$ 166,675.20	\$ (1,698.06)	\$ 239,810.42	\$ 6,090.80		\$ -410,967.70				
Irrigation Water per Calendar Year											
Change	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec					
Treated Water Per Calendar Year											
2017	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2017				
	56,26	56,37	56,33	56,43	56,38	56,38	363.4				
	477,25.20	412,244.3	101,703.33	1,490,259	116,889.6	497,590.3	505,872.25				
	\$ 201,085.26	\$ 185,474.69	\$ 295,516.39	\$ 374,624.39	\$ 340,438.28	\$ 194,374.37	\$ 1,581,573.38				
Treated Water Per Calendar Year											
2018	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2018				
	38.21	37.67	37.66	37.50	37.51	37.49	376.8				
	554,093.7	500,705	10,702,170	15,673,005	12,145,590	76,349.97	50,587,404				
	\$ 275,182.24	\$ 233,043.92	\$ 487,607.39	\$ 628,855.80	\$ 532,271.57	\$ 413,920.37	\$ 2,790,887.29				
Treated Water Per Calendar Year											
2019	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2019				
	37.46	37.44	37.41	37.43	37.45	37.47	374.5				
	534,096.6	507,512.1	88,700.13	14,962,440	1,108,698	70,901.58	53,439,196				
	\$ 359,703.27	\$ 350,049.86	\$ 434,394.32	\$ 592,202.20	\$ 517,845.96	\$ 403,758.14	\$ 2,657,953.75				
Treated Water Per Calendar Year											
Change	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec					

Notes: 1. Revenue is net of adjustments to revenue. For example irrigation water service disruption credits, low income rate assistance credits, leakage adjustments.

ATTACHMENT 3

FEBRUARY 5, 2020 FINANCE COMMITTEE HANDOUTS

WATER RATE FREEZE

Steven Palmer, General Manager
Georgetown Divide Public Utility District
January 14, 2020

1

OVERVIEW OF ADOPTED BUDGET

- Adopted June 4, 2019
 - <https://www.gd-pud.org/district-budget>
- Revisions Presented to Finance Committee December 18, 2019 and Board January 14, 2020
 - <https://www.gd-pud.org/files/b010914bc/Package.pdf>
 - https://www.gd-pud.org/files/2f0417141/2020.01.14_Board+Packet+Section+One.pdf

2

OVERVIEW OF ADOPTED CAPITAL IMPROVEMENT PLAN

- Adopted June 4, 2019
 - <https://www.gd-pud.org/files/15aae0e57/2019.06.04+ADOPTED+CIP+FY19-20+TO+23-24.pdf>
- Revisions Presented to Finance Committee December 18, 2019 and Board January 14, 2020
 - <https://www.gd-pud.org/files/b010914bc/Packet.pdf>
 - <https://www.gd-pud.org/files/2f0417141/2020.01.14 Board+Packet+Section+One.pdf>

3

OVERVIEW OF RATE STUDY

- Adopted December 12, 2017
 - <https://www.gd-pud.org/2017-water-rate-update>
 - https://www.gd-pud.org/files/372b406f1/2017.12.12_6A_ATT%25201_Rate%2520Study%2520Final%2520Analysis.pdf

4

ADOPTED 2020 TREATED WATER RATE INCREASE

- \$2.83 per month average bill increase
 - \$1.47 per month increase in base charge
 - $(\$29.41 \times 0.05)$
 - \$1.36 per month increase in usage charge
 - $[2,100 \text{ cf} \times (\$0.0255 \times 0.05)] \times 1/2$

5

ADOPTED 2020 IRRIGATION RATE INCREASE

- Irrigation Water Rates Increase by 10%
 - \$15.40 per month per miner's inch increase
 - \$154.20/mo. per MI to \$169.60/mo. per MI
 - \$0.00233 per cf to \$0.00257 per cf

6

RECOMMENDED VS ADOPTED RATE REVENUE

	Year One (2018)		Year Two (2019)		Year Five (2022)	
	Recommended	Adopted	Recommended	Adopted	Recommended	Adopted
Treated	\$3,169,350	\$2,676,333	\$3,352,764	\$2,838,472	\$3,924,733	\$3,335,081
Irrigation	\$1,107,650	\$ 479,543	\$1,218,415	\$ 527,497	\$1,621,711	\$ 702,099
Total	\$4,277,000	\$3,155,876	\$4,571,179	\$3,365,969	\$5,546,444	\$4,037,180
Annual Shortfall		\$1,121,124		\$1,205,210		\$1,509,264

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RATE REVENUE

Calendar Year	Revenue		
	Actual	1 Year Rate Freeze	Adopted Rates
2018	\$3,221,358	\$3,155,876	\$3,155,876
2019	\$3,078,250	\$3,155,876	\$3,365,969
Total	\$6,299,608	\$6,311,752	\$6,521,845

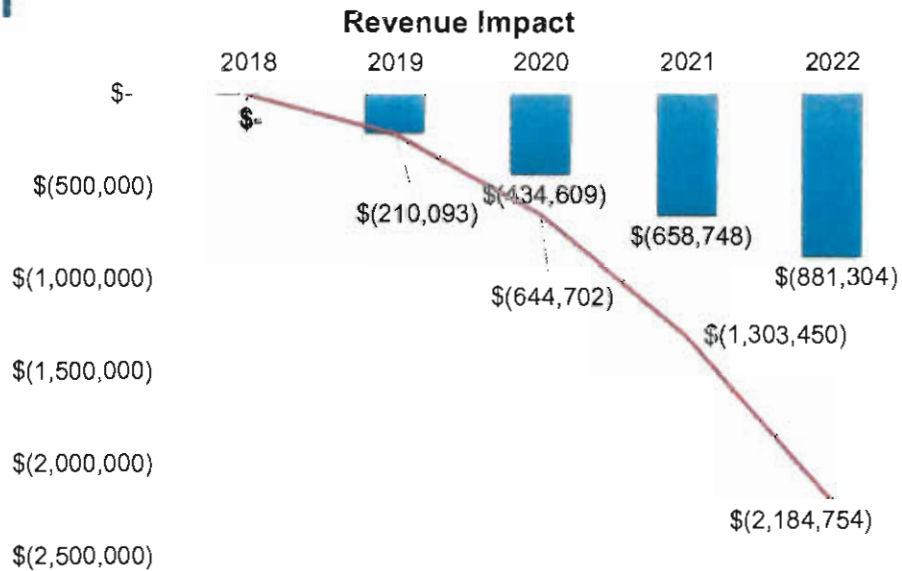
8

RATE REVENUE WITH MULTI YEAR FREEZE

Calendar Year	Water Rate Revenue (\$)				
	Adopted Rates	1 Year Rate Freeze	2 Year Rate Freeze	3 Year Rate Freeze	4 Year Rate Freeze
2018	3,155,876	3,155,876	3,155,876	3,155,876	3,155,876
2019	3,365,969	3,155,876	3,155,876	3,155,876	3,155,876
2020	3,590,485	3,365,969	3,155,876	3,155,876	3,155,876
2021	3,814,624	3,590,485	3,365,969	3,155,876	3,155,876
2022	4,037,180	3,814,624	3,590,485	3,365,969	3,155,876
Total	17,964,134	17,082,830	16,424,082	15,989,473	15,779,380
Lost Revenue	--	(881,304)	(1,540,052)	(1,974,661)	(2,184,754)

9

IMPACT



10

IMPACT

Near Term

- Reduce FY19/20 Budget Revenue by \$112,000
- Reduce FY19/20 budgeted transfer of \$1,492,825 to Capital Reserves by \$112,000.
- Reduce revenue by \$224,516 for calendar 2020
 - Total lost revenue of \$434,609 during calendar year 2020.

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IMPACT

Long Term

- Additional total revenue reduction of \$658,748 calendar year 2020-2022
 - Total lost revenue of \$1,540,052 including 2019 water rate freeze
- Delay planned capital improvement projects
 - Treated water line replacements
 - Upcountry ditch rehabilitation

12

WATER OPERATING REVENUES (1) (2)

	FY18/19 BUDGET	FY18/19 ACTUAL ⁽³⁾	FY19/20 BUDGET	FY19/20 YTD ⁽⁶⁾
Treated Water Sales – Res	\$2,381,907	\$2,411,551	\$2,900,000 ⁽⁴⁾	\$1,513,807 ⁽⁴⁾
Treated Water Sales - Comm	304,393	315,496	10,000 ⁽⁵⁾	6,541 ⁽⁵⁾
Irrigation Water Sales	480,000	416,369	436,179	245,901
Penalties	46,000	53,323	46,000	26,072
Total	\$3,212,300	\$3,196,739	\$3,392,179	\$1,792,321

1. Net of adjustments, including irrigation water service disruption credits, low income rate assistance credits, leakage adjustments.
2. Excluding supplemental charge for ALT loan and connection fees
3. Annual Financial Report by LSL
4. Includes commercial water sales, except construction water meters
5. Construction water meters only
6. December 31, 2019

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WATER NON-OPERATING REVENUES (1)

	FY18/19 BUDGET	FY18/19 ACTUAL ⁽²⁾	FY19/20 BUDGET	FY19/20 YTD ⁽⁴⁾
Property Taxes	\$1,660,000	\$1,657,978	\$1,720,000	\$0
Interest Income	10,500	201,685 ⁽⁵⁾	52,100	26,220
Leases ⁽³⁾	105,500	132,847	89,551	43,925
Hydroelectric ⁽⁶⁾	45,000	173,896	60,000	30,432
SMUD ⁽⁶⁾	110,900	111,613	110,900	1,039
Total	\$1,891,613	\$2,278,019	\$2,032,551	\$101,616

1. Unrestricted
2. Annual Financial Report by LSL
3. Verizon, AT&T, Cal.Net, etc.
4. December 31, 2019
5. Excluding portion allocated to wastewater
6. Board has designated that these funds are for future obligations

14

WATER OPERATING EXPENSES

FY18/19 BUDGET	FY18/19 ACTUAL ⁽¹⁾	FY19/20 BUDGET	FY19/20 YTD ⁽³⁾
\$4,310,804 ⁽²⁾	\$4,157,754 ⁽²⁾	\$4,631,956	\$2,408,506

1. Preliminary
2. Excluding low income rate assistance program
3. Draft - December 31, 2019

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Fund Summary
Fiscal Year 2019-2020
June 4, 2019

Description	Beginning Balance	Revenues	Expenses	Ending Balance
10 - GENERAL FUND				
<i>Revenue</i>				
Water operating revenue	\$ -	\$ 3,401,832	\$ -	\$ -
Non-operating revenue		1,861,651		
Supplemental charge		648,923		
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 5,912,406</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
5100 - Source of Supply	\$ -	\$ -	\$ 395,376	\$ -
5200 - Raw Water			803,628	
5300 - Water Treatment			721,543	
5400 - Treated Water			702,582	
5500 - Customer Service			346,184	
5600 - Admin			1,641,863	
Low Income Rate Assistance Program (Property Tax)			35,000	
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,646,176</u>	<u>\$ -</u>
<i>Transfers</i>				
Transfer supplemental charge to SRF Loan Fund			\$ 648,923	
Transfer from Operating to Capital Reserve (Fund 43)			1,492,825	
<i>Total Transfers</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,141,748</u>	<u>\$ -</u>
TOTAL GENERAL FUND	<u>\$ 2,450,792</u>	<u>\$ 5,912,406</u>	<u>\$ 6,787,923</u>	<u>\$ 1,575,225</u>
40 - ALT ZONE FUND				
<i>Revenue</i>				
Wastewater operating revenue	\$ -	\$ 190,500	\$ -	\$ -
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 190,500</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
6700 - Zone	\$ -	\$ -	\$ 294,505	\$ -
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,505</u>	<u>\$ -</u>
TOTAL ALT ZONE FUND	<u>\$ 1,032,472</u>	<u>\$ 190,500</u>	<u>\$ 294,505</u>	<u>\$ 928,468</u>
GRAND TOTAL REVENUES AND EXPENSES	<u>\$ 3,483,215</u>	<u>\$ 6,102,906</u>	<u>\$ 7,082,429</u>	<u>\$ 2,503,693</u>
UNRESTRICTED RESERVE FUNDS				
08 - SMUD	\$ 307,710	\$ 110,900	\$ -	\$ 418,610
19 - Stumpy Meadows	1,064,692	13,454	-	1,078,146
24 - ALT Capital Reserve	190,814	-	190,814	(0)
30 - Small Hydro	691,887	60,000	-	751,887
43 - Capital Reserve	1,094,935	1,492,825	905,185 (A)	1,682,575
TOTAL UNRESTRICTED RESERVE FUNDS	<u>\$ 3,350,037</u>	<u>\$ 1,677,179</u>	<u>\$ 1,095,999</u>	<u>\$ 3,931,217</u>

Notes:

(A) - Capital Reserve Fund 43 Expenditures decreased by \$481,250 to reflect Board direction to postpone funding for meter replacement project until FY20/21

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Fund Summary
 Fiscal Year 2019-2020

Description	Beginning Balance	Revenues	Expenses	Ending Balance
10 - GENERAL FUND				
<i>Revenue</i>				
Water operating revenue	\$ -	\$ 3,178,165 (D)	\$ -	\$ -
Non-operating revenue		1,861,651		
Supplemental charge		648,923		
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 5,688,739</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
5100 - Source of Supply	\$ -	\$ -	\$ 395,376	\$ -
5200 - Raw Water			803,628	
5300 - Water Treatment			742,323 (B)	
5400 - Treated Water			702,582	
5500 - Customer Service			346,184	
5600 - Admin			1,641,863	
Low Income Rate Assistance Program (Property Tax)			35,000	
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,666,956 (B)</u>	<u>\$ -</u>
<i>Transfers</i>				
Transfer supplemental charge to SRF Loan Fund			\$ 648,923	
Transfer from Operating to Capital Reserve (Fund 43)			1,380,825	
<i>Total Transfers</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,029,748</u>	<u>\$ -</u>
TOTAL GENERAL FUND	<u>\$ 2,450,742</u>	<u>\$ 5,688,739</u>	<u>\$ 6,696,703 (B)</u>	<u>\$ 1,442,778</u>
40 - ALT ZONE FUND				
<i>Revenue</i>				
Wastewater operating revenue	\$ -	\$ 190,500	\$ -	\$ -
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 190,500</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
6700 - Zone	\$ -	\$ -	\$ 294,505	\$ -
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,505</u>	<u>\$ -</u>
TOTAL ALT ZONE FUND	<u>\$ 1,032,472</u>	<u>\$ 190,500</u>	<u>\$ 294,505</u>	<u>\$ 928,468</u>
GRAND TOTAL REVENUES AND EXPENSES	<u>\$ 3,483,215</u>	<u>\$ 5,879,239</u>	<u>\$ 6,991,209 (B)</u>	<u>\$ 2,371,246</u>
UNRESTRICTED RESERVE FUNDS				
08 - SMUD	\$ 307,710	\$ 110,900	\$ -	\$ 418,610
19 - Stumpy Meadows	1,064,692	13,454	-	1,078,146
24 - ALT Capital Reserve	190,814	-	190,814	(0)
30 - Small Hydro	691,887	60,000	-	751,887
43 - Capital Reserve	1,094,935	1,380,825	1,147,202 (C)	1,328,558
TOTAL UNRESTRICTED RESERVE FUNDS	<u>\$ 3,350,037</u>	<u>\$ 1,565,179</u>	<u>\$ 1,338,016</u>	<u>\$ 3,577,200</u>

Note (B): Increase of \$20,780 approved by Board on August 13, 2019 for new state water sampling requirement
(C): Increase from \$905,185 as approved by Board for ALT WTP & 2018 Main Canal Reliability Projects
(D): Reduce revenue due to potential rate freeze

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Summary of Restricted Funds
 Fiscal Year 2019-2020

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
RESTRICTED FUNDS (3) (4) (5)				
09 CABY Grant	\$ (518,601)	518,601	-	\$ (0)
14 Stewart Mine	\$ (8,232)	-	-	\$ (8,232)
17 Water Development	\$ 412,296	4,960	-	\$ 417,256
20 ALT Fund (6)	\$ 1,585,624	1,716,047	1,067,124	\$ 2,234,547
29 State Revolving Fund	\$ 21,702	-	-	\$ 21,702
37 Garden Valley Water Improvement District	\$ 108,814	-	-	\$ 108,814
39 Capital Facility Charges	\$ 1,694,217	-	862,500	\$ 831,717
41 ALT Tank Replacement and Loan	\$ 44,902	-	-	\$ 44,902
42 ALT Community Disposal Service Reserve	\$ 153,088	-	58,500	\$ 94,588
51 Kelsey North Assessment District	\$ 21,385	-	-	\$ 21,385

Notes:

- (3) Restricted funds are those whose usage are legally restricted for specific purposes
- (4) Retiree fund (12) is not shown to avoid duplicate budget
- (5) State Revolving Fund Fund 29 expenses include \$2,296 per month for existing SRF loan for Walton WTP
- (6) ALT Fund includes supplemental charge revenue, a portion of ALT WTP construction expenses, and SRF loan draws for ALT WTP

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Summary of Restricted Funds
 Fiscal Year 2019-2020

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
RESTRICTED FUNDS (3) (4) (5)				
09 CABY Grant	\$ (518,601)	518,601	-	\$ (0)
14 Stewart Mine	\$ (8,232)	-	-	\$ (8,232)
17 Water Development	\$ 412,296	4,960	-	\$ 417,256
20 ALT Fund (6)	\$ 1,585,624	1,716,047	1,067,124	\$ 2,234,547
29 State Revolving Fund	\$ 21,702	-	-	\$ 21,702
37 Garden Valley Water Improvement District	\$ 108,814	-	-	\$ 108,814
39 Capital Facility Charges	\$ 1,694,217	-	1,404,553 (E)	\$ 289,664
41 ALT Tank Replacement and Loan	\$ 44,902	-	-	\$ 44,902
42 ALT Community Disposal Service Reserve	\$ 153,088	-	58,500	\$ 94,588
51 Kelsey North Assessment District	\$ 21,385	-	-	\$ 21,385

Notes:

- (3) Restricted funds are those whose usage are legally restricted for specific purposes
- (4) Retiree fund (12) is not shown to avoid duplicate budget
- (5) State Revolving Fund Fund 29 expenses include \$2,296 per month for existing SRF Loan for Walton WTP
- (6) ALT Fund includes supplemental charge revenue, a portion of ALT WTP construction expenses, and SRF loan draws for ALT WTP
- (E) Increase to \$1,404,553 as approved by Board for ALT WTP & 2018 Main Canal Reliability Projects

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Revenue Summary
Fiscal Year 2019-20

Description	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Proposed
WATER OPERATING REVENUE				
Water Sales				
Residential	\$ 1,862,227	\$ 2,381,907	\$ 2,558,900	\$ 2,900,000
Commercial/Construction	260,936	304,393	354,855	10,000
Irrigation	317,330	480,000	419,072	436,179
Penalties	46,739	46,000	45,625	46,000
Other (2)	10,951	10,436	9,368	9,653
	<u>\$ 2,498,183</u>	<u>\$ 3,222,736</u>	<u>\$ 3,387,819</u>	<u>\$ 3,401,832</u>
WATER NON-OPERATING REVENUE				
Property taxes	1,577,792	1,660,000	1,655,400	1,720,000
Interest Income	18,884	10,500	52,225	52,100
Leases	73,023	105,500	90,388	89,551
Sale of Assets				
Other	291,035	-	66,915	-
	<u>\$ 1,960,734</u>	<u>\$ 1,776,000</u>	<u>\$ 1,864,928</u>	<u>\$ 1,861,651</u>
Supplemental Charge (1)	657,545	648,923	648,923	648,923
	<u>\$ 5,116,462</u>	<u>\$ 5,647,659</u>	<u>\$ 5,901,671</u>	<u>\$ 5,912,406</u>
WASTEWATER OPERATING REVENUE				
Zone charges	313,315	391,600	313,327	150,500
Escrow fees	28,725	25,100	19,733	28,000
Septic design fees	2,400	2,700	800	3,000
Interest income	10,581	7,200	10,624	9,000
Other	-	-	-	-
	<u>\$ 355,021</u>	<u>\$ 426,600</u>	<u>\$ 344,484</u>	<u>\$ 190,500</u>
	<u>\$ 5,471,483</u>	<u>\$ 6,074,259</u>	<u>\$ 6,246,155</u>	<u>\$ 6,102,906</u>

Notes:

- (1) Supplemental charge revenue can only be used to fund the State Revolving Fund loan
(2) Other revenue are connection fees

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Revenue Summary
Fiscal Year 2019-20

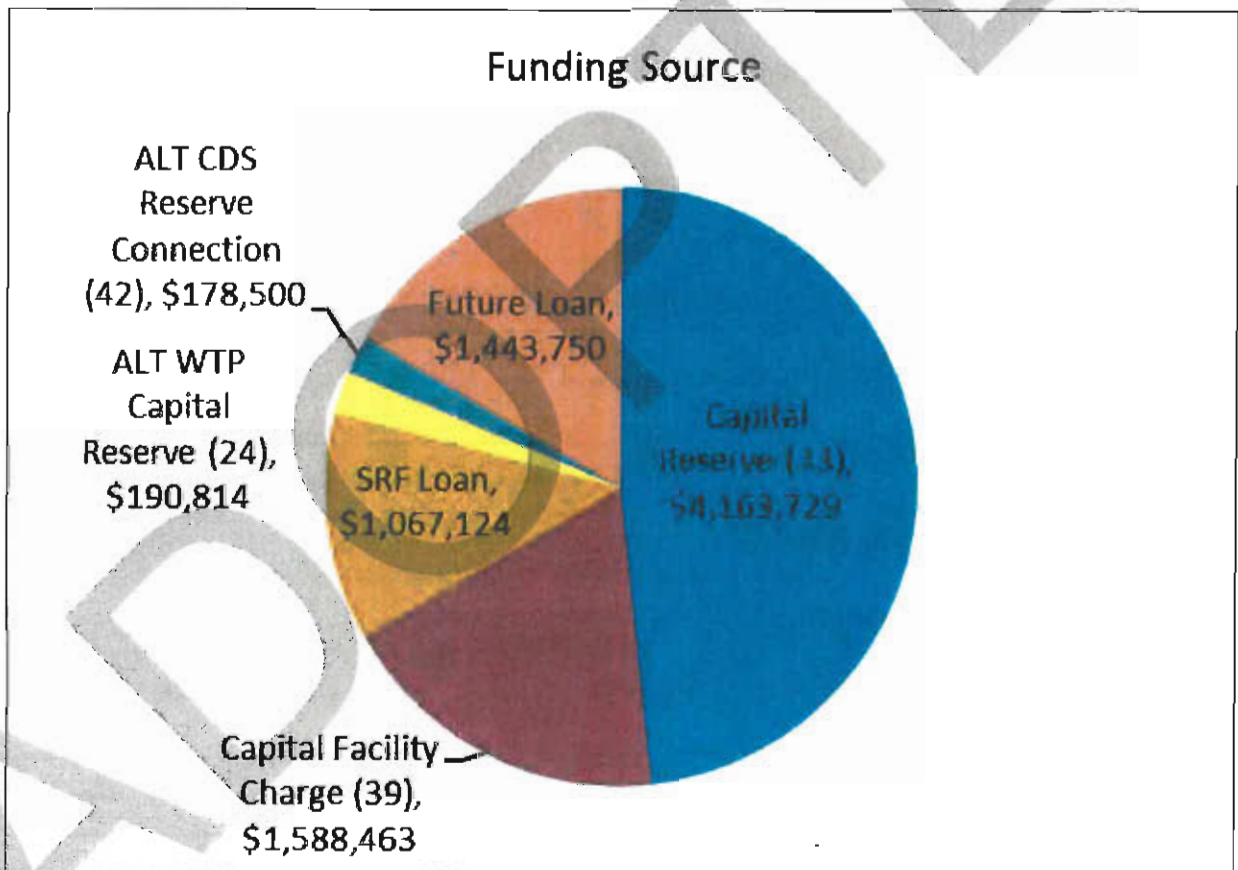
Description	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 RATE FREEZE
WATER OPERATING REVENUE				
Water Sales				
Residential	\$ 1,862,227	\$ 2,381,907	\$ 2,558,900	\$ 2,676,333
Commercial/Construction	260,936	304,393	354,855	10,000
Irrigation	317,330	480,000	419,072	436,179
Penalties	46,739	46,000	45,625	46,000
Other (2)	10,951	10,436	9,368	9,653
	<u>\$ 2,498,183</u>	<u>\$ 3,222,736</u>	<u>\$ 3,387,819</u>	<u>\$ 3,178,165</u>
WATER NON-OPERATING REVENUE				
Property taxes	1,577,792	1,660,000	1,655,400	1,720,000
Interest Income	18,884	10,500	52,225	52,100
Leases	73,023	105,500	90,388	89,551
Sale of Assets				
Other	291,035	-	66,915	-
	<u>\$ 1,960,734</u>	<u>\$ 1,776,000</u>	<u>\$ 1,864,928</u>	<u>\$ 1,861,651</u>
Supplemental Charge (1)	657,545	648,923	648,923	648,923
	<u>\$ 5,116,462</u>	<u>\$ 5,647,659</u>	<u>\$ 5,901,671</u>	<u>\$ 5,688,739</u>
WASTEWATER OPERATING REVENUE				
Zone charges	313,315	391,600	313,327	150,500
Escrow fees	28,725	25,100	19,733	28,000
Septic design fees	2,400	2,700	800	3,000
Interest income	10,581	7,200	10,624	9,000
Other	-	-	-	-
	<u>\$ 355,021</u>	<u>\$ 426,600</u>	<u>\$ 344,484</u>	<u>\$ 190,500</u>
	<u>\$ 5,471,483</u>	<u>\$ 6,074,259</u>	<u>\$ 6,246,155</u>	<u>\$ 5,879,239</u>

Notes:

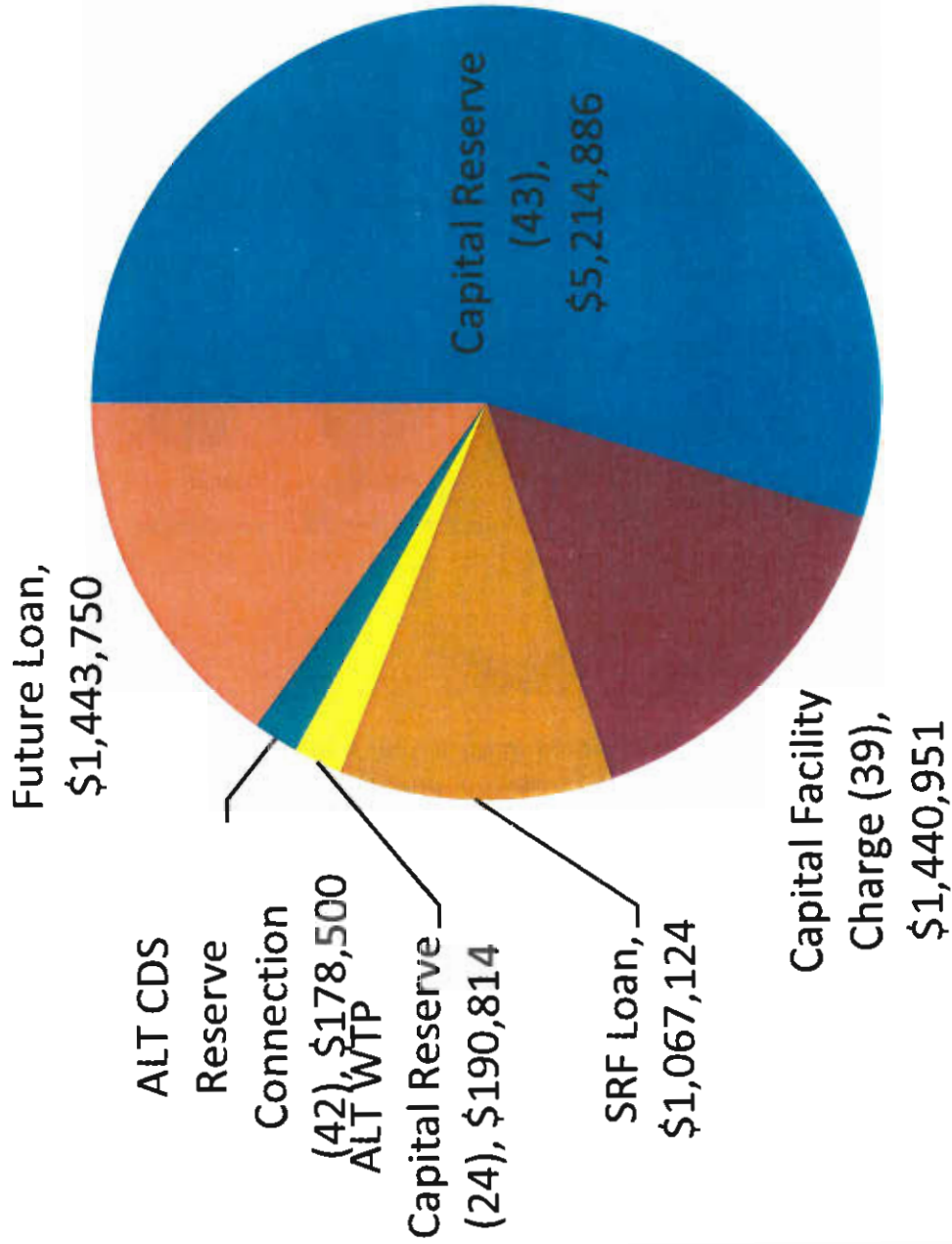
- (1) Supplemental charge revenue can only be used to fund the State Revolving Fund loan
(2) Other revenue are connection fees

Fund	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	TOTAL 2019-2024
Capital Reserve	\$ 905,185	\$1,039,587	\$1,021,685	\$372,550	\$824,722	\$4,163,729
Capital Facility Charge	\$ 862,500	\$329,213	\$396,750	\$0	\$0	\$1,588,463
ALT WTP Capital Reserve	\$ 190,814	\$0	\$0	\$0	\$0	\$ 190,814
SRF Loan	\$1,067,124	\$0	\$0	\$0	\$0	\$1,067,124
Future Loan	\$0	\$1,443,750	\$0	\$0	\$0	\$1,443,750
ALT CDS Reserve	\$ 58,500	\$ 120,000	\$0	\$0	\$0	\$ 175,000
Total	\$3,084,123	\$2,932,550	\$1,418,435	\$372,550	\$824,722	\$8,632,380

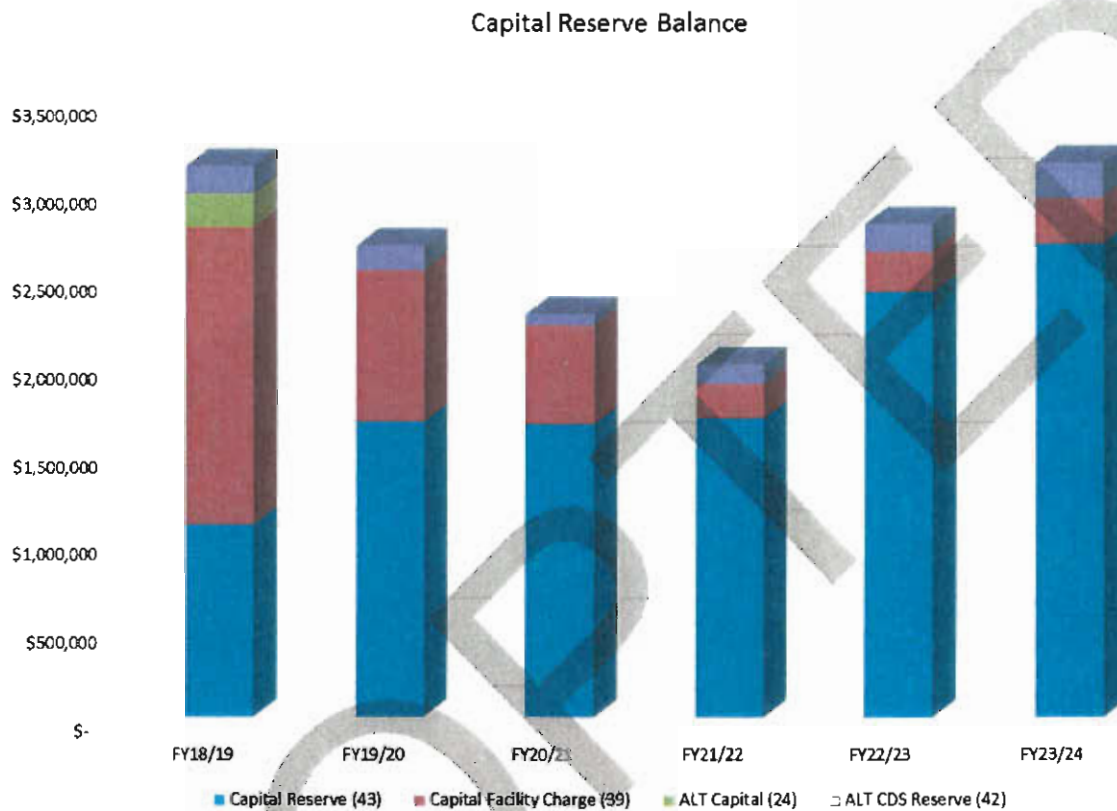
The following chart illustrates funding sources for all five fiscal years in the CIP.



Funding Source



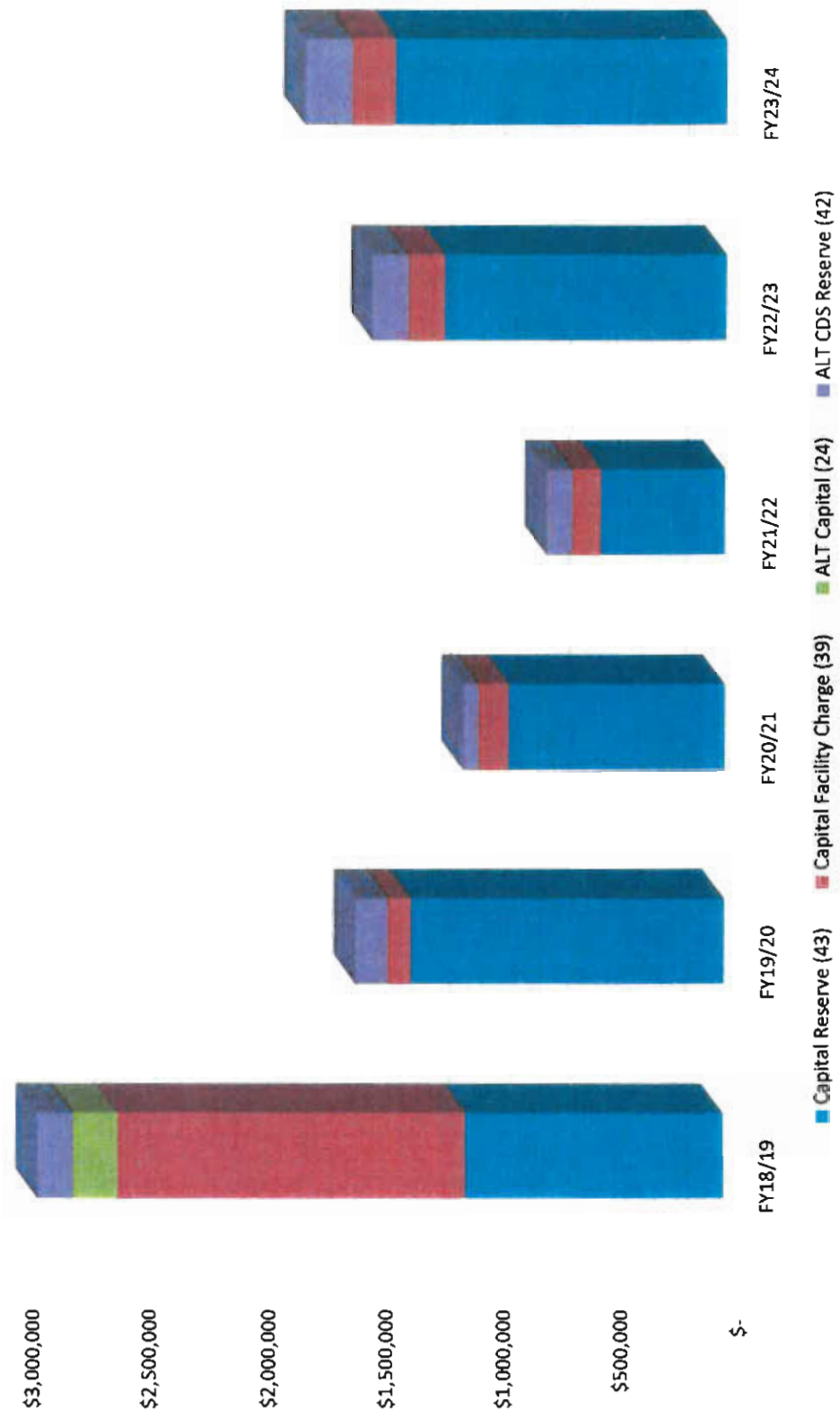
The last chart depicts end of year fund balance projections for capital reserve funds. These are based on Fiscal Year 2018/2019 end of year projected fund balances, and the spending plan as outlined in this CIP.



IV. Project Summary

Capital improvement projects programmed in the 2019/2020 to 2023/2024 Capital Improvement Plan are listed below. A project is only listed if there is funding programmed during Fiscal Year 2019/20 through Fiscal Year 2023/24. Detailed project costs estimates with expenditure plans for each project listed below are included in Appendix A.

Capital Reserve Balance with 2020 Rate Freeze



ANALYSIS OF REVENUES

2017	Irrigation Water per Calendar Year											
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2017					
Number of customers							388					
Total volume of water sold (miners inch)							614.5					
Annual revenue derived from water sold		\$ 87,571.98	\$ (458.16)	\$ 138,312.98	\$ 8,118.68		\$ 233,545.48					
Average annual volume of water per customer												
Average annual revenue per customer												
2018	Irrigation Water per Calendar Year											
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2018					
Number of customers			394	392	395							
Total volume of water sold (miners inch)							562.5					
Annual revenue derived from water sold		\$ 160,976.68	\$ 11,667.72	\$ 251,593.94	\$ (290.96)		\$ 423,947.38					
Average annual volume of water per customer												
Average annual revenue per customer												
2019	Irrigation Water per Calendar Year											
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2019					
Number of customers			378	373	369							
Total volume of water sold (miners inch)							540					
Annual revenue derived from water sold		\$ (0.66)	\$ 166,675.20	\$ 239,810.42	\$ 6,090.80		\$ 410,567.70					
Average annual volume of water per customer												
Average annual revenue per customer												
Change												
Irrigation Water per Calendar Year												
Number of customers												
Total volume of water sold (miners inch)												
Annual revenue derived from water sold												
Average annual volume of water per customer												
Average annual revenue per customer												
2017	Treated Water Per Calendar Year											
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2017					
Number of customers	3626	3679	3625	3645	3638	3638	3634					
Total volume of water sold	4772329	4122443	10170337	14907229	11638896	4975991	50587225					
Annual revenue derived from water sold	\$ 201,085.26	\$ 185,474.69	\$ 295,576.39	\$ 274,624.39	\$ 330,438.28	\$ 194,374.37	\$ 1,581,573.38					
Average annual volume of water per customer												
Average annual revenue per customer												
2018	Treated Water Per Calendar Year											
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2018					
Number of customers	3721	3767	3766	3756	3751	3740	3768					
Total volume of water sold	5540923	5090705	10302130	15875005	12145590	7643997	56587404					
Annual revenue derived from water sold	\$ 375,182.24	\$ 353,043.92	\$ 487,607.39	\$ 628,855.80	\$ 532,271.57	\$ 413,926.37	\$ 2,790,887.29					
Average annual volume of water per customer												
Average annual revenue per customer												
2019	Treated Water Per Calendar Year											
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2019					
Number of customers	3740	3744	3741	3745	3745	3747	3745					
Total volume of water sold	5140966	5075121	8879013	14962440	12100498	7090158	53439196					
Annual revenue derived from water sold	\$ 359,705.27	\$ 350,049.86	\$ 434,394.32	\$ 692,202.20	\$ 517,845.96	\$ 405,758.14	\$ 2,657,953.75					
Average annual volume of water per customer												
Average annual revenue per customer												
Change												
Treated Water Per Calendar Year												
Number of customers												
Total volume of water sold												
Annual revenue derived from water sold												
Average annual volume of water per customer												
Average annual revenue per customer												

Notes: 1. Revenue is net of adjustments to revenue. For example irrigation water service disruption credits, low income rate assistance credits, leakage adjustments.

ATTACHMENT 4
RESOLUTION

RESOLUTION NO. 2020-
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
FREEZING TREATED AND WATER IRRIGATION RATES AT THE 2018 RATES
UNTIL THE END OF THE DECEMBER 2020 BILLING PERIOD

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

WHEREAS, in December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates; and

WHEREAS, that process resulted in a Water Financial Analysis (aka Water Rate Study), dated October 24, 2017, prepared by Rural Community Assistance Corporation (RCAC) that established various proposed rates; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIII D, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; verified and counted the protests and determined that the District may proceed with the proposed water rates; and

WHEREAS, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

WHEREAS, those rates were set to increase effective with the January/February 2019 billing period; and

WHEREAS, at the January 8, 2019 meeting the Board acted by motion to “temporarily freeze the rate increases for no more than 12 months;” and

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

WHEREAS, at the December 10, 2019 meeting the Board directed the General Manager to analyze the impact of a rate freeze on District business and present it at the January 14, 2020 Board meeting; and

WHEREAS, the General Manager presented, and the Board reviewed that analysis at the February 11, 2020 Board meeting.

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

1. Effective with the January/February 2020 billing period, the monthly charges

(billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge
5/8, 3/4, 1"	\$ 29.41
1.5"	\$ 98.02
2"	\$ 156.83
3"	\$ 313.66
4"	\$ 490.09

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

- Effective with the January/February 2020 billing period, the usage rate for treated water customers will be \$0.0255 per cubic foot.
- Effective with the January/February 2020 billing period, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)
½"	\$ 77.00
Per each 1"	\$ 154.20

- The above listed rates will be effective through the November/December 2020 billing period.
- Effective with the January/February billing period for each following year, respectively, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge	
	2021	2022
5/8, 3/4, 1"	\$ 30.88	\$ 32.42
1.5"	\$ 102.92	\$ 108.07
2"	\$ 164.67	\$ 172.91
3"	\$ 329.34	\$ 345.81
4"	\$ 514.60	\$ 540.33

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

- Effective with the January/February billing period each following year, respectively, the usage rate for treated water customers are established as follows:

Usage Charge (per CF)	
2021	2022
\$ 0.0268	\$ 0.0281

7. Effective with the January/February billing period each following year, respectively, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)	
	2021	2022
½"	\$ 84.80	\$ 93.20
Per each 1"	\$ 169.60	\$ 186.60

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the eleventh day of February 2020, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

David Souza, 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 2020-__ duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this eleventh day of February 2020.

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