

**RESOLUTION NO. 2024-04**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**AMENDING RESOLUTION NO. 2006-03 TO EXPAND THE LOAN PROGRAM**  
**FOR PROPERTY OWNERS TO THE ENTIRE AUBURN LAKE TRAILS ON-SITE**  
**WASTEWATER DISPOSAL ZONE**

**WHEREAS**, on October 17, 1984, the Board of Directors (“Board”) of the Georgetown Divide Public Utility District (“District”) adopted Resolution No. 84-26 authorizing the formation of the Auburn Lake Trails Subdivision On-Site Wastewater Disposal Zone (“Zone”); and

**WHEREAS**, on March 14, 2006, the Board adopted Resolution No. 2006-03 establishing a loan program to assist property owners in the Community Disposal System (“CDS”) within the Zone, with the cost of modifying, repairing, or replacing their septic systems; and

**WHEREAS**, all property owners within the Zone, including those within the CDS, continue to be responsible for the maintenance, repair, and replacement of their septic systems as necessary to prevent the discharge of effluent from their system to the surface water or groundwater and to prevent the contamination of the surface water or groundwater; and

**WHEREAS**, some property owners are unable to bear the cost of system repairs without the aid of financial assistance; and

**WHEREAS**, many of the septic systems in the Zone have deteriorated with age and could pose a substantial risk of contamination to the groundwater from leaking tanks and spillage; and

**WHEREAS**, the District desires to expand the loan program to apply to property owners in the entire Zone.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. Section 2 of Resolution No. 2006-03 is hereby amended in its entirety as follows:

“2. Establishment of a Loan Program within the Zone. In order to assist property owners within the Zone to make the necessary modifications, repairs and replacements of their system, the District hereby establishes the following loan program for property owners within the Zone:

A. Subject to available funding, property owners within the Zone who have septic systems that need to be modified, repaired, or replaced may apply to the District to participate in the District’s loan program. The District’s loan program will be available to property owners within the Zone whose septic systems need to be repaired or replaced to prevent the discharge of effluent to surface water or groundwater or to prevent the contamination of the surface water or groundwater.

B. If the property owner is approved for the loan program, the owner may elect to borrow District funds for either the entire cost to repair or replace the septic system or a lesser amount. The General Manager may implement and enforce requirements and procedures to ensure that the District funds are used solely to repair or replace the septic system, to provide a priority system to identify the systems in the greatest need of repair and to establish procedures and requirements for the collection of the funds.

C. The property owner will be required to contract with a qualified septic system engineer for the repair of the system and provide the District with the engineer's estimate of the cost to repair the system.

D. The District's loan program will be funded solely by funds generated by the Zone and the District shall determine whether funds are available within the Zone to provide loans as herein provided.

E. All systems within the Zone that are more than five years old shall have the system inspected by the District to determine whether the septic system needs to be repaired to prevent contamination of the surface water or groundwater. The District may also require the inspection of any system that the District suspects may be in need of repair or replacement. Inspections by the District shall be subject to an inspection fee.

F. The loan period shall be for a term of one year and shall be interest-free during the one-year period. If the loan is not fully repaid at the end of one year, the loan shall be declared delinquent and interest shall accrue at the rate of seven percent (7%) per year from the loan origination date. Penalties shall be assessed for delinquent payments on the same basis as for delinquent service charges.

G. The loan shall be provided to abate a public nuisance resulting from the leakage or failure, or potential leakage or failure, of the property owner's septic system. If the property owner defaults on the loan amount, said outstanding amount shall be added to, and become part of, the annual taxes next levied upon the real property and shall constitute a lien upon that real property as of the same time and in the same manner as does the tax lien securing such annual taxes, as set forth in Health and Safety Code section 6978. All laws applicable to the collection and enforcement of county ad valorem taxes shall be applicable to the outstanding amount, except that if any real property to which such lien would attach has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attached thereon, prior to the date on which such delinquent charges appear on the assessment roll, then a lien which would otherwise be imposed by this section shall not attach to such real property and the delinquent and unpaid charges relating to such property shall be transferred to the unsecured roll for collection. Any of the outstanding amounts collected are to be credited to the funds of the Zone.

H. Each property owner who participates in the District's loan program will be provided with an amortization schedule at the time of entering into the loan program.

I. Notwithstanding any provision to the contrary in Section 2(G) above, each property owner who participates in the District's loan program shall agree that the loan amount shall be fully repaid in the event of a sale or transfer of the real property to a third party.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 4<sup>th</sup> day of January 2024, by the following vote:

**AYES: Stovall, Saunders, Thornbrough, Seaman and MacDonald**

**NOES: None**

**ABSENT/ABSTAIN: None**




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Mitch MacDonald, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Attest:

  
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Nicholas Schneider, 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 2024-04 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 4th day of January 2024.

  
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Nicholas Schneider, Clerk, and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT