



GDPUD



Proposition 218 Notification

NOTICE TO PROPERTY OWNERS OF PUBLIC HEARING ON PROPOSED INCREASE TO WATER RATES

Hearing Date: December 12, 2017
Time: 5:30 PM
Location: Georgetown Community Center
6329 Lower Main Street, Georgetown CA 95634

Why are you receiving this notice? This notice is being furnished to you by the Georgetown Divide Public Utility District (District) pursuant to the California Constitution Article XIID (also known as "Proposition 218"). Under Proposition 218, the District is required to notify property owners of proposed changes to property-related fees such as water and sewer service. This letter serves as notice that the District will hold a public hearing on December 12, 2017, to consider changes to its current treated water and irrigation water rates.

What do water rates fund? The District provides treated water service to approximately 3,774 treated water customers (residential and commercial) and 408 irrigation water customers. The water system must be financially self-sufficient. Monthly rates paid by users of the system are the primary source of revenue. All revenue generated from your water bill is used to maintain and operate the water system. These revenues must meet costs such as system maintenance, licensing, electricity, chemicals, reserve funds for emergency repairs and replacement of aging pipes and other equipment, administrative costs, and salaries and benefits for staff. Revenue generated from these rates is also used to pay off debt incurred to rebuild aging components of the system.

Why is the rate change required? District's rates were last reviewed in 2008, and no adjustments to the rates have occurred since 2011. The water system requires extensive investment, primarily in the replacement and repair of aging pipes and other equipment, in order to maintain a safe and reliable system. The District has insufficient reserve funds to pay for needed replacements and preventative maintenance; and rates are too low to qualify for loans and grants.

Additionally, the District was recently the subject of a Grand Jury Investigation which concluded that the District needed to initiate a rate increase.

Lastly, the District is proposing a standardized system to eliminate tiered rates, based on American Water Works Association standards, to ensure that rates are proportional to the level of service provided to each customer.

How are rates calculated for treated water? The proposed rate structure for treated water service fees has two components: (1) a fixed monthly base charge; and (2) a variable (water consumption-based) usage rate. The first component is a fixed amount calculated to recover the District's fixed costs of operating and maintaining the water system and is based on the potential volume of water a customer could potential draw, as determined by the size of their water meter.

The variable component of the rate structure is based on water consumption (usage).

How are rates calculated for irrigation water? Since irrigation water users are charged for a fixed volume of water, the proposed rate structure for irrigation water service fees consists only of a monthly

base charge. The monthly base charge is based on the size of the service connection, in miner's inches.

Current and proposed treated water rates

Treated water rates will increase over a five-year period, in order to meet anticipated operational, administrative and reserve needs identified in the recently prepared rate study.

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

Current and proposed irrigation water rates

Irrigation water rates will increase over a five-year period to account for costs related to providing irrigation service, as identified in the recently prepared rate study.

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
1/2"	\$ 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

You can be heard Water rates are subject to majority protest, which means if a majority of impacted property owners or tenants of a parcel submit **written protests** against the increase, the District cannot institute the new rates. For your protest to be counted, please include the following:

1. Please write "Prop 218 Protest" on the outside of the envelope;
2. Your name;
3. The address of the impacted property (or APN number); and,
4. Your signature.

Written protests are accepted by mail or personal delivery to the *Clerk of the Board, Georgetown Divide Public Utility District, PO Box 4240, Georgetown, California 95634*; or in person at the public hearing on the date and time specified above, until the close of the public hearing. Protests submitted by fax or email will not be accepted.

Questions? Detailed information regarding the proposed changes in rates, including the rate study, are available on the District website, www.gd-pud.org. If you have any questions, please call the District at (530) 333-4356.