

## AGENDA

### SPECIAL JOINT MEETING

#### GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS AND FINANCE COMMITTEE

6425 MAIN STREET, GEORGETOWN, CA 95634

Thursday, June 29, 2017  
10:00 AM

#### MISSION STATEMENT

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It is the purpose of the Georgetown Divide Public Utility District to:

- Provide reliable water supplies
  - Ensure high quality drinking water
  - Promote stewardship to protect community resources, public health and quality of life
  - Provide excellent and responsive customer services through dedicated and valued staff
  - Insure fiscal responsibility and accountability are observed by balancing immediate and long term needs
- 

#### 1. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

#### 2. ADOPTION OF AGENDA

3. **PUBLIC FORUM** – Any member of the public may address the Board on matters identified on this agenda and within the jurisdictional authority of the District. Public members desiring to provide comments must be recognized by the Board President, and speak from the podium. Comments must be directed only to the Board. The public should address the Board members during the public meetings as President, Vice President, or Director followed by the Board members individual last name. The Board will only hear communications on matters on the agenda.

No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the President, of that person's privilege of address.

#### 4. Review and Approve Minutes of the Board Meeting of June 13, 2017

**Possible Board Action:** Approve the minutes of the Board meeting of June 13, 2017

#### 5. Review and Adopt Resolution 2017-07 Approving the 5-year Capital Improvement Plan

**Possible Board Action:** Adopt Resolution 2017-07 approving the 5-year Capital Improvement Plan.

#### 6. Review and Adopt Resolution No. 2017-09 Approving the FY 2017/18 Budget

**Possible Board Action:** Adopt Resolution 2017-09 approving the FY 2017/18 Budget.

**7. Provide Direction to Staff on the Future of the Finance Committee.**

**Possible Board Action:** Provide direction to Staff on whether to recruit new Committee members, reappoint the three current members whose terms are expiring on June 30, 2017, suspend the Committee, or other direction as appropriate.

**8. Authorize the General Manager to submit written comments to the State Water Resources Control Board on its preparation of a plan for a Low-Income Water Rate Assistance Program, established through Assembly Bill 401 (Dodd, 2015), the Low-Income Water Rate Assistance Act.**

**Possible Board Action:** Authorize General Manager to submit written comments to the SWRCB on its plan for a Low-Income Water Rate Assistance Program.

**9. NEXT MEETING DATE AND ADJOURNMENT** –Next regular meeting: July 11, 2017, at 2:00 PM, at the Georgetown Divide Public Utility District Office

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Steve Palmer, General Manager, by telephone at (530) 333-4356 or by fax at (530) 333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted in the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on June 26, 2017.

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Steven Palmer, PE, General Manager

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Date

**CONFORMED AGENDA  
REGULAR MEETING  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS  
6425 MAIN STREET, GEORGETOWN, CALIFORNIA**

***Special Notation:***

***Director David Halpin will participate in this meeting from a satellite location via telephone. The Public may participate in all Open Session portions of this meeting from this location. The specifics of his location, while participating in this meeting, are as follows:  
21749 Ambassador Drive, Macomb, MI 48044***

**CALL: 650-200-3838**

**TUESDAY, JUNE 13, 2017  
2:00 P.M.**

**MISSION STATEMENT**

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It is the purpose of the Georgetown Divide Public Utility District to:

- Provide reliable water supplies
  - Ensure high quality drinking water
  - Promote stewardship to protect community resources, public health, and quality of life
  - Provide excellent and responsive customer services through dedicated and valued staff
  - Insure fiscal responsibility and accountability are observed by balancing immediate and long term needs.
- 

**1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**

*The meeting was called to order at 2:01 pm. Directors present: David Halpin (by teleconference), Jesse Hanschild, Carl Hoelscher, Lon Uso and Dane Wadle. Staff present: General Manager Steve Palmer, Operations Manager Darrell Creeks, Engineering Consultant George Sanders, and Meeting Recorder Gloria Omania. Legal Counsel: Kerry Fuller of Churchwell White.*

**2. ADOPTION OF AGENDA**

**Motion by Director Hoelscher to adopt the agenda. Second by Director Hanschild.**

**The motion passed unanimously.**

- 3. PUBLIC FORUM –** Any member of the public may address the Board on any matter within the jurisdictional authority of the District. Public members desiring to provide comments, must be recognized by the Board President, and speak from the podium. Comments must be directed only to the Board. The public should address the Board members during the public meetings as President, Vice President, or Director, followed by the Board member's individual last name. The Board will hear communications on matters not on the agenda, but no action will be taken.

No disruptive conduct shall be permitted at any Board meeting. Persistence in disruptive conduct shall be grounds for summary termination, by the President, of that person's privilege of address.

*No Public Comment*

#### 4. CONSENT CALENDAR

A. **Approval of Minutes** - Regular Meeting of May 8, 2017

B. **Financial Reports**

1. June 2017 – Early Pays
2. April 2017 Month End Cash Disbursements Report
3. Month End Revenue and Expense Summary Report
4. Statement of Cash and Investment Balances

**Possible Board Action** – Approve Consent Calendar.

**MOTION by Director Hanschild to approve the Consent Calendar. Second by Director Hoelscher.**

***A roll call vote was conducted and the motion passed unanimously.***

#### 5. INFORMATIONAL ITEMS

A. **President's Report**

*Director Uso reported that he contacted the Elections Department to ask why GDPUD Directors are elected by seat since district is not divided geographically. He distributed information regarding an ordinance adopted by the South Tahoe Public Utility District to change the method by which their Directors are elected to at-large (Attachment A to these minutes). Director Uso asked the General Manager to include this matter on a future agenda.*

*Director Uso also commented that he was part of the small GDPUD group that attended the ACWA Conference last month. They sat through approximately 18 hours of lectures that they felt would be very important to the work of the District. He found their participation to be very productive. He thanked the General Manager for attending with the Board; they appreciated his perspective on the different sessions they attended.*

B. **Board Reports**

*Director Wadle noted that he and Director Uso met with Irene Smith that morning and had the pleasure of presenting her the Certificate of Recognition from the Board acknowledging her many years of dedicated service to the community. Director Uso added that for a 90-year lady, she "is a kick." Both indicated that they were tempted to stay all afternoon to listen to all her stories.*

C. **General Manager's Report**

*General Manager Steven Palmer summarized his written report.*

*He highlighted the unique maintenance technique for recoating the tanks at Walton and commented on the importance of a regular tank maintenance program. Mr. Palmer stated this is referenced in the Budget proposal, adding that it is a lot cheaper to regularly recoat these tanks than to replace them.*

*Mr. Palmer also offered some notes on the ACWA Conference he attended with Director Uso and Director Halpin. He stated there were several sessions offered regarding rate studies and Prop 218, low-income assistance programs, and other topics of interest to the District.*

He encouraged the Board members to review the materials he collected from the Conference.

#### **D. Operation Manager's Report**

Operations Manager Darrell Creeks summarized his written report and provided a status of the Notice of Violation (NOV) received from the Regional Water Quality Control Board (RWQCB) in response to Director Wadle's inquiry.

Mr. Creeks informed the Board that the District has provided the data requested by the RWQCB. General Manager Steven Palmer reported that three proposals have been received to do the evaluations as required by the NOV. Staff is reviewing and ranking the proposals and will bring a recommendation back to the Board. He stated that he has informed the RWQCB that the August 1 deadline to complete this evaluation is not reasonable and will submit a formal request for an extension.

#### **E. ALT Treatment Plant Update**

Engineering Consultant George Sanders provided a summary of his report and included a slide presentation of the current field work at the treatment plant. This generated the following questions and discussion:

- Director Hoelscher asked where the unsuitable material is exported and whether the District is being charged for exporting. Mr. Sanders stated that some of the material will be exported to other areas of the District where it is needed. The material is tested for natural occurring asbestos prior to export. There is a bid item for the export of unsuitable material.
- Director Hanschild asked where the steel comes from and Mr. Sanders stated the State loan agreement requires that USA steel be used.
- Director Hoelscher asked about the services provided by NEXGEN. Mr. Sanders explained a project of this magnitude needs the services of a construction management firm to make sure we comply with all the certifications and requirements of the State loan agreement and help prepare for SRF audits and inspections. NEXGEN is a certified group responsible for making sure everything is in order.
- Mr. Sanders verified for Director Hoelscher that there have been lots of submittals that have gone through WesTech by Psomas. WesTech is the filter supplier which is the heart of the treatment plant project.
- Mr. Sanders reported that we are close to depleting the EPA grant funding and a disbursement request has been submitted to the SWRCB for about \$1.2M.

### **6. NEW BUSINESS**

#### **A. Review and Provide Direction on Draft Response to the Grand Jury Report**

**Possible Board Action** - Provide Staff direction on response to the Grand Jury Report from the Board of Directors.

Director Hoelscher asked if the Grand Jury interviewed ratepayers were interviewed. Director Uso stated that the Grand Jury does not reveal who they interview.

*Director Uso commented that he doesn't know who recommended that the Grand Jury convene, but the Board is grateful because the report that came out is what the Board has been talking about for a couple of years.*

*Mr. Palmer summarized the Grand Jury Report and presented for the Board's consideration the recommended response with revisions by Legal Counsel.*

*Director Hoelscher told Mr. Palmer that he thought he had done an excellent job to address these issues. He stated there is no question that rates must be increased, but expressed concern about how this will impact the ratepayers, especially those who are retired.*

*Board President Lon Uso asked if the Board members agreed that the Grand Jury Report is a true and correct assessment of what the District is facing and asked if the Board was united in the response to the Grand Jury.*

*Director Hoelscher stated that he agreed. Director Wadle recommended that the last sentence in F5 be added as a bullet point under F8.*

***Motion by Director Hanschild to approve the response letter with the additional sentence to F8 as recommended by Director Wadle. Second by Director Hoelscher.***

***A roll call vote was conducted and the motion passed unanimously.***

#### **B. Review and Provide Direction on Draft Fiscal Year 2017-18 District Budget**

**Possible Board Action** – Receive General Manager's Draft Fiscal Year 2017-18 District Budget and provide direction on preparation of a final budget.

*General Manager Steven Palmer provided a thorough power point presentation on the budget while engaging in Q&A and receiving direction from the Board members.*

*Director Uso commented that the salary for the Assistant General Manager was too high, adding he thought it best to first look at the qualifications. A review of the staffing options prompted lengthy discussion.*

*There was agreement that the budget will require pulling funds from reserves. Director Uso stated pulling from reserves should be minimal, and should not be the way we do business to balance the budget.*

*The Board approved the minimal staffing option and Mr. Palmer indicated he would finetune the staffing structure.*

*Mr. Palmer acknowledged the direction that the Board provided which will be incorporated in the final document. He stated that he will survey the Directors to set up a Special Meeting to adopt the Final Budget before the end of the month.*

#### **C. Review and Provide Direction on Draft 5-Year Capital Improvement Plan**

**Possible Board Action** – Receive the draft 5-Year Capital Improvement Plan and provide direction on preparation of a final 5-Year Capital Improvement Plan.

*The General Manager described the 5-year CIP as a planning tool noting that this is the first cut that will evolve with time.*

*Director Uso commented that he thought this is a good plan noting that we need to find the funds for the New Meter Program.*

*Director Wadle expressed concern about adopting this 5-year plan that includes project not in the 17/18 in the budget.*

*Mr. Palmer emphasized that the CIP is a plan of what we want to do and seeking the funds is part of the process. He indicated he would further clarify this in the plan.*

**Public Comment: None**

*The General Manager acknowledged receipt of the Board's direction on the CIP.*

**D. Consider Adoption of Resolution 2017-05 Regarding the Completion of Public Improvements for the Pilot Hill South Water Assessment District 1989-3**

**Possible Board Action** – Adopt Resolution 2017-05 declaring the redemption fund as surplus, ordering the disposition of surplus amounts in the amount of \$37,567.85, approving the assessment district closeout analysis and findings report prepared by NBS, and accepting the Notice of Completion of Public Improvements for Pilot Hill South Water Assessment District 1989-3.

GM provided a summary of the staff report and explained the recommended Board action needed to complete the Pilot Hill South project.

Director Hoelscher stated that it is his understanding, if there is an ability to identify the proper recipient, the District is required to refund the excess funds. He asked Legal Counsel for the legal ramifications. Kerry Fuller stated she didn't know the answer off the top of her head, but would review the report.

Director Uso shared his understanding of an opinion that the District can take these excess funds for the General Fund. Director Wadle pointed out it goes into the General Fund for ongoing operations and maintenance.

Director Halpin stated that, from a contract law point of view, in a fixed price contract in which we have met our obligations, paid all debts, and delivered the services, it is reasonable for the excess to go into the General Fund.

***MOTION by Director Wadle to adopt Resolution 2017-05. Second by Director Hanschild.***

**Public Comment: None**

***A roll call vote was conducted and the motion passed unanimously.***

**E. Consider Proposed Approval of Amendment 2 to the Professional Services Agreement with George Sanders Extending the Term and Increasing Compensation**

**Possible Board Action** – Approve Amendment to the Professional Services Agreement with George Sanders for Civil Engineering services, extending the term by one year and increasing the total compensation by \$76,800 to a total of \$228,600.

*Steve Palmer summarized the staff report. He pointed out the funds for this contract is included in the budget for the Auburn Lake Trails Water Treatment Plant Project.*

***Motion by Director Hanschild to extend contract with George Sanders for civil engineering services. Second by Director Wadle.***

***Public Comment: None***

***Vote: Ayes: Halpin, Hanschild, Uso and Wadle***

***Noes: Hoelscher***

***The motion passed with a 4 to 1 roll call vote.***

**F. Consider Adoption of Resolution 2017-06 Authoring the General Manager to Approve Change Orders Up to a Cumulative Total of \$150,000 for the Myers and Sons Construction Contract for the ALT Water Treatment Plant Construction Project**

**Possible Board Action:** Adopt Resolution 2017-06 authorizing the General Manager to approve and process Change Orders up to a cumulative amount of \$150,000 for the Myers & Sons Construction contract for the ALT Water Treatment Plant.

The General Manager summarized Resolution 2017-16 and the Board engaged with Staff on the merits of such a policy to reduce delays in the project. Director Uso asked Staff to inform him of any substantial change orders.

***Motion by Director Hanschild to adopt Resolution 2017-06. Second by Director Hoelscher.***

***A roll call vote was conducted and the motion passed unanimously.***

**7. PUBLIC HEARINGS**

**A. Consider Adoption of Resolution 2017-04 Adopting the Annual Appropriations Limit of \$2,507,976 for Fiscal Year 2017-2018.**

**Possible Board Action:** Adopt Resolution 2017-04 setting the Proposition 4 Appropriations Limit for the District.

*GM explained the need for resolution.*

*Halpin was disconnected at this point. He left at 5:01 p.m.*

***Motion by Director Hanschild to adopt Resolution 2017-04. Second by Director Hoelscher.***

***A roll call vote was conducted and the motion passed unanimously.***

**8. BOARD MEMBER COMMENTS, REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS AND REQUESTS FOR INFORMATION OR RESEARCH TO BE COMPLETED BY STAFF – Opportunity for Board members to discuss matters of interest to them and provide input for future meetings as well as report on their District-related meeting attendance.**

*The Board received an inquiry as to whether employees are drug tested and Steve Palmer responded that the District does random drug testing.*



*An issue was also raised about proper flag protocol in that Myers & Sons Construction displays an American flag on their sign, but leaves it up at night without the required lighting. The General Manager indicated he will bring this to their attention.*

9. **NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting July 11, 2017, at 2:00 PM, at the Georgetown Divide Public Utility District office.

The meeting was adjourned at 5:05 to a Special Meeting to be determined and posted as required.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Steve Palmer by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on June 9, 2017.

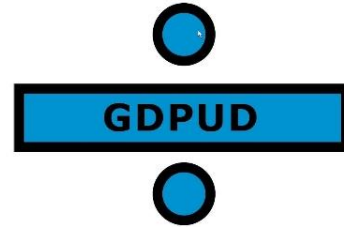
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Steven Palmer, PE, General Manager

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Date

**REPORT TO THE BOARD OF DIRECTORS  
SPECIAL BOARD MEETING OF JUNE 29, 2017  
Agenda Item No. 5**



**SUBJECT:                    CONSIDERATION AND PROPOSED APPROVAL OF FIVE YEAR  
CAPITAL IMPROVEMENT PLAN**

**PREPARED BY:            Steven Palmer, PE, General Manager**

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**BACKGROUND**

At the Board meeting on June 13, 2017, Staff presented a Draft Five-Year Capital Improvement Plan (CIP) for review and discussion. That Draft Five-Year CIP was previously presented to the District's Finance Committee on May 30, 2017. The Finance Committee was supportive of the Draft CIP and its inclusion in the draft budget.

At the June 13, 2017, the Board provided feedback that the expenditures for the Meter Replacement Project should be moved to Fiscal Year 2018/2019 to reflect the lack of funding for Fiscal Year 2017/2018.

**DISCUSSION**

The CIP is a five-year planning tool that identifies anticipated capital improvements and their funding sources from fiscal year 2017-2018 through 2021-2022 (Attachment 1). The CIP does not appropriate funds, but rather, it functions as a budgeting and planning tool which supports actual appropriations that are made through adoption of the budget. The revenues and expenditures included in the first fiscal year of this CIP are incorporated into the Fiscal Year 2017/2018 Budget. The subsequent four years are subject to change due to more detailed engineering analysis, Board direction of project priorities, updates to revenues, and changes in project costs. Therefore, the five-year CIP is updated annually. Table 1 summarizes the CIP projects and expenditures by fiscal year, and Table 2 summarizes the funding by fiscal year. This table has changed since the Board meeting on June 13, 2017. The changes result in a decrease in Fiscal Year 2017/2018 expenditures from \$13,372,054 to \$11,682,810, and an increase in the five-year expenditures from \$14,692,054 to \$14,957,014. Changes are summarized below:

1. Meter Replacement project expenditures and funding moved from Fiscal Year 2017/2018 to Fiscal Year 2018/2019
2. Reservoir and Stream Gauging project added to meet requirements of SB88. The first-year expenditures are for preliminary work and installation of automated reservoir level gauge and reporting at Stumpy Meadows Reservoir. The second-year expenditures are for installation of automated stream gauges at the diversions at Otter Creek 1 & 2, Mutton Canyon, Bacon Canyon, and Control Structures 1-7. Ideally, all improvements would be constructed at once, however due to lack of reserve funds, Staff has made improvements at Stumpy Meadows Reservoir a priority.

3. Office and Corporation Yard Roof Repair project added to Fiscal Year 2017/2018. This project was planned for Fiscal Year 2016/2017 and was not able to be completed, so it was moved to Fiscal Year 2017/2018.

Table 1 – CIP Project List

<b>Project</b>	<b>FY17/18</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>TOTAL 2017-2022</b>
ALT Water Treatment Plant	\$10,229,416	--	--	--	--	\$10,229,416
Reservoir & Stream Gauging	\$26,500	\$208,460	--	--	--	\$234,960
Office and Corp Yard Roof Repairs	\$30,000	--	--	--	--	\$30,000
2017 Pavement Repair	\$ 75,000	--	--	--	--	\$ 75,000
Annual Tank Recoating	\$ 200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$ 1,000,000
Meter Replacement	--	\$1,775,744	--	--	--	\$ 1,745,744
2016 Canal Lining	\$ 1,081,894	--	--	--	--	\$ 1,081,894
Annual Canal Lining	--	\$100,000	\$100,000	\$100,000	\$100,000	\$ 400,000
Repair Safety Walkways	\$ 30,000	--	--	--	--	\$ 30,000
2017 Manhole Sealing	\$ 10,000	--	--	--	--	\$ 10,000
Wastewater Lift Station Upgrade	--	--	\$120,000	--	--	\$ 120,000
<b>Total</b>	<b>\$11,682,810</b>	<b>\$2,254,204</b>	<b>\$420,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$14,957,014</b>

Table 2 – Funding Source

<b>Fund</b>	<b>FY17/18</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>TOTAL 2017-2022</b>
Capital Reserve	\$ 597,500	\$508,460	\$300,000	\$300,000	\$300,000	\$1,705,960
CABY Grant	\$ 845,894	--	--	--	--	\$ 845,894
ALT Zone Fund	--	--	\$120,000	--	--	\$120,000
Capital Facility Charge	\$ 10,000	--	--	--	--	\$ 10,000
ALT WTP Reserve	\$ 729,416	--	--	--	--	\$ 729,416
SRF Loan	\$9,500,000	--	--	--	--	\$9,500,000
Unfunded	--	\$1,745,744	--	--	--	\$1,745,744
<b>Total</b>	<b>\$11,682,810</b>	<b>\$2,254,204</b>	<b>\$420,000</b>	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$14,957,014</b>

**FISCAL IMPACT**

The Draft CIP consists of 9 projects, totaling approximately \$14.9 million and constrained against \$13.2 million of available funding over the next five years. CIP costs for fiscal year 2017-2018 are included in the Fiscal Year 2017-2018 Budget. All expenditures and revenues identified beyond fiscal year 2017-2018 have no direct fiscal impact at this time because the CIP is not a financial commitment by the Board, but rather a planning and forecasting tool.

**CEQA ASSESSMENT**

This is not a CEQA Project. Each individual project is subject to a separate CEQA review and assessment.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors adopt a resolution approving the Capital Improvement Plan for Fiscal Year 2017/18 to 2021/22.

**ATTACHMENTS**

1. Resolution 2017-07
2. Capital Improvement Plan, Fiscal Year 2017/18 to 2021/22

**RESOLUTION NO. 2017-07**

**RESOLUTION APPROVING THE FIVE-YEAR CAPITAL IMPROVEMENT PLAN  
FOR FISCAL YEARS 2017/2018 TO 2021/2022**

**WHEREAS**, the General Manager has submitted the Capital Improvement Plan for Fiscal Year 2017/2018 to Fiscal Year 2021/2022 (CIP) to the GDPUD Finance Committee and Board of Directors; and

**WHEREAS**, the CIP was prepared in accordance with the Board of Director’s goals, and budget assumptions and policies; and

**WHEREAS**, the CIP is consistent with the Fiscal Year 2017/2018 budget; and

**WHEREAS**, the GDPUD Finance Committee reviewed and approved the CIP at their meeting on May 30, 2017.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that the Capital Improvement Plan for Fiscal Year 2017/2018 to 2021/2022 is approved.

**PASSED AND ADOPTED** on this 29th day of June, 2017, by the following vote:

AYES:

NOES:

ABSENT:

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

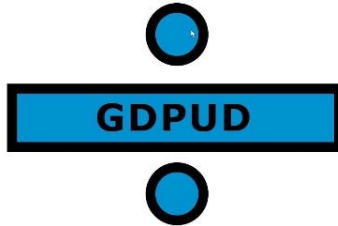
ATTEST:

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

**CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2017-07 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 13<sup>th</sup> day of June 2017.

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



# CAPITAL IMPROVEMENT PLAN 2017/2018 TO 2021/2022

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

June 29, 2017

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## **I. Introduction**

Georgetown Divide Public Utility District's (District) five-year Capital Improvement Plan (CIP) is a multi-year planning instrument to guide the construction of new facilities/infrastructure; and for the expansion, rehabilitation or replacement of existing District assets. The five-year CIP is developed by Staff and adopted by the Board of Directors, then becomes the guiding document for the prioritization of projects.

The information included in the CIP is based on the current information available and updated regularly to reflect changing priorities, funding availability and project completion. A new five-year CIP will be submitted to the Board annually with recommended adjustments to project budgets, funding sources, descriptions, and/or schedules. Inclusion of a project in the CIP does not commit the District to specific expenditures or appropriations for any particular project.

The CIP includes all projects and programs expected to be undertaken during the next five fiscal years. Specific projects and related schedules are selected based upon:

- Availability of funding
- Minimizing disruptions associated with construction activity
- Board direction

Approximately \$14.9 million CIP programs and projects over the next five years have been identified.

## **II. Infrastructure**

District infrastructure includes the water and wastewater physical structures, systems, and facilities needed to provide services to customers and for the functioning of a community and its economy. Infrastructure impacts public health, safety, and the quality of life for District customers and residents. Decisions made regarding infrastructure projects are very important because they are generally large and expensive, and the assets created will require decades of public use.

The District is responsible for maintaining the following infrastructure:

- Over 70 miles of canals
- Over 200 miles of water pipeline
- Two (2) water treatment plants
- Ten (10) water storage tanks
- Five (5) pumping stations
- Three (3) reservoirs
- Two (2) State regulated dams
- Two (2) miles of sewer pipelines
- Five (5) community wastewater disposal fields
- Corporation yard and office building



Providing ongoing maintenance and repair, such as repairing or replacing water and wastewater piping, is vital for maintaining the condition of assets. When maintenance and repair is not fully funded, deferred maintenance and capital improvement costs increase significantly. The District has not fully funded maintenance and repair due to tight budgetary constraints and competing priorities for several years. As a result the District now has a multi-million dollar backlog in deferred maintenance of water treatment and distribution system, wastewater collection and disposal system, and District buildings and facilities. Without adequate investment, these deferred maintenance costs will increase significantly over time.

Compounding the problem, as assets continue to deteriorate, the cost of repair exponentially increases and can result in peripheral damage. For example, deferring roof replacement could later result in needing to replace the roof structural members, walls, and floor of a building.

**III. Funding Sources**

The Five-Year CIP is funded by various unrestricted and restricted funds. Unrestricted funds are free from external restrictions and can be used for any purpose, as directed by the Board. For example, the District’s General Fund is an unrestricted fund. The General Fund is primarily made up of funding from water sales, and property tax revenue. Restricted funds are legally required to be used for a specific purpose. For example, ALT Zone Funds can only be used to fund activities within the wastewater zone. Other examples of restricted funding sources include local, state, and federal grants and loans; and capital facility charges. A detailed description of the various funding sources is presented in the following table.

Funding Source	Description and Restrictions
Capital Reserve	<b>Description:</b>
	These are funds set aside at Board direction to fund capital improvements to the water system. The original source of these funds is water sales, property tax, and other General Fund revenues.
	<b>Restrictions:</b>
	These funds are not legally restricted, however they have been designated by the Board to be used to fund capital improvements to the water system.
ALT WTP Capital Reserve	<b>Description:</b>
	These are funds set aside at Board direction to fund construction of the new ALT Water Treatment Plant. The original source of these funds is water sales, property tax, and other General Fund revenues.
	<b>Restrictions:</b>
	These funds are not legally restricted, however they have been designated by the Board to be used to fund construction of the new ALT Water Treatment Plant.

Funding Source	Description and Restrictions
Grant and Loan Funding	<b>Description:</b>
	Some projects are entirely or partially funded by grants, reimbursements, or loans from the State and federal government, as well as other agencies.
	<b>Restrictions:</b>
	Funding restrictions related to grant and loan funding can vary greatly, and each grant will have specific project restrictions related to the funding source.
Capital Facility Charge	<b>Description:</b>
	In 2005, the District retained Stantec to prepare a Capital Facility Charge Study, analyzing the impact of development on certain capital facilities and to calculate impact fees based on that analysis. The methods used to calculate impact fees in the study were intended to satisfy all legal requirements.
	<b>Restrictions:</b>
	By Law impact fees can only be collected to cover the impact of new development on existing infrastructure. Impact fees cannot be used to correct “existing deficiencies”. This fund is used to accumulate funds from new or proposed development to pay for Water System Capital Improvements needed to support new development.
ALT Zone	<b>Description:</b>
	These funds are collected from properties within the wastewater zone at Auburn Lake Trails subdivision.
	<b>Restrictions:</b>
	Funds collected in this fund can only be used to inspect, monitor, operate, and maintain the wastewater collection and disposal system.

#### IV. Project Summary

The CIP includes Projects that support the treatment and delivery of water throughout the District, upgrading infrastructure and improvements to existing water system; as well as collection and disposal of wastewater within the Auburn Lake Trails subdivision. The District complies with all applicable local, state and federal regulations related to water and wastewater. Funding for water projects is from water rates, property taxes bonds, grants, and development impact fees. Funding for wastewater projects is from fees collected from properties within the wastewater zone at Auburn Lake Trails subdivision. The table below summarizes the funding source for projects by fiscal year.

**CAPITAL IMPROVEMENT PLAN, 2017/2018 to 2021/2022**

<b>Fund</b>	<b>FY17/18</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>TOTAL 2017-2022</b>
Capital Reserve	\$ 597,500	\$508,460	\$300,000	\$300,000	\$300,000	\$1,705,960
CABY Grant	\$ 845,894	--	--	--	--	\$ 845,894
ALT Zone Fund	--	--	\$120,000	--	--	\$120,000
Capital Facility Charge	\$ 10,000	--	--	--	--	\$ 10,000
ALT WTP Reserve	\$ 729,416	--	--	--	--	\$ 729,416
SRF Loan	\$9,500,000	--	--	--	--	\$9,500,000
Unfunded		\$1,745,744	--	--	--	\$1,745,744
Total	\$11,682,810	\$2,254,204	\$420,000	\$300,000	\$300,000	\$14,957,014

Capital improvement projects programmed in the 2017/2018 to 2021/2022 Capital Improvement Plan are listed below. A project is only listed if there is funding programmed during Fiscal Year 2017/18 through Fiscal Year 2021/22. Detailed project costs estimates with expenditure plans for each project listed below are included in Appendix A.

<b>Project</b>	<b>FY17/18</b>	<b>FY18/19</b>	<b>FY19/20</b>	<b>FY20/21</b>	<b>FY21/22</b>	<b>TOTAL 2017-2022</b>
ALT Water Treatment Plant	\$10,229,416	--	--	--	--	\$10,229,416
Reservoir & Stream Gauging	\$26,500	\$208,460	--	--	--	\$234,960
Office and Corp Yard Roof Repairs	\$30,000	--	--	--	--	\$30,000
2017 Pavement Repair	\$ 75,000	--	--	--	--	\$ 75,000
Annual Tank Recoating	\$ 200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$ 1,000,000
Meter Replacement	--	\$1,745,744	--	--	--	\$ 1,745,744
2016 Canal Lining	\$ 1,081,894	--	--	--	--	\$ 1,081,894
Annual Canal Lining	--	\$100,000	\$100,000	\$100,000	\$100,000	\$ 400,000
Repair Safety Walkways	\$ 30,000	--	--	--	--	\$ 30,000
2017 Manhole Sealing	\$ 10,000	--	--	--	--	\$ 10,000
Wastewater Lift Station Upgrade	--	--	\$120,000	--	--	\$ 120,000
Total	\$11,682,810	\$2,254,204	\$420,000	\$300,000	\$300,000	\$14,957,014

# APPENDIX A

## PROJECT DETAILS



**Project Name:** Reservoir and Stream Gauging Improvements  
**Project Number:**  
**Project Description:** Improve gauging of direct diversions and storage as required by SB88  
**Funding Sources:**

Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		26,500	208,460					234,960
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
<b>Total</b>	0	26,500	208,460	0	0	0	0	234,960

**Project Cost Estimate:**

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering		8,100	8,000					16,100
Environmental			41,650					41,650
Land/ROW Acquisition								0
Construction Engineering		2,400	33,060					35,460
Construction Contract		16,000	125,750					141,750
Other CIP Costs								0
Other - TBD								0
<b>Total</b>	0	26,500	208,460	0	0	0	0	234,960

**Project Name:** Office and Corporation Yard Building Roof Repair

**Project Number:**

**Project Description:** Repair roofs of the office building and shop building at the corporation yard

*Funding Sources:*

Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		30,000						30,000
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
<b>Total</b>	0	30,000	0	0	0	0	0	30,000

*Project Cost Estimate:*

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering		5,000						5,000
Environmental								0
Land/ROW Acquisition								0
Construction Engineering								0
Construction Contract		25,000						25,000
Other CIP Costs								0
Other - TBD								0
<b>Total</b>	0	30,000	0	0	0	0	0	30,000

**Project Name:** 2017 Pavement Repair  
**Project Number:**  
**Project Description:** Permanent repair of various temporary asphalt patches  
**Funding Sources:**

Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		75,000						75,000
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
<b>Total</b>	0	75,000	0	0	0	0	0	75,000

**Project Cost Estimate:**

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering		5,000						5,000
Environmental								0
Land/ROW Acquisition								0
Construction Engineering		5,000						5,000
Construction Contract		65,000						65,000
Other CIP Costs								0
Other - TBD								0
<b>Total</b>	0	75,000	0	0	0	0	0	75,000



**Project Name:** Annual Tank Recoating  
**Project Number:**  
**Project Description:** Recoat interior and exterior of water storage tank  
**Funding Sources:**

Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		200,000	200,000	200,000	200,000	200,000		1,000,000
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
<b>Total</b>	0	200,000	200,000	200,000	200,000	200,000	0	1,000,000

**Project Cost Estimate:**

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering		15,000	15,000	15,000	15,000	15,000		75,000
Environmental								0
Land/ROW Acquisition								0
Construction Engineering		15,000	15,000	15,000	15,000	15,000		75,000
Construction Contract		170,000	170,000	170,000	170,000	170,000		850,000
Other CIP Costs								0
Other - TBD								0
<b>Total</b>	0	200,000	200,000	200,000	200,000	200,000	0	1,000,000

**Project Name:** Automated Meter Reading and Meter Replacement Project

**Project Number:**

**Project Description:** Replace meters and install automated meter reading hardware and software

*Funding Sources:*

Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)								0
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			1,745,800					1,745,800
<b>Total</b>	0	0	1,745,800	0	0	0	0	1,745,800

*Project Cost Estimate:*

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering								0
Environmental								0
Land/ROW Acquisition								0
Construction Engineering			186,990					186,990
Construction Contract			1,417,100					1,417,100
Construction Contingency			141,710					141,710
Other - TBD								0
<b>Total</b>	0	0	1,745,800	0	0	0	0	1,745,800

**Project Name:** Annual Canal Lining  
**Project Number:**  
**Project Description:** Prioritized repair and lining of canals and ditches  
**Funding Sources:**

Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		0	100,000	100,000	100,000	100,000		400,000
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>400,000</b>

*Project Cost Estimate:*

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering								0
Environmental								0
Land/ROW Acquisition								0
Construction Engineering								0
Construction Contract								0
Other CIP Costs		0	100,000	100,000	100,000	100,000		400,000
Other - TBD								0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>400,000</b>



Project Name: Repair Saftey Walkways

Project Number:

Project Description: Repair and replace prioritized safety walkways thought District

Funding Sources:

Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)		30,000						30,000
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	30,000	0	0	0	0	0	30,000

Project Cost Estimate:

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering								0
Environmental								0
Land/ROW Acquisition								0
Construction Engineering								0
Construction Contract								0
Other CIP Costs		30,000						30,000
Other - TBD								0
Total	0	30,000	0	0	0	0	0	30,000

**Project Name:** 2017 Manhole Sealing  
**Project Number:**  
**Project Description:** Prioritized sealing of wastewater manholes  
**Funding Sources:**

Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)								0
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)		10,000						10,000
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								0
Unfunded								0
<b>Total</b>	0	10,000	0	0	0	0	0	10,000

**Project Cost Estimate:**

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering								0
Environmental								0
Land/ROW Acquisition								0
Construction Engineering								0
Construction Contract		10,000						10,000
Other CIP Costs								0
Other - TBD								0
<b>Total</b>	0	10,000	0	0	0	0	0	10,000

Project Name: Wastewater Lift Station Upgrade

Project Number:

Project Description: Upgrade wastewater lift station by replacing worn out components & structure

Funding Sources:

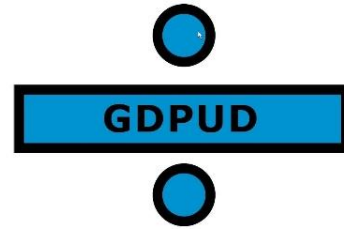
Sources	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
CABY Grant (9)								0
Capital Reserve (43)								0
Prior Reimbursements Received (35)								0
Capital Facility Charge (39)								0
ALT WTP Capital Reserve (24)								0
ALT Zone Fund (40)				120,000				120,000
ALT Tank 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	0	0	120,000	0	0	0	120,000

Project Cost Estimate:

Elements	Prior Years	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	Future Years	Total
Preliminary Engineering				12,000				12,000
Environmental								0
Land/ROW Acquisition								0
Construction Engineering				6,000				6,000
Construction Contract				102,000				102,000
Other CIP Costs								0
Other - TBD								0
Total	0	0	0	120,000	0	0	0	120,000

**REPORT TO THE BOARD OF DIRECTORS  
SPECIAL BOARD MEETING OF JUNE 29, 2017**

**Agenda Item No. 6**



**SUBJECT: CONSIDERATION AND PROPOSED ADOPTION OF FISCAL  
YEAR 2017-18 BUDGET**

**PREPARED BY: Steven Palmer, PE, General Manager**

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**BACKGROUND**

Staff has prepared a Draft Fiscal Year 2017-2018 Budget for review and discussion by the District's Finance Committee and Board of Directors. On May 30, 2017, Staff presented the Draft Fiscal Year 2017-18 Budget to the District's Finance Committee for discussion and input.

The Finance Committee provided some corrections and suggestions which were incorporated into the attached draft budget. The Finance Committee was generally supportive of the draft budget, with the exception that they did not feel that they had enough information to support or oppose the staffing recommendations included in the draft budget. Consequently, the committee recommended presentation of the draft budget to the Board of Directors with only minor corrections and suggestions and did not take a position on the organization chart recommendations.

The June 13, 2017 draft budget presentation to the Board of Directors included a recommended organizational chart intended to address several existing deficiencies in the organization structure and staffing. The following deficiencies have been identified by Staff and the General Manager:

1. Accounting and finance oversight and management
2. Contract administration
3. Human resources management
4. Drinking water quality oversight and reporting
5. Water rights monitoring, reporting, and permitting
6. Wastewater reporting and permitting
7. Storm water reporting and permitting
8. Capital project management
9. Prepare Five Year Capital Improvement Plan
10. Prepare infrastructure master plans
11. Infrastructure asset management
12. Records management
13. Succession planning

The above items are critical issues affecting the District's long term sustainability, and which are not be adequately addressed by current staffing. Many functions are either not being performed or are being performed by former employees and consultants with minimal oversight by District Staff. To address these deficiencies, the recommended organizational chart includes the following changes:



1. Reclassify the existing vacant Office Manager position as Assistant General Manager. This position will have primary responsibility for accounting and finance oversight and management, human resources management, and information technology.
2. Create a Human Resources or Finance Manager position to support the Assistant General Manager. The scope of practice of the Assistant General Manager is very broad and there is an extremely low probability of locating an individual with all the skills and experience necessary to manage accounting, finance, human resources, and information technology without an increased level of support staff.
3. Create an Assistant/Analyst position to update the records retention policy, develop, implement, and manage a records management system, serve as the District's public information officer, manage contracts, and assist the General Manager in preparing Board packets. The District's records retention policy needs to be reviewed and updated, and there is a lack of a system for document storage and retrieval. The public information officer and Board meeting support functions are currently being provided by the General Manager and a retired part time temporary employee that is hired through a temporary employment agency and is limited to roughly 960 hours per year (20 hours per week). Contract administration is currently being shared by one full time administrative assistant and another temporary employee that is hired through a temporary employment agency.
4. Create an Engineering Manager position to manage capital improvement projects, and prepare and annually update the five-year capital improvement plan. The Engineering Manager would also manage drinking water quality oversight; wastewater permitting and reporting; storm water permitting and reporting; and water rights monitoring, reporting, and permitting. The General Manager is currently responsible for preparing the 5-Year Capital Improvement Plan and storm water permitting. The Operations Manager and Chief Water Treatment Plant Operator are currently responsible for drinking water quality oversight; wastewater permitting and reporting; and water rights monitoring, reporting, and permitting with support from two former employees/consultants. Capital improvement projects are currently being managed by a retired part time employee who is retained through a Professional Services Agreement and is limited to 960 hours per year (20 hours per week), and by the Chief Water Treatment Plant Operator.
5. Create a Water Quality Manager position to support the Engineering Manager. The Water Quality Manager would have primary responsibility for performing drinking water quality oversight; wastewater permitting and reporting; storm water permitting and reporting; and water rights monitoring, reporting, and permitting under supervision of the Engineering Manager.
6. Create an Office Assistant position to support the Engineering Manager in maintaining project files, writing staff reports, preparing and processing reimbursement requests, and preparing grant applications. These functions are currently performed by a retired part time temporary employee that is hired through a temporary employment agency and is limited to roughly 960 hours per year (20 hours per week). This is the same temporary employee that is serving as public information officer and providing Board meeting support.
7. Fill the vacant but unbudgeted Treatment Plant Operator position. The District currently employs two water treatment plant operators that are licensed and authorized to operate the two water treatment plants. Hiring an additional Treatment Plant Operator will allow the District more flexibility in staffing during emergency call-outs, holidays, vacations, and sick leave.

8. Reclassify the existing Lead Distribution Operator as a Field Superintendent to reflect the increased responsibility reflected in the current organizational chart. During Fiscal Year 2016-2017 the Lead Canal Operator position was eliminated and the Lead Distribution Operator began supervising the raw water (canal) operations.

These recommended changes result in an increase of 6 (six) full time employees which are partially offset by a reduction in contract staff and consultants. The District cannot continue to function at the current staffing level with the current organizational chart, and the recommended organizational structure will result in a District that is professional, sustainable in the long term, and provides for adequate succession planning. The expenses associated with the recommended organizational will exceed annual revenue by approximately \$600,000. In recognition of this budgetary shortfall, Staff prepared an alternative budget with a minimal staffing level that is the initial phase of implementing the recommended organizational chart. The following assumptions were made for the minimal staffing level:

- A. Reclassify the existing vacant Office Manager position as Assistant General Manager. This position will have primary responsibility for accounting and finance oversight and management, with oversight of human resources management, and information technology. It is very unlikely that the District will be successful in locating an individual with all the skill sets needed, and the focus will be identifying someone with a strong background in local government finance and
- B. Create a Water Quality Manager position with primary responsibility for performing drinking water quality oversight; wastewater permitting and reporting; storm water permitting and reporting; and water rights monitoring, reporting, and permitting under supervision of the General Manager.
- C. Reclassify the existing Lead Distribution Operator as a Field Superintendent to reflect the increased responsibility reflected in the current organizational chart. During Fiscal Year 2016-2017 the Lead Canal Operator position was eliminated and the Lead Distribution Operator began supervising the raw water (canal) operations.
- D. Existing vacant Administrative Aide (counter) is filled with a full-time employee instead of the current full time temporary employee.
- E. Other existing part time contract staff responsible for engineering project management and Board support continue in their current roles.
- F. Budget for services by Siren Consulting is reduced by 50% to allow for overlap when transitioning from contract to permanent Staff.

As presented at the June 13, 2017 Board meeting, the projected expenses for the minimal staffing level exceed projected annual revenues by approximately \$260,000.

The Board directed staff to evaluate other options for the reclassification of the Office Manager position, such as Administrative Services Director or Administrative Services Manager, and prepare a final budget including the recommended organizational chart and the minimal staffing option as an initial phase to implementing the recommended organizational chart.

### **DISCUSSION**

The Fiscal Year 2017-18 Budget for Board adoption is included as Attachment 2. A summary of key points from the Budget and any changes from the June 13, 2017 draft budget are presented below.

#### **District Organization and Staffing**

The Budget includes a recommended organizational chart with an increase in the current staffing level as described in the Background section of this staff report. These changes are necessary to

make sure the District is professional, sustainable in the long term, and provides for adequate succession planning. The organizational chart is included as Attachment 3.

As presented at the June 13, 2017 Board meeting, the proposed budget does not include funding for the full recommended organizational chart and only includes funding for one (1) new position. Additionally, instead of including budget for an Assistant General Manager, the proposed budget includes funding for a Management Analyst. The draft budget presented on June 13 did not include the impacts of all the step increases and longevity increases that are anticipated in the next fiscal year. In order to absorb those costs without transferring additional funds from reserves, staff is proposing to staff the Management Analyst position in the initial phase instead of the Assistant General Manager.

### Revenues

The following changes were made to the proposed revenues that were presented in the Draft Fiscal Year 2017-2018 Budget:

- SMUD revenue was increased from \$107,000 to \$109,300 to account for the annual inflationary adjustment.
- Septic Design fees were increased from \$3,000 to \$4,000 to more closely resemble FY2016-2017 estimated revenue.

All other proposed revenues remain the same. The proposed revenue budget of \$4,698,223 includes the supplemental charge for ALT Water Treatment Plant Construction loan. The supplemental charge cannot be used for operating expenses. The anticipated revenues for fiscal year 2017-18 that could be used towards operating expenses total \$4,049,300.

### Operating Expenses

The expenses associated with the minimal staffing are presented in the proposed budget. The proposed operating expenses for fiscal year 2017-2018 total \$4,303,471. The following changes from the fiscal year 2016-2017 estimated year end expenditures are included in the proposed budget:

- Labor cost increase of \$496,164 due to the following notable items:
  - CalPERS increase of \$40,416 to the unfunded accrued liability payment to pay for District staff that have already retired.
  - CalPERS normal cost increase of \$8,848 to pay for current District staff.
  - Increase labor cost of \$107,908 due to cost of living increases, step increases, and longevity pay, and associated increase of \$21,352 to payroll taxes.
  - Increase cost of \$121,765 due to increase health, dental, worker's comp, etc premiums.
  - Decrease temporary labor cost of \$41,294 due to converting the administrative assistant I position from temporary to district employee.
  - Increase fully loaded labor cost of \$43,966 associated with converting the administrative assistant I position from temporary to district employee.
  - Increase fully loaded labor cost of \$85,452 associated with hiring a Management Analyst.
  - Increase fully loaded labor cost of \$97,681 associated with hiring a Water Quality Manager.
- Service related expenses overall remain flat with the following notable changes:
  - Decrease in rental/durable and vehicle maintenance expenses of \$20,716 and \$37,500, respectively, due to elimination of leased vehicles.
  - Increase of \$15,957 in office supplies primarily due to the replacement of out of date and aging office furniture and computers.
  - Anticipated increase of \$19,168 in utility costs due to increasing electric rates.

- Increase of \$55,338 in consultant costs primarily due to mandated wastewater studies, and financial consulting.
- Decrease in government and lab fees of \$29,352 to reflect reduced water testing requirements for this year, and shifting ACWA membership to memberships account.
- Increase in memberships of \$25,085 as ACWA membership is shifted from government fees, and the addition of California Special District Association (CSDA).

Operating expenses of \$4,303,471 exceed the anticipated revenues available for operating expenses of \$4,049,300 in fiscal year 2017-2018.

**ANALYSIS**

The proposed budget uses all unrestricted operating and non-operating revenue to fund operating expenses. This includes revenue from water sales, property taxes, Sacramento Metropolitan Utility District (SMUD), interest, cell tower leases, hydroelectric power agreements, and wastewater charges. This still leaves a projected shortfall of \$254,171 that is proposed to be funded from reserves. The District currently has a wastewater fund balance of \$948,542 which can be used to offset \$13,806 of the shortfall. The remaining shortfall can be funded from one of the unrestricted reserve funds, with an estimated balance of \$2,886,967 that can be used for water operating expenses. The proposed budget transfers \$241,035 from the SMUD fund to the general fund to fund operating expenses. This results in a projected SMUD fund balance of \$83,034, and a total unrestricted reserve fund balance of \$2,590,102. This equates to roughly 7 months of operating expenses for the recommended organizational chart (60% of annual operating expenses.) Unrestricted reserve fund balances are listed in Table 1 below.

**TABLE 1 – UNRESTRICTED FUND BALANCES**

FUND	ESTIMATED BALANCE 6/30/2017	BUDGET REVENUE 2017- 2018	BUDGET EXPENSES 2017-2018	PROJECTED BALANCE 6/30/2018
8 - SMUD FUND	324,069	-	241,035	83,034
10 - GENERAL FUND	670,946	4,591,258	4,590,588	671,616
19 - STUMPY MEADOWS RESERVE	1,044,130	-	-	1,044,130
43 - CAPITAL RESERVE	749,047	-	541,000	208,047
30 - SMALL HYDRO FUND	603,069	-	-	603,069
24 - ALT WTP CAPITAL RESERVE	766,122	-	729,416	36,706
<i>Total Unrestricted Reserve Funds</i>	<b>\$ 4,157,383</b>			<b>\$ 2,590,102</b>

**FISCAL IMPACT**

The Fiscal Year 2017-18 Budget impact will require using \$254,171 of reserve funds to balance operating expenses. The resulting Projected Unrestricted Reserve Fund Balance at the end of Fiscal Year 2017-2018 is \$2,590,102. The Fiscal Year 2017-2018 projected unrestricted reserve fund balance meets the recommendations of the Board, Finance Committee, and GFOA for operating and emergency reserves. The District is not currently meeting Board Financial Reserve Policy goal of \$5,300,000 for capital reserves. This goal will be evaluated and discussed further during the current rate study update.

**CEQA ASSESSMENT**

This is not a CEQA Project.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors adopt the attached resolution approving the Fiscal Year 2017/18 Budget.

**ATTACHMENTS**

1. Resolution 2017-08
2. Final Fiscal Year 2017-18 Budget
3. Recommended Organizational Chart

**RESOLUTION NO. 2017-08**

**RESOLUTION APPROVING THE ANNUAL BUDGET FOR FISCAL YEAR 2017/2018**

**WHEREAS**, the General Manager has prepared a budget for fiscal year 2017-2018 that estimates operating and maintenance, capital improvement program, debt service, reserve requirements, and other expenses of the District; and estimates revenue from all sources; and

**WHEREAS**, the General Manager presented a draft budget to the District Finance Committee on May 30, 2017 and to the Board of Directors on June 13, 2017 for review; and

**WHEREAS**, the Board of Directors provided direction on expenses for fiscal year 2017-2018, and that direction has been incorporated into the proposed budget.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** as follows:

1. Revenue estimates and appropriations by fund and department are shown in "Exhibit A", a copy of which is attached and hereby made part of this Resolution is hereby adopted.
2. Use of unrestricted reserves of \$13,806 from the ALT Zone Fund and \$241,035 from the SMUD fund to offset revenue shortfalls for fiscal year 2017-2018.
3. Any remaining capital fund projects and encumbrances will be rolled into next fiscal year.
4. The General Manager may authorize the transfer of appropriations within and between departments so long as total appropriations are not increased within a fund.
5. The Board of Directors has the overriding authority to control the use of revenues and the appropriations of funds and therefore may modify this policy at any time. The total appropriations in any fund may not be increase expect by the Board of Directors.
6. All changes in appropriations will be authorized on a budget adjustment form. Any increase in appropriations will be authorized by the Board.

**PASSED AND ADOPTED** on this 29th day of June, 2017, by the following vote:

AYES:

NOES:

ABSENT:

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

ATTEST:

---

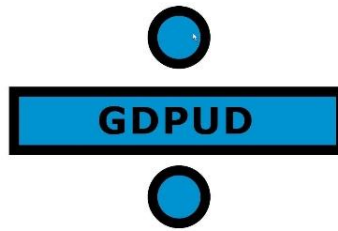
Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2017-08 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 29<sup>th</sup> day of June 2017.

---

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



# FISCAL YEAR 2017-2018 BUDGET

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Submitted to:*

*The GDPUD BOARD DIRECTORS*

*Lon Uso, President*

*Jesse Hanschild, Vice-President*

*David Halpin, Treasurer*

*Carl Hoelscher, Director*

*Dane Wadle, Director*

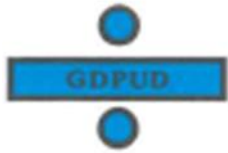
*By:*

Steven Palmer, PE

General Manager

June 29, 2017





June 29, 2017

President Uso, Board of Directors, and Customers,

I am submitting the proposed Fiscal Year 2017-18 Operating Budget for the Georgetown Divide Public Utility District (District). The theme of this budget is long term sustainability, defined as a functional organization, functional infrastructure, and adequate revenue.

#### Background

The District and the entire State of California appear to be emerging from a six (6) year drought. During the drought, the District's Stumpy Meadows Reservoir volume experienced a low of 41% of capacity. This drought led to increased emphasis of water conservation and the State responded by enacting mandatory Statewide water conservation goals. At one point in time, the State mandated that the District's customers reduce water use by 39% as compared to 2013. As would be expected, this increase in conservation led to a decrease in revenue to the District due to decreased water sales. Operating revenue in 2015 was 17% lower in 2015 than 2013, which almost exactly mirrored water conservation in the District.

Expenses declined between 2011 and 2015. This was due to a reduction in staff and deferring maintenance to future years. The number of District employees declined from 24 full time employees in 2011 to 18 full time employees in 2015. The District currently directly employees 19 full time employees. Expenses in the current fiscal year are estimated to increase by roughly \$220,000 from Fiscal Year 2015-2016 actuals. This increase is due to increases in labor costs, retirement costs, payroll taxes, and health insurance.

#### Budget Overview

The District continues to face financial and operational challenges as the cost to deliver services to our customers is increasing much faster than revenues. The primary cause of this imbalance is that water rates have not increased in six (6) years. Exacerbating this imbalance is that the District has insufficient capital reserves to address aging infrastructure and improvements required by increased State regulation.

Consistent with the theme of long term sustainability, the budget includes a recommended organizational chart with new positions needed to provide the District's customers with a functional organization. Current revenue is not sufficient to support this functional organizational chart, and several of the new positions are not budgeted in this fiscal year. This year's budget includes two (2) new positions, a water quality manager, and a management analyst. These positions will focus on drinking water quality oversight and reporting, water rights monitoring, wastewater permitting and reporting, stormwater permitting, dam permitting, financial oversight, contract administration, and records management.

Revenues available for operations are projected to be flat for this fiscal year. This budget includes a total revenue of \$4,698,223 when including the newly imposed supplemental charge and \$4,049,300 without the new supplemental charge. This compares to an estimated total revenue of \$4,274,058 for fiscal year 2016-2017; and \$4,054,935 without the new supplemental charge. Since water rates have not increased since 2011 and cannot be increased until a Proposition 218 mandated process is complete, water sales are projected to be similar to fiscal year 2016-2017. Property tax revenue is estimated to increase by \$69,000, however this increase is offset by shifting one time revenues such as grants and agency cost sharing out of the operating budget for this fiscal year; and the result is that revenues for 2017-2018 are essentially flat.

Similar to last year, increases in labor costs, retirement costs, payroll taxes, and health insurance will once again drive expenses higher in 2017-2018. The District cannot continue to function at the current staffing level with the current organizational chart. The changes outlined in the recommended organizational chart are necessary for long term sustainability of the District. This budget has been prepared with a minimal staffing level that is the initial phase of implementing the recommended organizational chart. This minimal staffing level results in a net increase of one (1) budgeted position over fiscal year 2016-2017.

Service reductions are not feasible in the case of water and wastewater utilities. The District is highly regulated by oversight agencies that prescribe detailed operational, maintenance, permitting, and environmental requirements that mandate financial commitment by the District. The consequences of ignoring or not complying with these mandated requirements are dire. Fiscal year 2017-2018 revenues are projected to be insufficient to meet expenses and the use of reserves is necessary to meet operating expenses. The use of reserves to fund operating expenses is not desirable or sustainable.

The District is clearly at a pivotal point in time. Faced with increasing expenses that are out of District control, significant operational deficiencies, increasing regulations, and

June 29, 2017

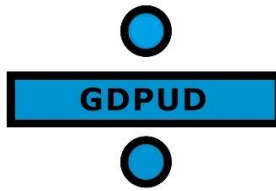
Page 3 of 3

aging infrastructure; significant and stable long term revenue increases are needed to secure the sustainability of the District. A rate study is currently underway to address these issues, and implementation of the rate study is critical to the future of the District.

District staff are passionate about delivering a high level of customer service and are deeply committed to the District. I appreciate their support during my transition to the General Manager and their support of ambitious goals that we have set for the District.

Sincerely,

Steven Palmer, PE  
General Manager



**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**FISCAL YEAR 2017-2018 BUDGET**

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## **I. GDPUD Overview**

The Georgetown Divide Public Utility District (District) serves communities located in western El Dorado County among the foothills of the Sierra Nevada Mountain Range, situated in the heart of the Mother Lode. The Georgetown Divide is located between the Middle and South Forks of the American River, nestled in the heart of the Sierra Nevada Foothills and Northern California's Gold Country. Access is through Highway 50 and Interstate 80, making it in close proximity to either metropolitan cities or recreational activities of Lake Tahoe. The cornerstone of the District's water supply system is the Stumpy Meadows Reservoir with a storage capacity of 20,000 acre-feet.

- ◆ Location — 72,000 acres serving unincorporated areas of western El Dorado County
- ◆ Services — Irrigation and domestic water supplies, on-site wastewater disposal
- ◆ Population of area served — 15,000
- ◆ Formation Date — June 4, 1946
- ◆ Type of District (Act) — California Public Utility District Act
- ◆ Source of Water — Pilot Creek and other tributary water rights
- ◆ Amount of Water Served — Approximately 12,000 acre-feet per year
- ◆ Predecessor Agencies — A series of private water companies dating back to 1852 and the El Dorado, Pilot and Rock Creek Canal Companies

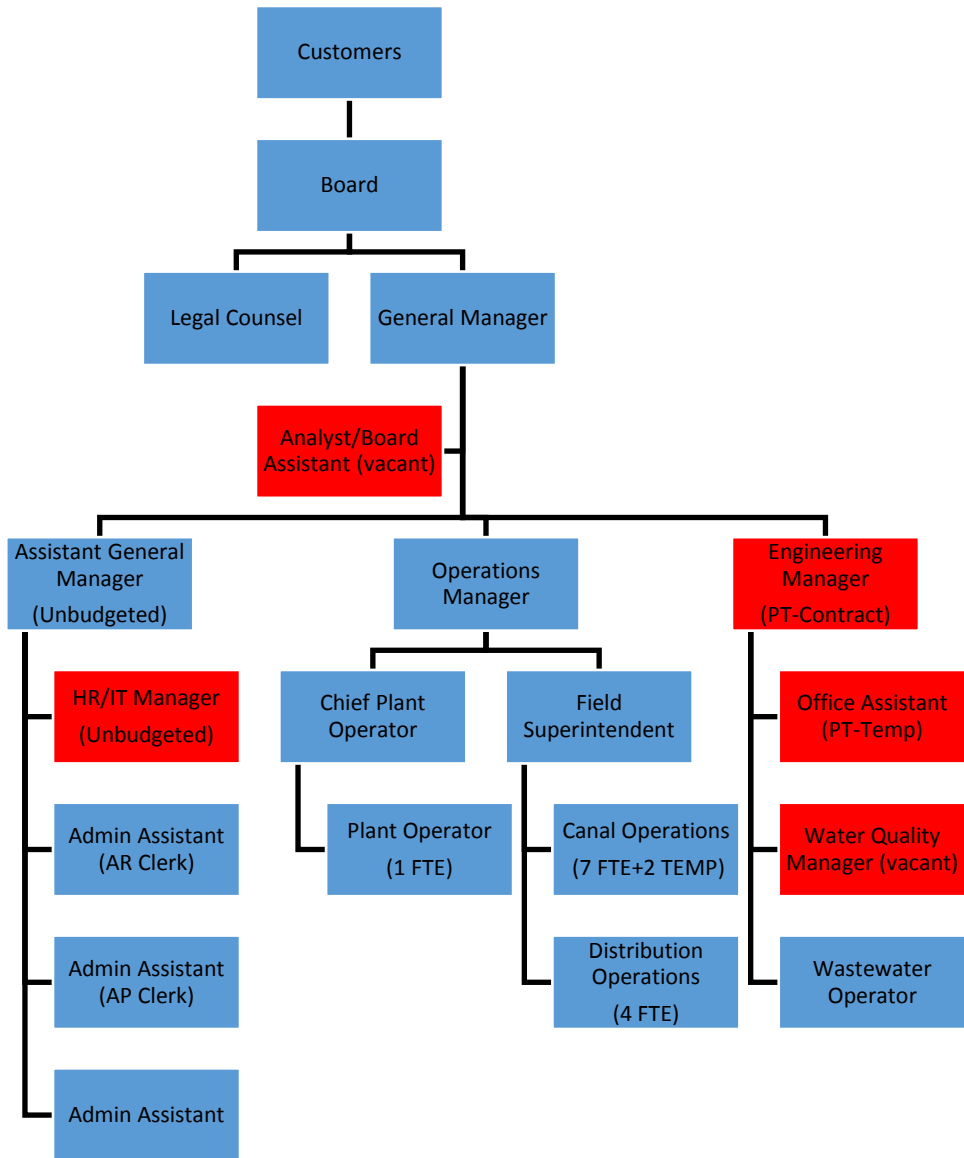
**GDPUD History.** The origins of District facilities can be directly traced back to 1852 and the El Dorado, Pilot and Rock Creek Canal Companies, one of the first established water purveyors in the State of California; resulting from James Marshall's discovery of gold in nearby Coloma. Following the decline in gold production, agriculture and lumbering became the staple industries on the Divide for many years.

The focus of the District water supply system is the Stumpy Meadows Reservoir, a 20,000 acre-foot impoundment on Pilot Creek, at the eastern edge of the District. Water from this source of supply traverses through approximately 75 miles of ditch and pipeline to provide both agricultural water for customers, and raw water supplies for the District's water treatment plants.

## **II. District Organizational Chart**

A revised District organizational chart is presented on the following page. The chart identifies several new positions, including ones that are not budgeted.

**GDPUD  
Organizational Chart**



New Position



Existing Position

### III. Fund Budget Summary

<b>GDPUD FUND SUMMARY</b>				
<b>Fiscal Year 2017-2018</b>				
FUND	ESTIMATED BALANCE 6/30/2017	BUDGET REVENUE 2017-2018	BUDGET EXPENSES 2017-2018	PROJECTED BALANCE 6/30/2018
<b>10 - GENERAL FUND</b>				
REVENUE				
Water Operating Revenue		\$ 1,839,000		
Non-Operating Revenue		\$ 1,862,300		
Supplemental Charge		\$ 648,923		
<i>Total Revenue</i>		\$ 4,350,223		
EXPENSES				
5100			\$ 418,355	
5200			732,756	
5300			662,917	
5400			859,764	
5500			222,252	
5600			1,046,292	
<i>Total Expenses</i>			3,942,335	
TRANSFERS				
Transfer Supplemental Charge to SRF Fund 29			648,923	
Transfer from SMUD Fund		241,035		
<i>Total Transfers</i>		241,035	648,923	
<b>Subtotal General Fund</b>	<b>\$ 670,946</b>	<b>\$ 4,591,258</b>	<b>\$ 4,591,258</b>	<b>\$ 670,946</b>
<b>40 - ALT ZONE FUND</b>				
REVENUE				
Wastewater Operating		\$ 348,000		
<i>Total Revenue</i>		\$ 348,000		
EXPENSES				
6700			361,096	
<i>Total Expenses</i>			361,096	
TRANSFERS				
Transfer	-	-	-	
<b>Subtotal ALT Zone Fund</b>	<b>948,542</b>	<b>348,000</b>	<b>361,096</b>	<b>935,446</b>
<b>Grand Total Revenues &amp; Expenses</b>		<b>4,939,258</b>	<b>4,952,354</b>	
<b>UNRESTRICTED RESERVE FUNDS</b>				
<b>8 - SMUD FUND</b>	<b>324,069</b>	-	<b>241,035</b>	<b>83,034</b>
<b>19 - STUMPY MEADOWS RESERVE</b>	<b>1,044,130</b>	-	-	<b>1,044,130</b>
<b>43 - CAPITAL RESERVE</b>	<b>749,047</b>	-	<b>597,500</b>	<b>151,547</b>
<b>30 - SMALL HYDRO FUND</b>	<b>603,069</b>	-	-	<b>603,069</b>
<b>24 - ALT WTP CAPITAL RESERVE</b>	<b>766,122</b>	-	<b>729,416</b>	<b>36,706</b>
<b>Total Unrestricted Reserve Funds</b>	<b>3,486,437</b>	-	<b>1,567,951</b>	<b>1,918,486</b>

**GDPUD FUND SUMMARY**  
**Fiscal Year 2017-2018**

FUND	ESTIMATED BALANCE 6/30/2017	BUDGET REVENUE 2017-2018	BUDGET EXPENSES 2017-2018	PROJECTED BALANCE 6/30/2018
<b>RESTRICTED FUNDS (4)(5)</b>				
9 - CABY GRANT	-	845,894	845,894	-
14 - STEWART MINE	24,458	14,200	14,200	24,458
25 - BAYNE ROAD & OTHER AD	34,267	3,000	37,267	-
17 - WATER DEVELOPMENT	402,053	-	-	402,053
53 - PILOT HILL NORTH	(7,480)	-	-	(7,480)
54 - PILOT HILL SOUTH	50,136	-	50,136	-
51 - KELSEY NORTH	103,102	9,480	33,535	79,047
52 - KELSEY SOUTH	190,533	2,580	180,000	13,113
29 - STATE REVOLVING FUND (6) (7)	57,087	10,176,475	10,176,475	57,087
35 - EPA GRANT	-	-	-	-
37 - GARDEN VALLEY WATER IMPROVEMENT DISTRICT	71,574	-	2,400	69,174
39 - CAPITAL FACILITY CHARGES	1,695,922	-	10,000	1,685,922
41 - ALT TANK REPLACEMENT LOANS & REPAIR	33,791	-	-	33,791
42 - ALT CDS RESERVE CONNECTION	213,840	-	-	213,840
<b>Total Restricted Funds</b>	<b>\$ 2,869,283</b>	<b>\$ 11,051,629</b>	<b>\$ 11,349,907</b>	<b>\$ 2,571,005</b>

Notes:

(4)-Restricted funds are those whose usage are legally restricted for specific purposes.

(5)-Retiree Fund (12) is not shown to avoid duplicate budget

(6)-State Revolving Fund Fund (29) includes revenues from Supplemental Charge

(7)-State Revolving Fund Fund (29) expenses include \$2,296 per month for existing SRF Loan for Walton WTP



**IV. Schedule of Transfers**

Description	From		To	
	Fund	Amount	Fund	Amount
Transfer Supplemental Charge to SRF Fund 29	10	\$ 648,923	29	648,923
Transfer from SMUD Fund for Operating	8	\$ 241,035	10	241,035
<i>Total Transfers</i>		<i>\$ 889,958</i>		<i>\$ 889,958</i>

## **V. Revenue Sources**

District revenues are divided into three broad categories: Water Operating Revenue, Wastewater Operating Revenue, and Non Operating Revenue.

### **a. Operating Revenue**

#### Water Sales

Water Operating Revenue includes all revenue generated by the sale of water and associated penalties. The District sells both treated water and untreated water. For budgeting purposes, treated water sales are divided into residential and commercial. The largest source of operating revenue is the sale of residential water. In FY 16-17, residential water sales are estimated to total \$1,319,911, which is approximately 70% of water operating revenues and approximately 31% of total revenue. Since the population of the District is not growing and water rates are not increasing, FY17-18 residential water sales are projected to be substantially similar to the FY16-17 estimates, with a projected total of \$1,319,000, representing 72% of water operating revenue and 28% of total revenue.

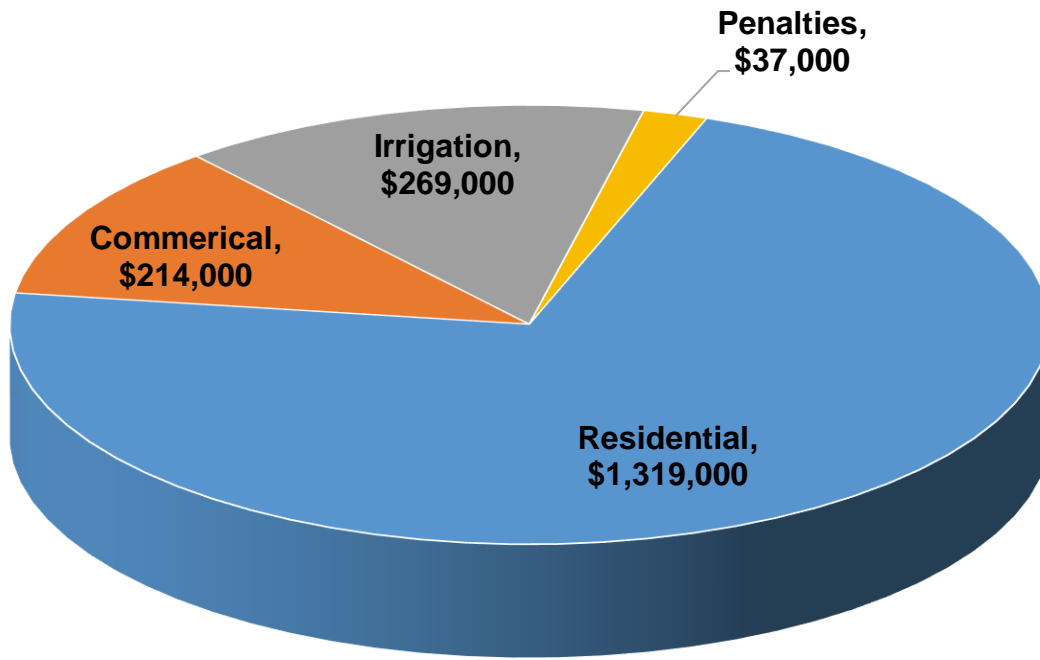
Commercial water sales are estimated to total approximately \$214,792 for FY16-17, which is approximately 11% of water operating revenues and 5% of total revenue. Since the population of the District is not growing and water rates are not increasing, commercial water sales in FY17-18 are projected to be the same as FY16-17, with a total projected revenue of \$214,000, representing 12% of water operating revenue and 5% of total revenue.

Untreated (irrigation) water sales are estimated to total approximately \$269,537 for FY16-17, which is 14% of water operating revenues and 6% of total revenue. Since the population of the District is not growing and water rates are not increasing, the projected revenue from irrigation water sales in FY17-18 is anticipated to be substantially the same as FY16-17, with a projected revenue of \$269,000, representing 15% of water operating revenue and 6% of total revenue.

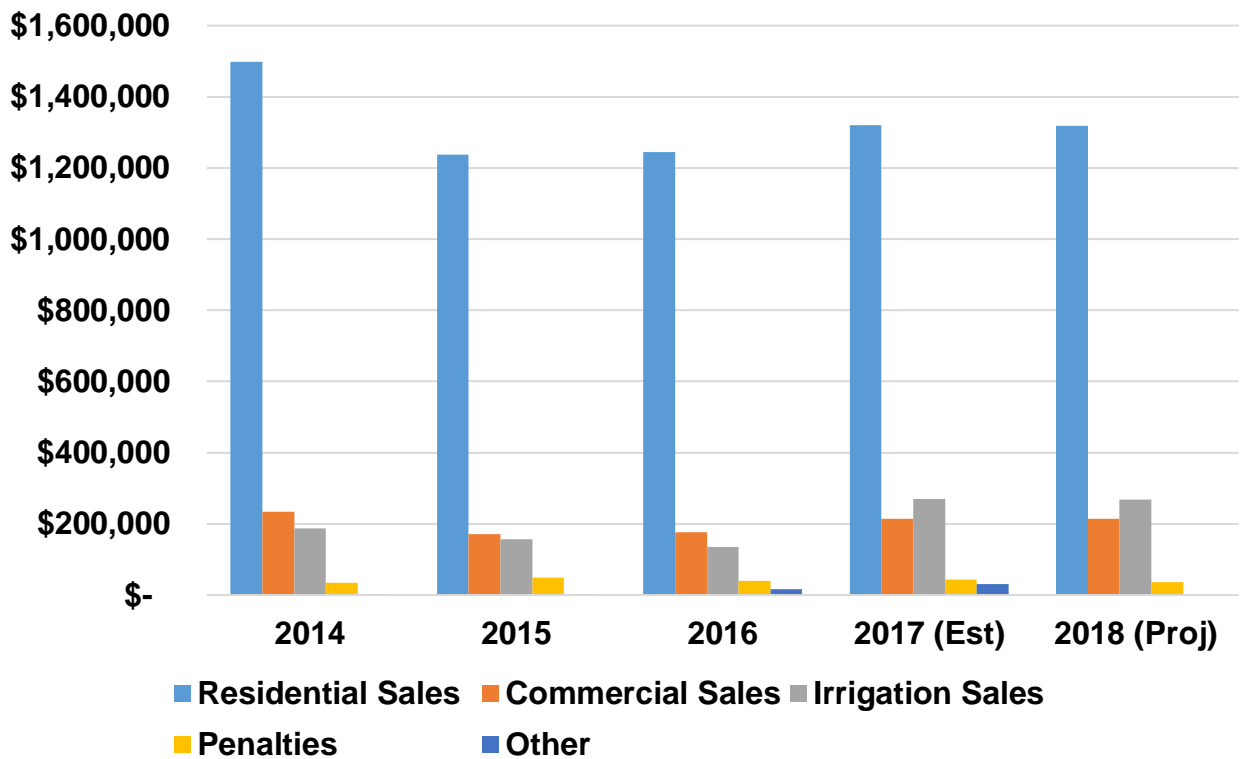
Treated and untreated water rates were last reviewed and updated in 2008. That rate increase phased in over five (5) years; rates increased gradually between 2008 and 2011. Treated and untreated water rates have not increased or been comprehensively reviewed since 2011. Water rates at the District have not increased in 6 years, and do not account for inflation, drought, or any other increased District costs. The American Water Works Association recommends that water rates are reviewed and evaluated every three (3) to five (5) years.

The following charts summarize the operating revenues for FY17-18, and the last four fiscal years.

### Water Operating Revenue FY17-18

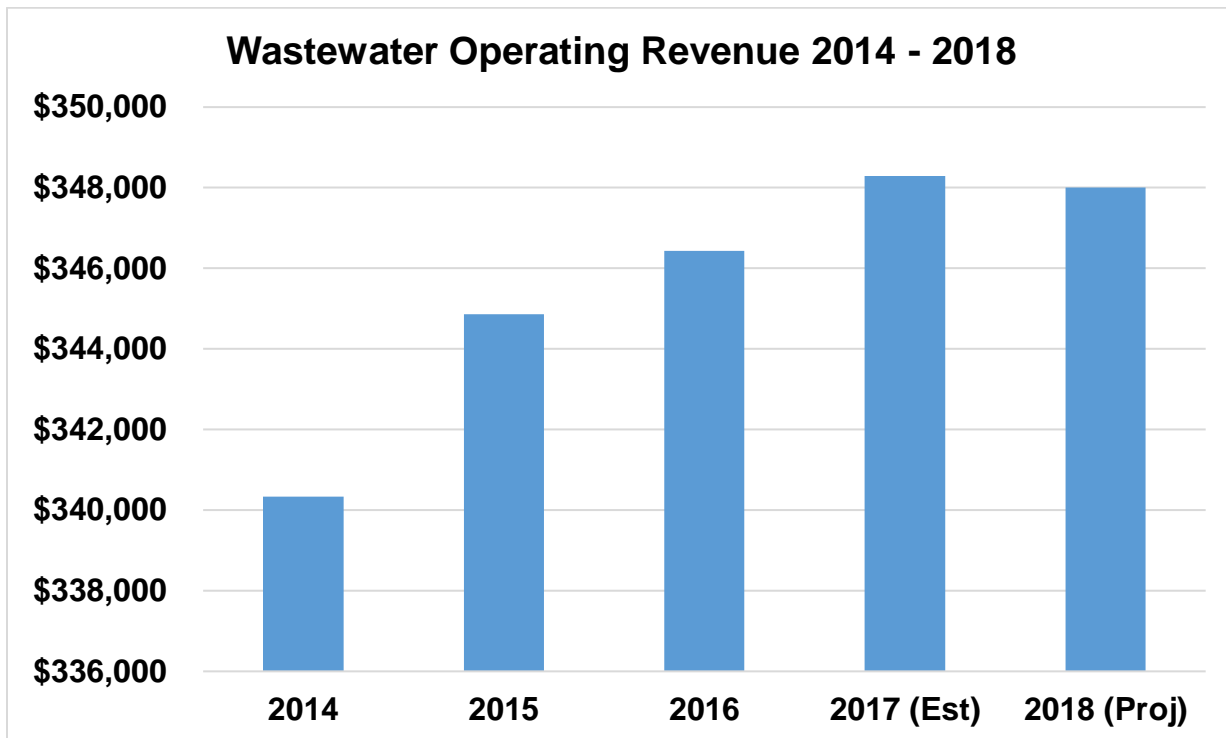


### Water Operating Revenue 2014-2018



### Wastewater Charges/Fees

Revenue collected and used for oversight of the Auburn Lake Trails On-Site Wastewater Disposal Zone is estimated to total \$348,299 for FY16-17, which is roughly 8% of the total revenues. This revenue expected to stay about the same for FY17-18 and the projected revenue is \$348,000. The revenue represents homeowners' bimonthly fees collected separate from residential water costs for the State mandated oversight of waste water activities in the Auburn Lake Trails subdivision. The amount also includes a minor amount for additional fees related to homeowner requested activities. Wastewater operating revenues for FY17-18 and the last four years are summarized below.



### **b. Non Operating Revenue**

Non-operating revenues include grant revenue, interest income, restricted benefit charges, hydroelectric payments, lease payments and general property tax revenues. No operating revenues are projected to total \$1,862,300 in FY17-18.

### Property Tax

The largest non-operating revenue source is property tax revenue. The District receives a portion of the ad valorem property tax from El Dorado County based on the assessed value of the properties within the District. The actual amount varies based on the tax rate that was established when each individual property annexed into the district. On average, the District receives about \$0.12 per \$100 of assessed property value within

the District. Property tax revenue for FY16-17 is estimated to be \$1,500,000, which is 82% of non-operating revenues, and 35% of total revenue. Based on information obtained from El Dorado County, it is anticipated that property tax revenue will increase modestly for FY17-18 to \$1,569,000.

#### Sacramento Municipal Utility District (SMUD)

The District receives payments each year from SMUD in accordance with the 2005 cooperation agreement between El Dorado Water and Power Authority and SMUD. That agreement was reached as a requirement of SMUD's relicensing of the Upper American River Project through the Federal Energy Regulatory Commission (FERC). The estimated payment to the District for FY16-17 is estimated to be \$107,700, which is roughly 6% of non-operating revenues, and 3% of total revenue. The annual payment is adjusted each year to account for inflation, and the revenue projected for FY17-18 is \$109,300.

#### Interest, Leases, Hydroelectric

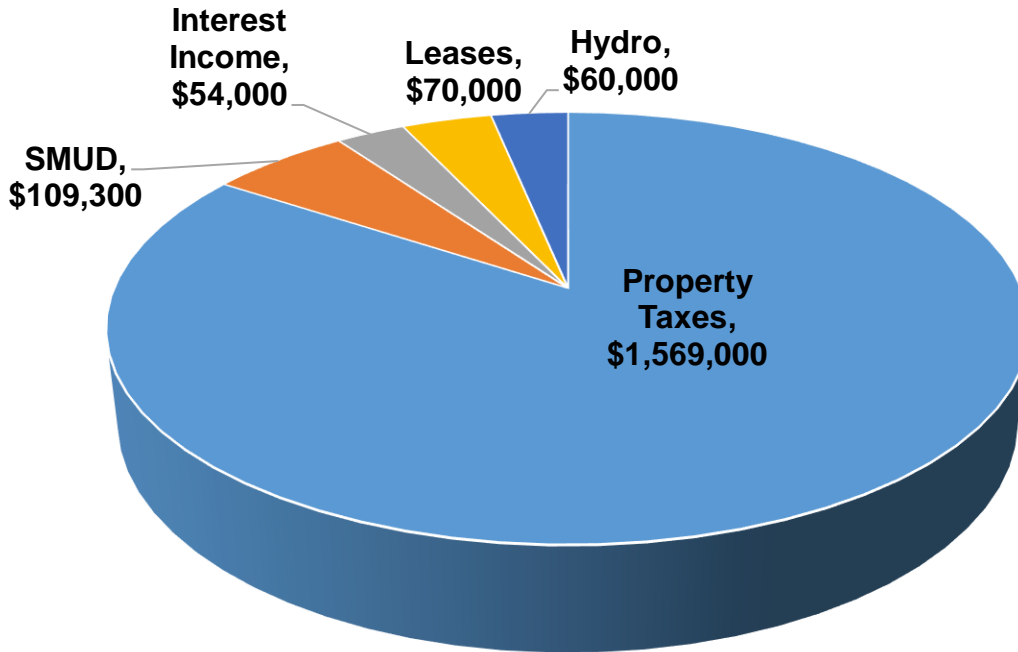
Interest income is earned on all general, restricted and designated funds. Interest income represents roughly 3% or \$54,647 of non-operating revenues for FY16-17 and is projected to be approximately \$54,000 in FY17-18.

The district has leases with several companies that pay to place their communications equipment on district facilities. Lease revenue is estimated to be \$65,915 for FY16-17 and projected to be \$70,000 on FY17-18, which is roughly 4% of non-operating revenues and 1% of total revenue.

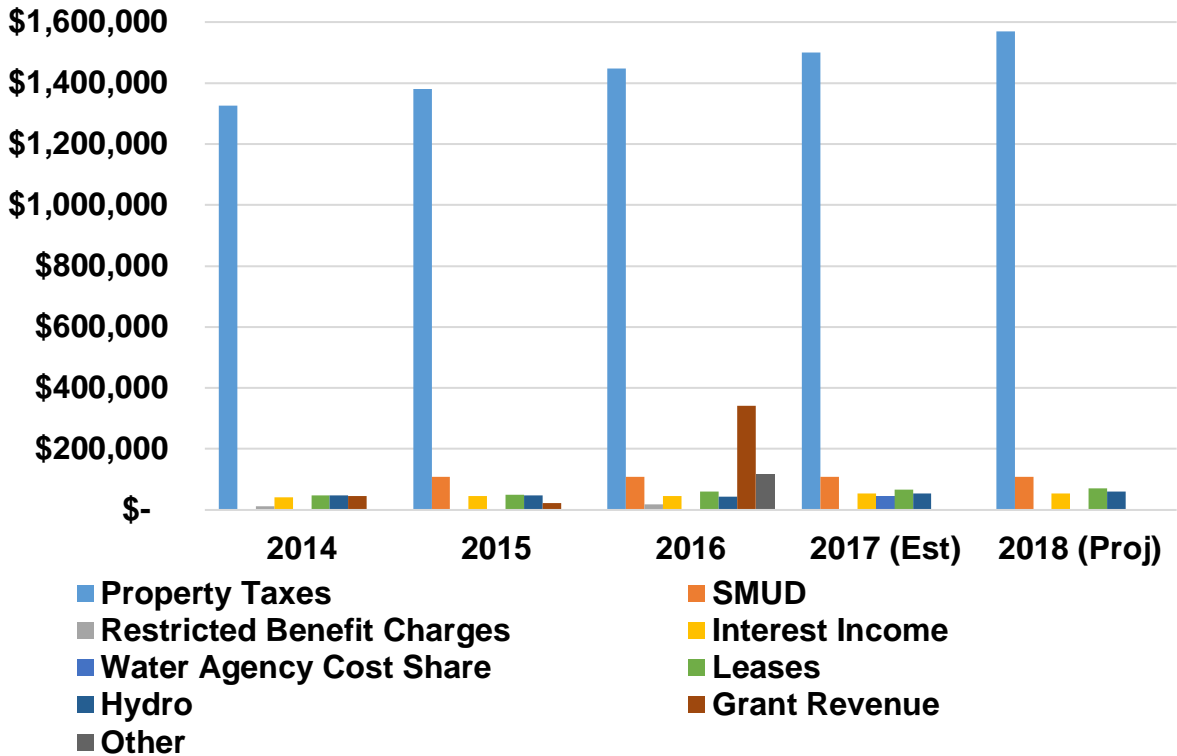
The district also receives hydroelectric royalty payments for the Buckeye and Tunnel Hill facilities. During FY16-17, the hydroelectric royalty payments are estimated to be \$54,712 and they are projected to be \$60,000 for FY17-18; which is approximately 3% of non-operating revenues and 1% of total revenue.

The following charts summarize non-operating revenues for FY17-18 and the last four fiscal years.

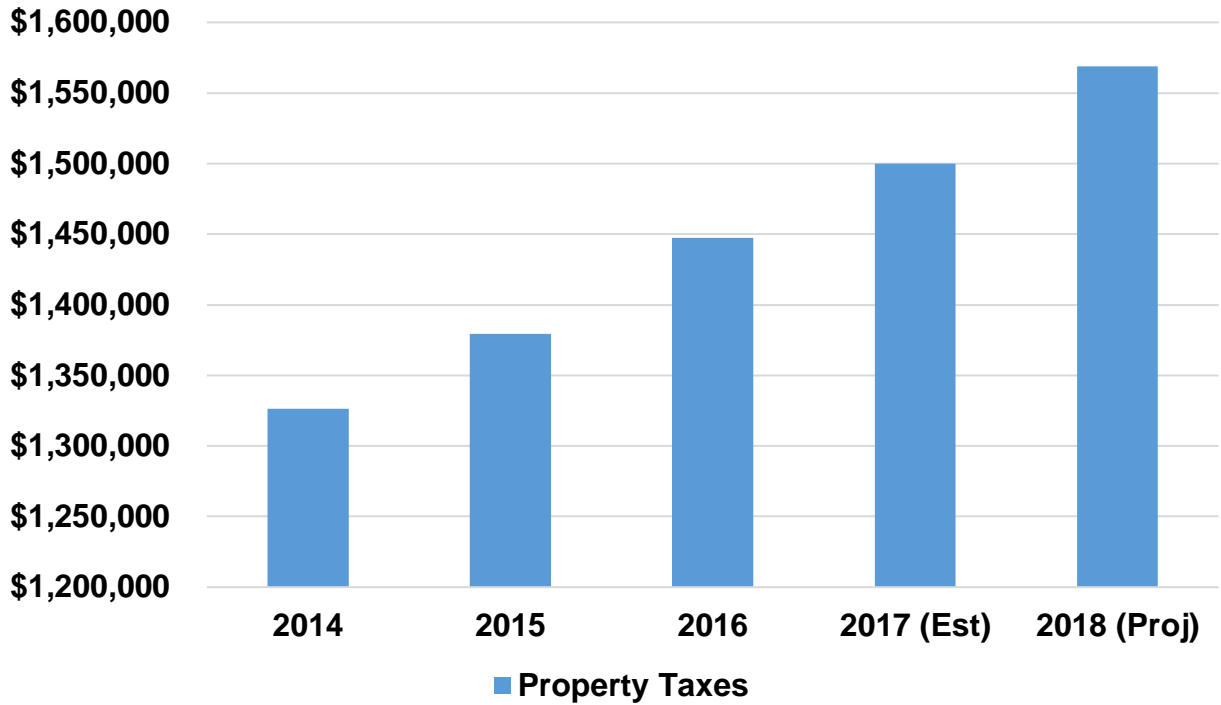
### Non Operating Revenue FY17-18



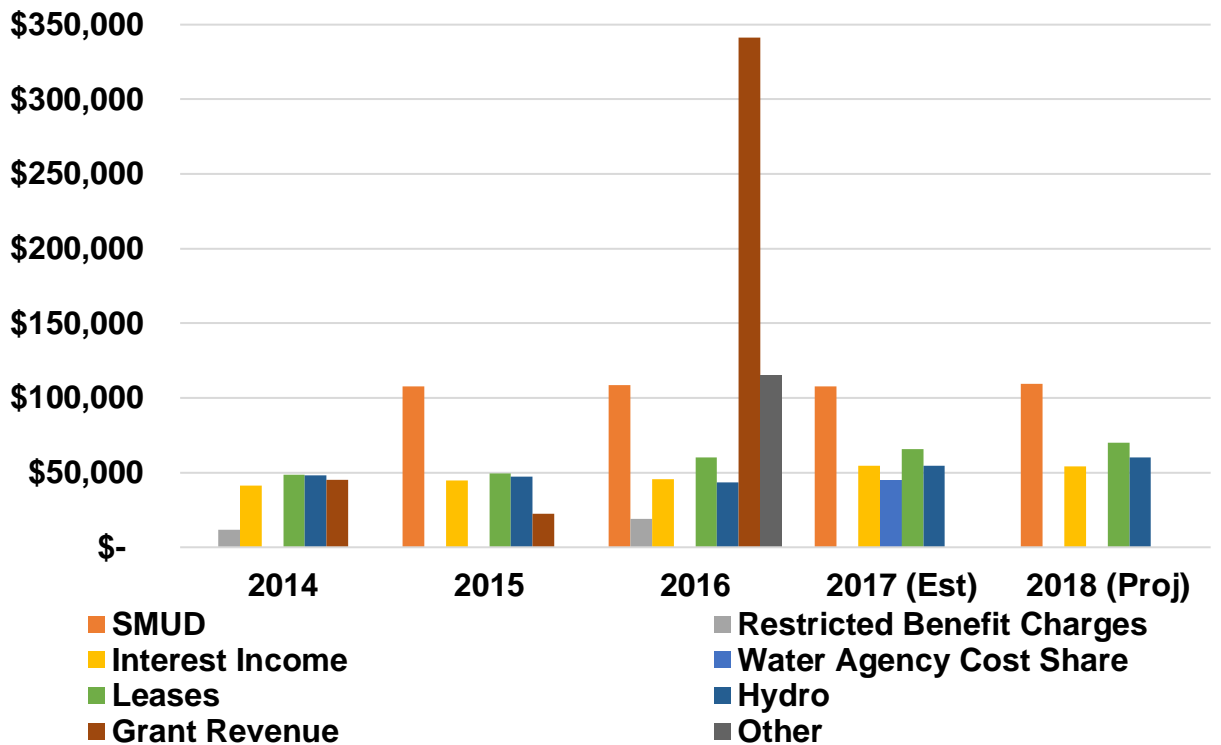
### Non Operating Revenue 2014-2018



### Non Operating - Property Tax Only 2014-2018

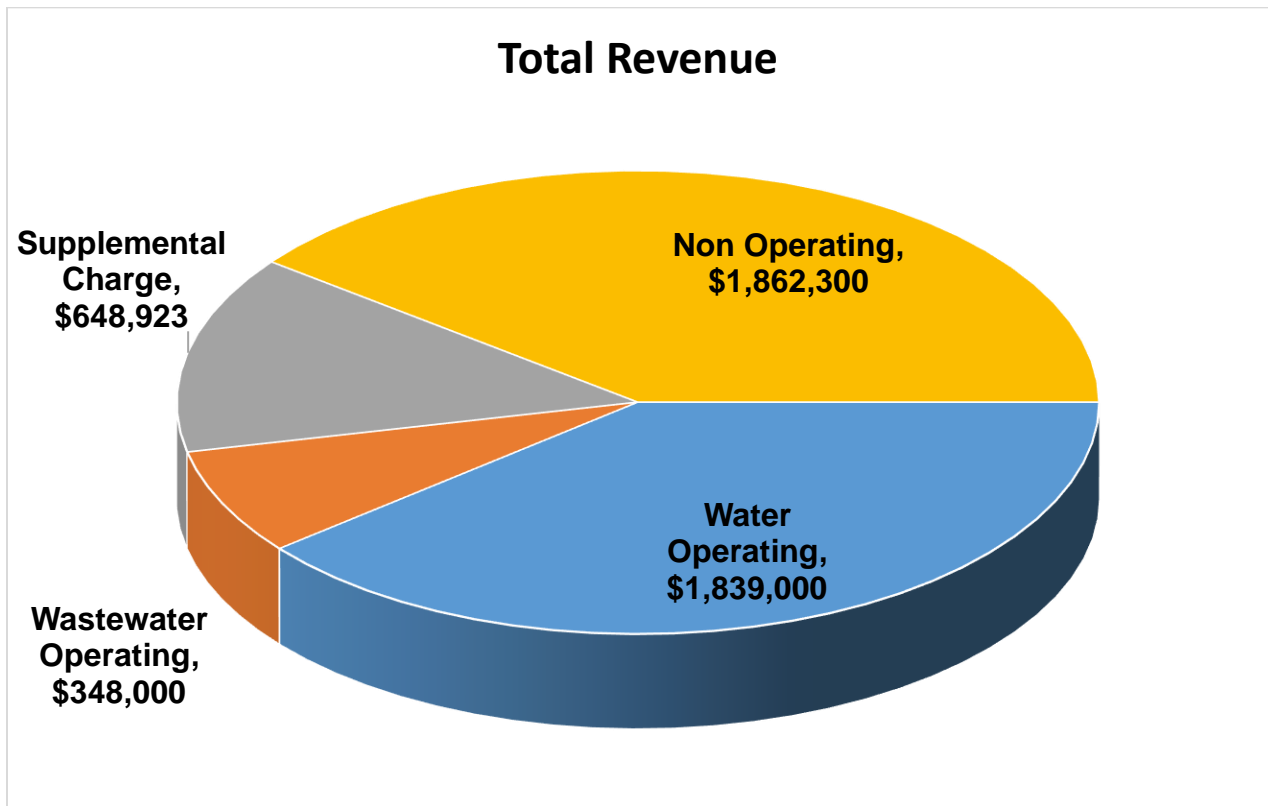


### Non Operating - All Others 2014-2018



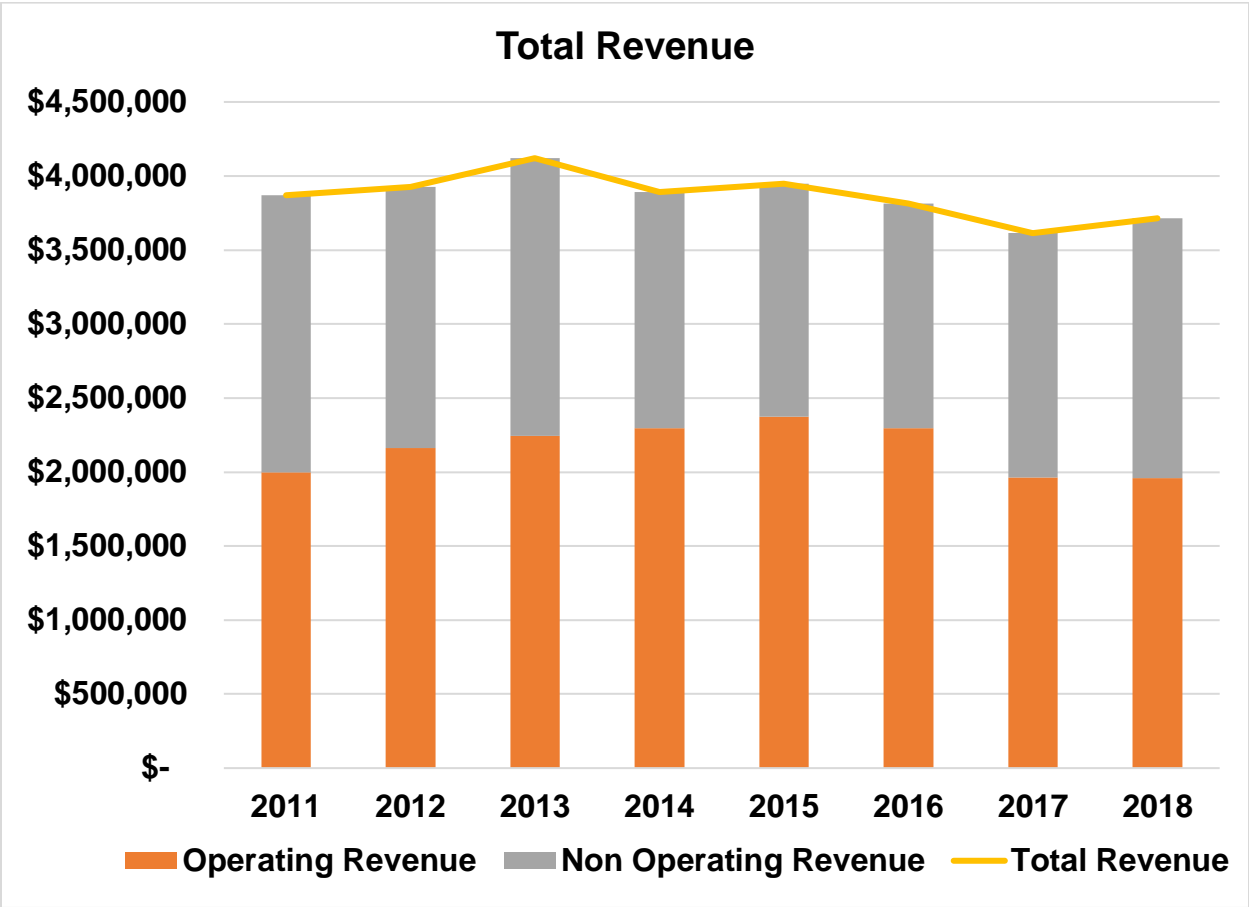
**c. Supplemental Charge**

In 2015 the District conducted Proposition 218 proceedings and adopted a supplemental monthly charge in the amount of \$15.08 per month on treated water accounts. The Supplemental Charge is for the specific purpose of paying off a loan from the State Revolving Fund that is being used to finance construction of a new water treatment plant to replace the aging plant located in Cool near the Auburn Lake Trails subdivision. The District Board of Directors adopted a resolution stating that the Supplemental Charge “will be held in separate, restricted account, used solely for servicing SWRCB low-interest loan and reserve account.” For this reason, the charge is listed separately in the budget and cannot be used to fund operating expenses. The Supplemental Charge was approved in September 2015 and first began appearing on customers’ bills in February 2017. For FY16-17, the revenue is estimated to be \$219,123; which is roughly 5% of total revenue. In FY17-18, the supplemental charge will be imposed for the entire year, consequently revenue is projected to increase to \$648,923, or 14% of total revenue.



The last several years of revenue are presented along with the FY17-18 projection in the following chart.





## GDPUD REVENUE BUDGET

Description	FY 15-16 Budget	FY 15-16 Actual	FY 16-17 Adopted	FY 16-17 Estimated	FY 17-18 Proposed
<b>WATER OPERATING REVENUE</b>					
Water Sales					
Residential Sales	\$ 1,120,000	\$ 1,244,193	\$ 1,285,000	\$ 1,319,911	\$ 1,319,000
Commercial Sales	162,750	177,031	185,000	214,792	214,000
Irrigation Sales	100,000	135,218	225,000	269,537	269,000
Penalties	36,060	39,885	37,000	43,236	37,000
Other (2)	1,550	16,540	-	31,188	
<b>Sub-Total</b>	<b>\$ 1,420,360</b>	<b>\$ 1,612,867</b>	<b>\$ 1,732,000</b>	<b>\$ 1,878,664</b>	<b>\$ 1,839,000</b>
<b>NON OPERATING REVENUE</b>					
Property Taxes	\$ 1,349,360	\$ 1,447,381	\$ 1,460,000	\$ 1,500,000	\$ 1,569,000
SMUD	90,000	108,515	105,000	107,700	109,300
Tax Revenue - Debt Service					
Restricted Benefit Charges	10,000	19,103			
Interest Income	62,500	45,883	40,000	54,647	54,000
Water Agency Cost Share (3)			45,000	45,000	-
Leases		60,230	70,000	65,915	70,000
Hydro		43,259	60,000	54,712	60,000
Grant Revenue (3)	1,000	341,133			
Other (3)	142,500	114,920	1,587,847		
<b>Sub-total Non-Operating</b>	<b>\$ 1,655,360</b>	<b>\$ 2,180,424</b>	<b>\$ 3,367,847</b>	<b>\$ 1,827,973</b>	<b>\$ 1,862,300</b>
Supplemental Charge (1)	-	-	-	219,123	648,923
<b>Total Water Revenue</b>	<b>3,075,720</b>	<b>3,793,291</b>	<b>5,099,847</b>	<b>3,925,760</b>	<b>4,350,223</b>
<b>WASTEWATER OPERATING REVENUE</b>					
Zone Charges	\$ 310,000	\$ 311,547	\$ 344,000	\$ 342,899	\$ 344,000
Escrow Fees	30,000	33,600			
Septic Design Fees	1,000	1,200		5,400	4,000
Restricted Benefits Charges					
Soil Evaluations/Loans/Repairs					
Interest Income	1,000	3,175			
Other					
<b>Total Wastewater Revenue</b>	<b>\$ 342,000</b>	<b>\$ 349,522</b>	<b>\$ 344,000</b>	<b>\$ 348,299</b>	<b>\$ 348,000</b>
<b>TOTAL REVENUE</b>	<b>\$ 3,417,720</b>	<b>\$ 4,142,813</b>	<b>\$ 5,443,847</b>	<b>\$ 4,274,058</b>	<b>\$ 4,698,223</b>

Notes:

(1) - Supplemental Charge revenue can only be used to fund State Revolving Fund Loan

(2) - Other revenue are connection fees

(3) - Grant Revenue and other revenues restricted to capital projects are shown in the Restricted Funds Summary

## **VI. Expenses**

### **a. Operating**

Operating expenses are divided into seven departments: 5100 – Source of Supply, 5200 – Transmission & Distribution of Raw Water, 5300 – Water Treatment, 5400 – Transmission & Distribution of Treated Water, 5500 – Customer Service, 5600 – General & Administration, and 6700 – Wastewater (Zone).

#### 5100 – Source of Supply

Activities related to the maintenance and operation of the upper canal system from Stump Meadows Reservoir to Tunnel Hill. In addition to physical maintenance of the reservoir and canal system, this also includes water rights monitoring and reporting, dam surveying and monitoring, and dam safety compliance.

#### 5200 - Transmission & Distribution of Raw Water

Activities related to the conveyance of untreated water, including the transmission of untreated water to the water treatment plants.

#### 5300 – Water Treatment

Activities related to the treatment plants and treating water for domestic use. This includes water quality monitoring, and compliance with State regulations related to water treatment plant operation.

#### 5400 – Transmission & Distribution of Treated Water

Activities related to operation and maintenance of treated water pipelines and associated facilities. Also includes activities such as backflow testing compliance program, laboratory testing, and water quality sampling and reporting.

#### 5500 – Customer Service

Activities directly related to assisting customers, reading meters, and preparing and processing water billing.

#### 5600 – General & Administration

Activities not directly attributed to any one other department but supporting all District activities, except wastewater. Examples include financial planning and management, accounting, information technology, records management, website hosting and management, Board of Directors support, payroll, and human resources.

#### 6700 – Wastewater (Zone)

Activities related to overseeing wastewater collection and disposal. Includes compliance with State regulations including the waste discharge requirements adopted by the Water Quality Control Board.

### **b. Capital Improvement Projects**

The five-year capital improvement plan (CIP) is adopted each year by the Board separately from the budget. The expenditures in the CIP for the current fiscal year are incorporated into this budget and shown as expenses within the Fund Summary.

**GDPUD OPERATING BUDGET EXPENSE**

(FUNDS 10, 12, 40)

Account	Description	FY 15-16 Budget	FY 15-16 Actual	FY 16-17 Adopted	FY 16-17 Estimated	FY 17-18 Proposed
5010	Labor	1,100,000	\$1,091,378	\$1,153,108	1,177,354	\$1,463,172
5019	Overtime	58,500	58,401	64,000	62,439	77,990
5017	Standby	42,500	46,264	55,500	46,444	51,010
5011	Temporary Labor (not on payroll)	158,800	138,478	94,000	119,024	77,100
5013	PERS Unfunded Accrued Liability	-	333,310	-	409,114	449,530
5014	PERS	115,000	105,294	117,592	120,854	142,340
5015	Deferred Compensation	-	(19)	-	1,667	7,790
5016	Payroll Taxes	95,000	90,782	106,633	105,619	146,317
5018/71	Insurance: Health, Life, etc	260,000	268,675	271,950	363,094	483,337
5020	Insurance: Worker's Comp.	75,000	47,638	94,069	48,756	51,942
5024	Insurance: D/O	-	-	-	-	-
<i>Subtotal Personnel Related</i>		<i>\$1,904,800</i>	<i>\$2,180,201</i>	<i>\$1,956,852</i>	<i>2,454,365</i>	<i>\$2,950,529</i>
5027	Audit	\$ 15,000	\$ 15,000	\$ 22,000	\$ 16,640	\$ 16,300
5028	Engineering Studies	40,000	25,858	\$ -	\$ 29,644	-
5030	Water Fund Equip Maint T&D Treated Wtr	-	40	-	-	-
5034	Insurance: General	55,000	61,918	\$ 67,695	62,245	65,700
5036	Legal--General	80,000	125,651	\$ 121,000	109,238	110,000
5038	Materials and Supplies	155,000	200,890	\$ 183,650	174,691	182,900
5039	Rental/Durable	25,000	91,821	\$ 27,200	45,716	25,000
5040	Office Supplies	25,000	50,754	\$ 48,000	45,293	61,250
5041	Staff Development	6,000	8,891	\$ 10,500	7,220	13,671
5042	Travel--Conference	10,000	5,278	\$ 15,000	4,532	10,625
5044	Utilities	175,000	183,728	\$ 198,308	188,757	207,925
5046	Vehicle & Equipment Maintenance	47,000	46,713	\$ 51,000	43,500	6,000
5048	Vehicle Operations	52,000	39,369	\$ 50,200	40,954	39,500
5060	Bank Fees & Payroll Services	4,000	5,573	\$ 5,000	5,824	5,600
12-5068	Retiree Health Premium	120,000	137,714	\$ 132,000	135,929	136,000
5070	Director Stipends	24,000	23,200	\$ 24,000	24,000	24,000
5076	Building Maintenance	6,000	6,281	\$ 9,500	7,174	9,500
5080	Outside Service/Consultants	160,000	167,747	\$ 133,000	184,798	240,136
5084	Govt. Reg./Lab Fees	110,000	128,904	\$ 170,000	149,102	119,750
5090	Other: Cost of recruitment etc.	6,000	215	\$ 2,000	10,896	6,000
5090	Other: County Tax Admin. Fees	22,000	54,723	\$ 37,000	47,504	48,000
5089	Other: Memberships	16,500	12,112	\$ -	-	25,085
5091	Other: Elections	-	-	-	6,816	-
<i>Subtotal Services</i>		<i>\$ 1,153,500</i>	<i>\$ 1,392,380</i>	<i>\$ 1,307,053</i>	<i>1,340,472</i>	<i>\$ 1,352,942</i>
<b>Total Operating Expense</b>		<b>\$ 3,058,300</b>	<b>\$ 3,572,581</b>	<b>\$ 3,263,905</b>	<b>\$ 3,794,837</b>	<b>\$4,303,471</b>

**SOURCE OF SUPPLY  
(FUNDS 10,12 DEPARTMENT 5100)  
BUDGET**

<b>Account</b>	<b>Description</b>	<b>FY 15-16 Budget</b>	<b>FY 15-16 Actual</b>	<b>FY 16-17 Adopted</b>	<b>FY 16-17 Estimated</b>	<b>FY 17-18 Proposed</b>
5010	Labor	82,000	114,997	124,845	83,900	<b>126,801</b>
5019	Overtime	4,000	5,555	4,000	3,800	<b>6,759</b>
5017	Standby	3,000	4,500	3,500	5,000	<b>6,530</b>
5011	Temporary Labor (not on payroll)	-	-	-	-	-
5013	PERS Unfunded Accrued Liability	-	62,231	-	76,384	<b>83,930</b>
5014	PERS	23,000	42,128	18,727	8,800	<b>12,335</b>
5015	Deferred Compensation	-	-	-	-	<b>680</b>
5016	Payroll Taxes	8,000	9,391	9,926	7,500	<b>12,680</b>
5018/71	Insurance: Health, Life, etc	21,000	35,594	42,447	31,100	<b>41,887</b>
5020	Insurance: Worker's Comp.	6,000	14,259	7,941	7,200	<b>4,501</b>
5024	Insurance: D/O	-	-	-	-	-
<i>Subtotal Personnel Related</i>		<b>\$ 147,000</b>	<b>\$ 288,655</b>	<b>\$ 211,386</b>	<b>\$ 223,684</b>	<b>\$ 296,104</b>
5027	Audit	-	-	-	-	\$ -
5028	Engineering Studies	15,000	25,858	-	28,400	-
5030	Building Maintenance	-	-	-	-	-
5034	Insurance: General	2,000	3,356	3,400	4,100	<b>4,000</b>
5036	Legal--General	-	-	-	-	-
5038	Materials and Supplies	10,000	4,015	10,000	5,900	<b>12,700</b>
5039	Rental/Durable	1,000	9,251	1,000	-	<b>5,000</b>
5040	Office Supplies	-	-	-	-	-
5041	Staff Development	-	-	-	200	<b>1,000</b>
5042	Travel--Conference	-	-	-	-	-
5044	Utilities	1,000	2,160	1,000	3,400	<b>9,015</b>
5046	Vehicle & Equipment Maintenance	5,000	4,131	5,000	3,400	<b>1,000</b>
5048	Vehicle Operations	8,000	4,104	5,000	4,000	<b>4,000</b>
5060	Bank Fees & Payroll Services	-	-	-	-	-
12-5068	Retiree Health Premium	-	-	-	-	-
5070	Director Stipends	-	-	-	-	-
5076	Building Maintenance	-	-	-	-	-
5080	Outside Service/Consultants	3,000	21,094	6,000	22,800	<b>37,300</b>
5084	Govt. Reg./Lab Fees	35,000	51,254	35,000	46,000	<b>34,300</b>
5090	Other: Cost of recruitment etc.	-	-	-	500	-
5090	Other: County Tax Admin. Fees	-	214	15,000	-	<b>14,000</b>
5089	Other: Memberships	-	-	-	-	<b>616</b>
5091	Other: Elections	-	-	-	\$ -	\$ -
<i>Subtotal Services</i>		<b>\$ 80,000</b>	<b>\$ 125,437</b>	<b>\$ 81,400</b>	<b>\$ 118,700</b>	<b>\$ 122,931</b>
<b>Grand Total 10-5100</b>		<b>\$ 227,000</b>	<b>\$ 414,092</b>	<b>\$ 292,786</b>	<b>\$ 342,384</b>	<b>\$ 419,035</b>

**TRANSMISSION & DISTRIBUTION RAW WATER  
(FUNDS 10,12 DEPARTMENT 5200)  
BUDGET**

Account	Description	FY 15-16 Budget	FY 15-16 Actual	FY 16-17 Adopted	FY 16-17 Estimated	FY 17-18 Proposed
5010	Labor	283,000	\$ 193,801	\$ 226,008	\$ 245,099	\$ 270,961
5019	Overtime	23,000	19,331	15,000	13,064	14,443
5017	Standby	16,000	10,024	10,000	9,780	13,060
5011	Temporary Labor (not on payroll)	18,000	41,501	32,000	32,000	39,500
5013	PERS Unfunded Accrued Liability	-	124,684	-	153,041	168,160
5014	PERS	75,000	68,094	24,599	25,015	26,360
5015	Deferred Compensation	-	-	-	-	1,440
5016	Payroll Taxes	28,000	15,837	20,332	21,857	27,096
5018/71	Insurance: Health, Life, etc	76,000	52,927	54,242	83,028	89,508
5020	Insurance: Worker's Comp.	22,000	18,600	33,741	18,812	9,619
5024	Insurance: D/O	-	-	-	-	-
<i>Subtotal Personnel Related</i>		<i>\$ 541,000</i>	<i>\$ 544,799</i>	<i>\$ 415,922</i>	<i>\$ 601,697</i>	<i>660,146</i>
5027	Audit		\$ -	\$ -	\$ -	-
5028	Engineering Studies		-	-	-	-
5030	Building Maintenance	\$ -	-	-	-	-
5034	Insurance: General	\$ 14,000	14,147	15,000	16,823	15,000
5036	Legal--General	\$ 5,000	36,191	6,000	-	-
5038	Materials and Supplies	\$ 10,000	45,692	20,000	16,188	23,700
5039	Rental/Durable	\$ 15,000	41,456	5,000	10,172	15,000
5040	Office Supplies	\$ -	125	-	68	1,600
5041	Staff Development	\$ -	90	-	600	1,000
5042	Travel--Conference	\$ -	-	-	-	-
5044	Utilities	\$ 1,000	1,380	1,000	260	750
5046	Vehicle & Equipment Maintenance	\$ 10,000	12,110	10,000	16,074	2,000
5048	Vehicle Operations	\$ 25,000	14,658	12,000	12,626	15,000
5060	Bank Fees & Payroll Services	\$ -	-	-	-	-
12-5068	Retiree Health Premium	\$ -	-	-	-	-
5070	Director Stipends	\$ -	-	-	-	-
5076	Building Maintenance	\$ -	-	-	-	-
5080	Outside Service/Consultants	\$ 10,000	6,012	12,000	2,179	-
5084	Govt. Reg./Lab Fees	\$ 1,000	1,408	1,000	204	-
5090	Other: Cost of recruitment etc.	\$ -	-	2,000	1,028	-
5090	Other: County Tax Admin. Fees	\$ -	428	-	-	-
5089	Other: Memberships	\$ -	-	-	-	-
5091	Other: Elections	\$ -	-	-	-	-
<i>Subtotal Services</i>		<i>\$ 91,000</i>	<i>\$ 173,697</i>	<i>\$ 84,000</i>	<i>\$ 76,224</i>	<i>\$ 74,050</i>
<b>Grand Total 10-5200</b>		<b>\$ 632,000</b>	<b>\$ 718,496</b>	<b>\$ 499,922</b>	<b>\$ 677,921</b>	<b>\$ 734,196</b>

**WATER TREATMENT  
(FUNDS 10,12 DEPARTMENT 5300)  
BUDGET**

Account	Description	FY 15-16 Budget	FY 15-16 Actual	FY 16-17 Adopted	FY 16-17 Estimated	FY 17-18 Proposed
5010	Labor	146,000	\$ 128,698	\$ 115,525	\$ 117,084	\$ 216,417
5019	Overtime	22,000	12,884	25,000	21,838	11,536
5017	Standby	24,000	15,910	16,000	16,000	15,710
5011	Temporary Labor (not on payroll)	-	-	-	517	-
5013	PERS Unfunded Accrued Liability	-	12,694	-	15,581	17,120
5014	PERS	31,000	55,038	17,000	14,714	21,053
5015	Deferred Compensation	-	-	-	-	1,150
5016	Payroll Taxes	16,000	11,897	11,739	12,883	21,642
5018/71	Insurance: Health, Life, etc	39,000	39,898	27,726	49,403	71,490
5020	Insurance: Worker's Comp.	7,000	6,214	9,392	4,582	7,683
5024	Insurance: D/O	-	-	-	-	-
<i>Subtotal Personnel Related</i>		<i>\$ 285,000</i>	<i>\$ 283,233</i>	<i>\$ 222,382</i>	<i>\$ 252,602</i>	<i>\$ 383,801</i>
5027	Audit		\$ -	\$ -	\$ -	\$ -
5028	Engineering Studies		-	-	760	-
5030	Building Maintenance	\$ -	-	-	-	-
5034	Insurance: General	\$ 14,000	11,214	12,000	10,878	12,000
5036	Legal--General	\$ 1,000	-	-	-	-
5038	Materials and Supplies	\$ 77,000	61,706	70,000	73,061	76,700
5039	Rental/Durable	\$ 2,000	8,913	6,000	3,374	-
5040	Office Supplies	\$ 1,000	1,276	1,000	199	1,800
5041	Staff Development	\$ 2,000	90	2,000	-	1,000
5042	Travel--Conference	\$ -	-	-	-	1,000
5044	Utilities	\$ 190,000	133,006	150,000	131,884	141,650
5046	Vehicle & Equipment Maintenance	\$ 13,000	5,131	4,500	5,834	1,000
5048	Vehicle Operations	\$ 5,000	5,508	5,000	4,826	5,500
5060	Bank Fees & Payroll Services	\$ -	-	-	-	-
12-5068	Retiree Health Premium	\$ -	-	-	-	-
5070	Director Stipends	\$ -	-	-	-	-
5076	Building Maintenance	\$ 1,000	-	1,000	-	1,000
5080	Outside Service/Consultants	\$ 10,000	8,796	5,000	15,379	3,000
5084	Govt. Reg./Lab Fees	\$ 35,000	39,834	34,000	52,730	35,000
5090	Other: Cost of recruitment etc.	\$ -	-	-	97	-
5090	Other: County Tax Admin. Fees	\$ -	106	-	-	-
5089	Other: Memberships		-	-	-	616
5091	Other: Elections		-	-	-	-
	0	\$ -	-	-	-	-
<i>Subtotal Services</i>		<i>\$ 351,000</i>	<i>\$ 275,580</i>	<i>\$ 290,500</i>	<i>\$ 299,023</i>	<i>\$ 280,266</i>
<b>Grand Total 10-5300</b>		<b>\$ 636,000</b>	<b>\$ 558,813</b>	<b>\$ 512,882</b>	<b>\$ 551,625</b>	<b>\$ 664,067</b>

**TRANSMISSION & DISTRIBUTION TREATED WATER  
(FUNDS 10,12 DEPARTMENT 5400)  
BUDGET**

Account	Description	FY 15-16 Budget	FY 15-16 Actual	FY 16-17 Adopted	FY 16-17 Estimated	FY 17-18 Proposed
5010	Labor	\$ 227,000	\$ 285,950	\$ 250,705	\$ 330,053	\$ 372,485
5019	Overtime	7,000	19,177	20,000	22,127	19,854
5017	Standby	14,000	15,830	16,000	15,300	15,710
5011	Temporary Labor (not on payroll)	-	-	-	-	-
5013	PERS Unfunded Accrued Liability	-	76,222	-	93,557	102,800
5014	PERS	54,000	112,014	30,085	34,417	36,236
5015	Deferred Compensation	-	-	-	-	1,980
5016	Payroll Taxes	21,000	24,008	21,503	29,664	37,249
5018/71	Insurance: Health, Life, etc	61,000	84,039	60,169	111,692	123,045
5020	Insurance: Worker's Comp.	11,000	16,489	17,202	13,060	13,223
5024	Insurance: D/O	1,000	-	-	-	-
<i>Subtotal Personnel Related</i>		<i>\$ 396,000</i>	<i>\$ 633,729</i>	<i>\$ 415,664</i>	<i>\$ 649,870</i>	<i>\$ 722,583</i>
5027	Audit	\$ -	\$ -	\$ -	\$ -	\$ -
5028	Engineering Studies	-	-	-	484	-
5030	Building Maintenance	-	40	-	-	-
5034	Insurance: General	12,000	13,359	13,600	16,560	13,000
5036	Legal--General	7,000	-	-	-	-
5038	Materials and Supplies	32,000	79,441	70,000	70,000	63,000
5039	Rental/Durable	3,000	33,837	10,000	28,728	5,000
5040	Office Supplies	1,000	295	10,000	412	300
5041	Staff Development	-	270	-	3,034	1,000
5042	Travel--Conference	-	400	-	-	1,000
5044	Utilities	6,000	10,515	6,000	12,925	19,645
5046	Vehicle & Equipment Maintenance	8,000	8,392	8,000	4,988	1,000
5048	Vehicle Operations	14,000	10,272	14,000	17,171	11,000
5060	Bank Fees & Payroll Services	-	-	-	-	-
12-5068	Retiree Health Premium	-	-	-	-	-
5070	Director Stipends	-	-	-	-	-
5076	Building Maintenance	-	-	-	-	-
5080	Outside Service/Consultants	12,000	7,195	5,000	31,808	12,000
5084	Govt. Reg./Lab Fees	-	6,510	-	8,684	11,600
5090	Other: Cost of recruitment etc.	-	-	-	242	-
5090	Other: County Tax Admin. Fees	-	114	-	-	-
5089	Other: Memberships	-	163	-	-	616
5091	Other: Elections	-	-	-	-	\$ -
<i>Subtotal Services</i>		<i>\$ 95,000</i>	<i>\$ 170,803</i>	<i>\$ 136,600</i>	<i>\$ 195,036</i>	<i>\$ 139,161</i>
<b>Grand Total 10-5400</b>		<b>\$ 491,000</b>	<b>\$ 804,532</b>	<b>\$ 552,264</b>	<b>\$ 844,906</b>	<b>\$ 861,744</b>



**CUSTOMER SERVICE  
(FUNDS 10,12 DEPARTMENT 5500)  
BUDGET**

Account	Description	FY 15-16 Budget	FY 15-16 Actual	FY 16-17 Adopted	FY 16-17 Estimated	FY 17-18 Proposed
5010	Labor	\$ 191,000	\$ 81,552	\$ 101,500	\$ 98,804	\$ 110,925
5019	Overtime	\$ 5,000	473	-	166	5,913
5017	Standby	\$ 4,000	-	-	-	-
5011	Temporary Labor (not on payroll)	\$ -	80,321	62,000	45,739	-
5013	PERS Unfunded Accrued Liability	\$ -	5,628	-	6,908	7,590
5014	PERS	\$ 59,000	24,783	3,806	9,697	10,791
5015	Deferred Compensation	\$ -	-	-	-	590
5016	Payroll Taxes	\$ 17,000	6,232	15,225	8,294	11,092
5018/71	Insurance: Health, Life, etc	\$ 47,000	19,774	24,360	37,366	36,642
5020	Insurance: Worker's Comp.	\$ 5,000	3,276	7,613	966	3,938
5024	Insurance: D/O	\$ 5,000	-	-	-	-
<i>Subtotal Personnel Related</i>		<i>\$ 333,000</i>	<i>\$ 222,039</i>	<i>\$ 214,504</i>	<i>\$ 207,940</i>	<i>\$ 187,481</i>
5027	Audit		\$ -	\$ -	\$ -	\$ -
5028	Engineering Studies		-	-	-	-
5030	Building Maintenance	\$ -	-	-	-	-
5034	Insurance: General	\$ 6,000	8,364	10,115	6,236	9,200
5036	Legal--General	\$ -	-	-	-	-
5038	Materials and Supplies	\$ -	286	650	590	-
5039	Rental/Durable	\$ 1,000	-	-	-	-
5040	Office Supplies	\$ 13,000	15,769	12,000	14,348	15,800
5041	Staff Development	\$ -	-	-	-	4,531
5042	Travel--Conference	\$ -	18	-	-	-
5044	Utilities	\$ 3,000	3,239	3,000	3,313	5,830
5046	Vehicle & Equipment Maintenance	\$ 2,000	4,895	5,000	1,660	-
5048	Vehicle Operations	\$ -	-	-	-	-
5060	Bank Fees & Payroll Services	\$ -	-	-	180	-
12-5068	Retiree Health Premium	\$ -	-	-	-	-
5070	Director Stipends	\$ -	-	-	-	-
5076	Building Maintenance	\$ -	-	-	-	-
5080	Outside Service/Consultants	\$ -	-	-	2,223	-
5084	Govt. Reg./Lab Fees		656	-	-	-
5090	Other: Cost of recruitment etc.		-	-	161	-
5090	Other: County Tax Admin. Fees		385	-	-	-
5089	Other: Memberships		-	-	-	-
5091	Other: Elections		-	-	-	-
<i>Subtotal Services</i>		<i>\$ 25,000</i>	<i>\$ 33,612</i>	<i>\$ 30,765</i>	<i>\$ 28,712</i>	<i>\$ 35,361</i>
<b>Grand Total 10-5500</b>		<b>\$ 358,000</b>	<b>\$ 255,651</b>	<b>\$ 245,269</b>	<b>\$ 236,652</b>	<b>\$ 222,842</b>

**ADMINISTRATION  
(FUNDS 10,12 DEPARTMENT 5600)  
BUDGET**

<b>Account</b>	<b>Description</b>	<b>FY 15-16 Budget</b>	<b>FY 15-16 Actual</b>	<b>FY 16-17 Adopted</b>	<b>FY 16-17 Estimated</b>	<b>FY 17-18 Proposed</b>
5010	Labor	169,000	\$ 241,478	\$ 238,525	\$ 232,356	\$ 233,010
5019	Overtime	2,000	189	-	1,428	12,420
5017	Standby	-	-	-	-	-
5011	Temporary Labor (not on payroll)	-	16,656	-	40,768	37,600
5013	PERS Unfunded Accrued Liability	-	41,448	-	50,874	55,900
5014	PERS	60,000	123,862	23,375	22,279	22,668
5015	Deferred Compensation	-	-	-	1,667	1,240
5016	Payroll Taxes	15,000	19,329	20,036	19,739	23,301
5018/71	Insurance: Health, Life, etc	38,000	26,581	57,246	28,572	76,972
5020	Insurance: Worker's Comp.	2,000	5,470	9,541	1,068	8,272
5024	Insurance: D/O	6,000	-	-	-	-
<i>Subtotal Personnel Related</i>		<i>\$ 292,000</i>	<i>\$ 475,013</i>	<i>\$ 348,723</i>	<i>\$ 398,751</i>	<i>\$ 471,383</i>
5027	Audit	\$ 10,000	\$ 13,800	\$ 20,000	\$ 16,640	\$ 16,300
5028	Engineering Studies	\$ -	-	-	-	-
5030	Building Maintenance	\$ -	-	-	-	-
5034	Insurance: General	\$ 11,000	7,935	8,500	5,160	8,500
5036	Legal--General	\$ 50,000	79,692	85,000	93,740	110,000
5038	Materials and Supplies	\$ -	3,913	-	5,021	-
5039	Rental/Durable	\$ 2,000	2,263	5,200	2,617	-
5040	Office Supplies	\$ 11,000	30,791	20,000	28,116	38,150
5041	Staff Development	\$ 1,000	12,843	8,500	3,186	4,140
5042	Travel--Conference	\$ 3,000	4,860	15,000	4,532	8,625
5044	Utilities	\$ 1,700	23,192	17,000	24,448	19,835
5046	Vehicle & Equipment Maintenance	\$ 5,000	9,009	8,500	2,682	-
5048	Vehicle Operations	\$ 5,000	530	1,200	150	-
5060	Bank Fees & Payroll Services	\$ 4,000	-	5,000	5,644	5,600
12-5068	Retiree Health Premium	\$ 130,000	135,841	132,000	135,929	136,000
5070	Director Stipends	\$ 24,000	23,200	24,000	24,000	24,000
5076	Building Maintenance	\$ 9,000	6,281	8,500	7,174	8,500
5080	Outside Service/Consultants	\$ 25,000	123,259	75,000	77,209	122,828
5084	Govt. Reg./Lab Fees	\$ 10,000	5,600	-	6,252	3,300
5090	Other: Cost of recruitment etc.	\$ 2,000	-	-	8,752	6,000
5090	Other: County Tax Admin. Fees	\$ 39,000	30,646	22,000	47,504	34,000
5090	other:	-	7,336	-	-	-
5089	Other: Memberships	\$ 15,000	11,949	16,500	11,436	22,621
5091	Other: Elections	\$ 26,000	-	-	6,816	-
<i>Subtotal Services</i>		<i>\$ 373,700</i>	<i>\$ 519,140</i>	<i>\$ 451,900</i>	<i>\$ 500,367</i>	<i>\$ 552,099</i>
<b>Grand Total 10-5600</b>		<b>\$ 675,700</b>	<b>\$ 1,007,953</b>	<b>\$ 820,623</b>	<b>\$ 915,757</b>	<b>\$ 1,039,782</b>

**ALT WASTEWATER ZONE  
(FUND 40, DEPARTMENT 6700)**

**BUDGET**

<b>Account</b>	<b>Description</b>	<b>FY 15-16 Budget</b>	<b>FY 15-16 Actual</b>	<b>FY 16-17 Adopted</b>	<b>FY 16-17 Estimated</b>	<b>FY 17-18 Proposed</b>
5010	Labor	\$ 132,000	\$ 51,187	\$ 96,000	\$ 70,058	\$ 132,572
5019	Overtime	\$ -	-	-	17	7,066
5017	Standby	\$ -	-	10,000	364	-
5011	Temporary Labor (not on payroll)	\$ -	-	-	-	-
5013	PERS Unfunded Accrued Liability	\$ -	10,403	-	12,769	14,030
5014	PERS	\$ 39,000	12,261	-	5,930	12,897
5015	Deferred Compensation	\$ -	-	-	-	710
5016	Payroll Taxes	\$ 11,000	3,996	7,872	5,682	13,257
5018/71	Insurance: Health, Life, etc	\$ 34,000	18,302	5,760	21,934	43,793
5020	Insurance: Worker's Comp.	\$ 4,000	3,579	8,639	3,068	4,706
5024	Insurance: D/O	\$ 1,000	\$ -	\$ -	\$ -	\$ -
<i>Subtotal Personnel Related</i>		<i>\$ 221,000</i>	<i>\$ 99,728</i>	<i>\$ 128,271</i>	<i>\$ 119,822</i>	<i>\$ 229,032</i>
5027	Audit		\$ 1,200	\$ 2,000	\$ -	\$ -
5028	Engineering Studies	\$ 1,000				
5030	Building Maintenance	\$ -				
5034	Insurance: General	\$ 6,000	3,542	5,080	2,488	4,000
5036	Legal--General	\$ 4,000	9,768	30,000	15,498	-
5038	Materials and Supplies	\$ 4,000	5,827	13,000	3,931	6,800
5039	Rental/Durable	\$ 2,000	1,410	-	824	-
5040	Office Supplies	\$ 3,000	2,059	5,000	2,149	3,600
5041	Staff Development	\$ 1,000	-		200	1,000
5042	Travel--Conference	\$ 1,000	-			
5044	Utilities	\$ 9,000	10,236	20,308	12,527	11,200
5046	Vehicle & Equipment Maintenance	\$ 4,000	3,045	10,000	8,862	1,000
5048	Vehicle Operations	\$ 6,000	4,297	13,000	2,180	4,000
5060	Bank Fees & Payroll Services					
12-5068	Retiree Health Premium					
5070	Director Stipends					
5076	Building Maintenance					
5080	Outside Service/Consultants	\$ 6,000	18,298	30,000	33,200	65,008
5084	Govt. Reg./Lab Fees	\$ 43,000	34,574	100,000	35,231	35,550
5090	Other: Cost of recruitment etc.				116	
5090	Other: County Tax Admin. Fees		215			
5089	Other: Memberships					616
5091	Other: Elections					
<i>Subtotal Services</i>		<i>\$ 90,000</i>	<i>\$ 94,471</i>	<i>\$ 228,388</i>	<i>\$ 117,206</i>	<i>\$ 132,774</i>
<b>Grand Total 40-6700</b>		<b>\$ 311,000</b>	<b>\$ 194,199</b>	<b>\$ 356,659</b>	<b>\$ 237,028</b>	<b>\$ 361,806</b>

EXPENSE DETAIL

Description	Account	Department							Total Budgeted
		10-5100	10-5200	10-5300	10-5400	10-5500	10-5600	40-6700	
<b>Materials and Supplies</b>									
Misc. Supplies (Ace Hardware/Divide Supply)	5038	\$ 1,700	\$ 4,700	\$ 700	\$ 3,000			\$ 1,200	\$ 11,300
Pipe & tools (Ferguson & Andersons Sierra Pipe)		\$ 500	\$ 3,000		\$ 48,000			\$ 600	\$ 52,100
Water Chemicals (Sierra Chemical & NTU Tech)				\$ 51,000					\$ 51,000
Metering equipment (Hach)				\$ 10,000					\$ 10,000
Gravel backfill (Teichert)		\$ 500			\$ 3,000				\$ 3,500
Chainsaw & Brushcutter (Allen Krouse)		\$ 1,500	\$ 2,500	\$ 1,000	\$ 2,000			\$ 1,000	\$ 8,000
Pipe & fittings (HD Supply & Grainger)			\$ 5,000		\$ 4,000			\$ 1,000	\$ 10,000
Tools & Supplies (USA Bluebook)				\$ 3,000	\$ 3,000			\$ 1,000	\$ 7,000
Misc. Supplies		\$ 8,500	\$ 8,500	\$ 11,000				\$ 2,000	\$ 30,000
<b>TOTAL - Materials and Supplies</b>	<b>5038</b>	<b>\$ 12,700</b>	<b>\$ 23,700</b>	<b>\$ 76,700</b>	<b>\$ 63,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,800</b>	<b>\$ 182,900</b>
<b>Office Supplies</b>									
Furniture (3 offices, 5 chairs)	5040						\$ 6,250		\$ 6,250
Copy Machine Lease & Service							\$ 6,000		\$ 6,000
Folding Machine Lease							\$ 2,400		\$ 2,400
Misc Office (Paper, postage, etc)			\$ 100	\$ 300	\$ 300	\$ 15,800	\$ 22,000	\$ 2,100	\$ 40,600
Computer (Shop, WLT, WW, Office)			\$ 1,500	\$ 1,500			\$ 1,500	\$ 1,500	\$ 6,000
<b>TOTAL - Office Supplies</b>	<b>5040</b>	<b>\$ -</b>	<b>\$ 1,600</b>	<b>\$ 1,800</b>	<b>\$ 300</b>	<b>\$ 15,800</b>	<b>\$ 38,150</b>	<b>\$ 3,600</b>	<b>\$ 61,250</b>
<b>Staff Development (Training)</b>									
Board Clerk	5041					\$ 4,531	\$ 1,290		\$ 5,821
Finance Manager							\$ 925		\$ 925
Human Resources							\$ 925		\$ 925
AWWA (distribution and treatment classes)		\$ 500	\$ 500	\$ 500	\$ 500		\$ 500	\$ 500	\$ 3,000
Safety Training		\$ 500	\$ 500	\$ 500	\$ 500		\$ 500	\$ 500	\$ 3,000
<b>TOTAL - Staff Development</b>	<b>5041</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 4,531</b>	<b>\$ 4,140</b>	<b>\$ 1,000</b>	<b>\$ 13,671</b>
<b>Travel Conference</b>									
Conference (ACWA or CSDA) (3)	5042						\$ 4,740		\$ 4,740
Government Finance Office Conference							\$ 1,420		\$ 1,420
CSDA General Manager Leadership Summit							\$ 1,465		\$ 1,465
CRWA Conference (Ops Mgr, 2 Leads)				\$ 1,000	\$ 1,000		\$ 1,000		\$ 3,000
<b>TOTAL - Travel-Conference</b>	<b>5042</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ 8,625</b>	<b>\$ -</b>	<b>\$ 10,625</b>
<b>Utilities</b>									
Pagers (American Messaging)	5044	\$ 170	\$ 750	\$ 400	\$ 375	\$ -	\$ -	\$ 1,500	\$ 3,195
Water Flow Measuring (Picovale)		\$ 8,820	\$ -	\$ 3,340	\$ 9,670				\$ 21,830
Trash (El Dorado & Sierra Disposal)		\$ 25		\$ 8,110			\$ 4,275		\$ 12,410
Telephone (AT&T)				\$ 6,270		\$ 5,830	\$ 6,560	\$ 1,200	\$ 19,860

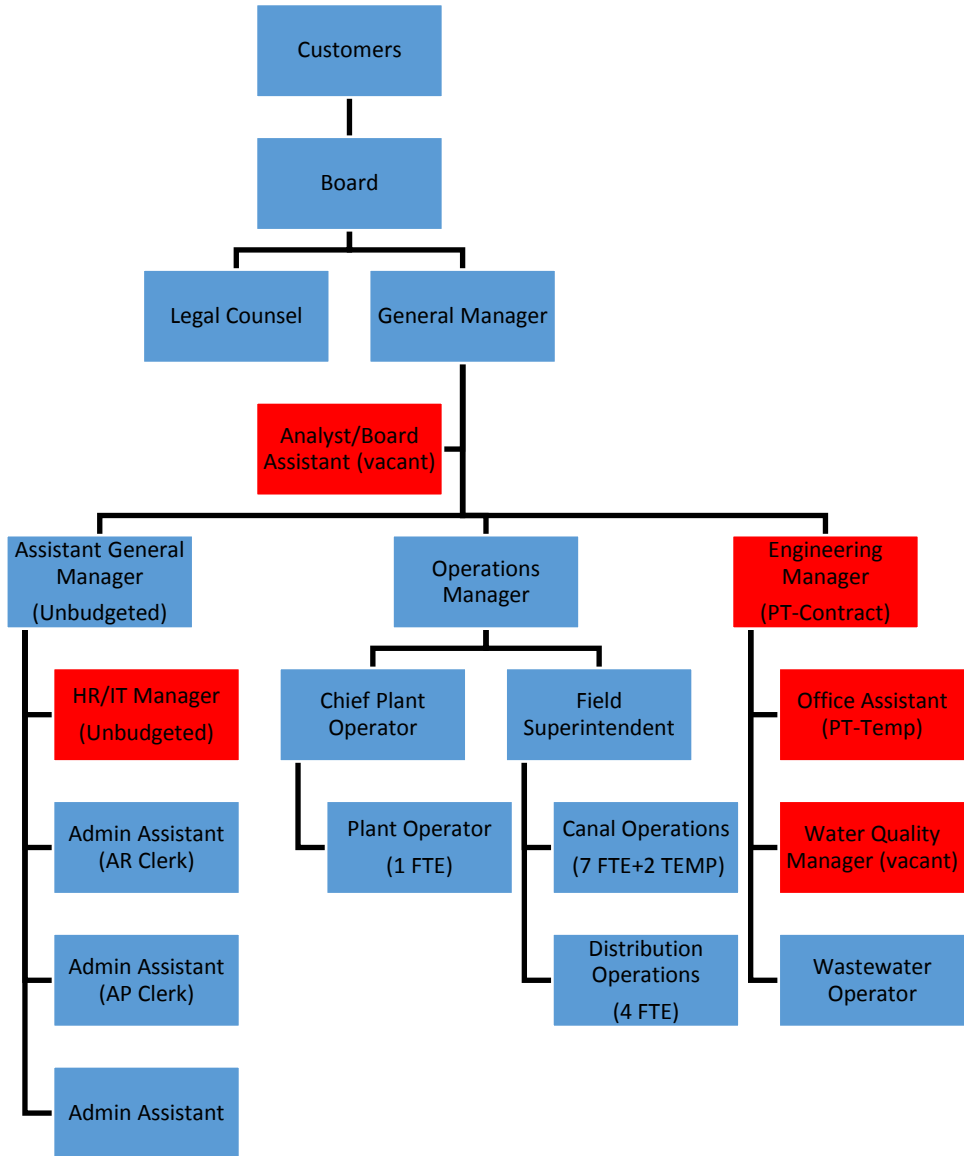
EXPENSE DETAIL

Description	Account	Department							Total Budgeted
Telephone (Verizon)				\$ 1,230				\$ 500	\$ 1,730
Electricity (PG&E)		\$ -	\$ -	\$ 122,300	\$ 9,600	\$ -	\$ 9,000	\$ 8,000	\$ 148,900
<b>TOTAL - Utilities</b>	<b>5044</b>	<b>\$ 9,015</b>	<b>\$ 750</b>	<b>\$ 141,650</b>	<b>\$ 19,645</b>	<b>\$ 5,830</b>	<b>\$ 19,835</b>	<b>\$ 11,200</b>	<b>\$ 207,925</b>
<i>Vehicle &amp; Equipment Maintenance</i>	<i>5046</i>	<i>10-5100</i>	<i>10-5200</i>	<i>10-5300</i>	<i>10-5400</i>	<i>10-5500</i>	<i>10-5600</i>	<i>40-6700</i>	
									\$ -
<b>TOTAL - Vehicle &amp; Equipment Maintenance</b>	<b>5046</b>	<b>\$ 1,000</b>	<b>\$ 2,000</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>	<b>\$ 6,000</b>
<i>Vehicle Operations</i>	<i>5048</i>	<i>10-5100</i>	<i>10-5200</i>	<i>10-5300</i>	<i>10-5400</i>	<i>10-5500</i>	<i>10-5600</i>	<i>40-6700</i>	
									\$ -
<b>TOTAL - Vehicle Operations (Fuel)</b>	<b>5048</b>	<b>\$ 4,000</b>	<b>\$ 15,000</b>	<b>\$ 5,500</b>	<b>\$ 11,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000</b>	<b>\$ 39,500</b>
<i>Outside Service/Consultants</i>	<i>5080</i>	<i>10-5100</i>	<i>10-5200</i>	<i>10-5300</i>	<i>10-5400</i>	<i>10-5500</i>	<i>10-5600</i>	<i>40-6700</i>	
Accounting/Finance (Vaughn Johnson & VTD)							\$ 90,000		\$ 90,000
IT/Computer Service (Carnahan)							\$ 6,000		\$ 6,000
GIS Support (Paul Watkins)							\$ 6,000		\$ 6,000
Records Management							\$ 20,000		\$ 20,000
Website Hosting (CCSI)							\$ 828	\$ 708	\$ 1,536
Wastewater Reporting (Siren)								\$ 6,300	\$ 6,300
Water Reporting (Siren)		\$ 500		\$ 3,000				\$ -	\$ 3,500
Water Rights Reporting (Ecorps)		\$ 27,500							\$ 27,500
Dam Monitoring (GEI)		\$ 7,500							\$ 7,500
Dam Surveying (Hanser & Associates)		\$ 1,800							\$ 1,800
Wastewater Testing (Holdrege & Kull)								\$ 8,000	\$ 8,000
Backflow Testing (K & W Backflow)					\$ 12,000				\$ 12,000
Wastewater Disposal System Analysis								\$ 50,000	\$ 50,000
Human Resources							\$ -		\$ -
<b>TOTAL - Outside Service/Consultants</b>	<b>5080</b>	<b>\$ 37,300</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 12,000</b>	<b>\$ -</b>	<b>\$ 122,828</b>	<b>\$ 65,008</b>	<b>\$ 240,136</b>

EXPENSE DETAIL

Description	Account	Department							Total Budgeted
		10-5100	10-5200	10-5300	10-5400	10-5500	10-5600	40-6700	
<b>Govt Reg/Lab Fees</b>	<b>5084</b>								
State Division of Safety of Dams		\$ 24,000		\$ 6,000					\$ 30,000
State Division of Drinking Water				\$ 20,000					\$ 20,000
Regional Water Board (stormwater)					\$ 500				\$ 500
Regional Water Board (wastewater)								\$ 17,000	\$ 17,000
Water Rights Fees		\$ 9,000			\$ 5,100				\$ 14,100
LAFCO							\$ 3,300		\$ 3,300
Laboratory Testing		\$ 1,300		\$ 7,800	\$ 6,000			\$ 18,000	\$ 33,100
Air Quality Eldorado County		\$ -		\$ 1,200				\$ 550	\$ 1,750
<b>TOTAL - Govt Reg/Lab Fees</b>	<b>5084</b>	<b>\$ 34,300</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ 11,600</b>	<b>\$ -</b>	<b>\$ 3,300</b>	<b>\$ 35,550</b>	<b>\$ 119,750</b>
<b>Other: Memberships</b>	<b>5089</b>								
CRWA		\$ 301		\$ 301	\$ 301			\$ 301	\$ 1,204
AWWA		\$ 315		\$ 315	\$ 315			\$ 315	\$ 1,260
Mountain Counties							\$ 4,125		\$ 4,125
CSDA							\$ 6,026		\$ 6,026
ACWA							\$ 12,470		\$ 12,470
<b>TOTAL - Other: Memberships</b>	<b>5089</b>	<b>\$ 616</b>	<b>\$ -</b>	<b>\$ 616</b>	<b>\$ 616</b>	<b>\$ -</b>	<b>\$ 22,621</b>	<b>\$ 616</b>	<b>\$ 25,085</b>

**GDPUD  
 Organizational Chart**

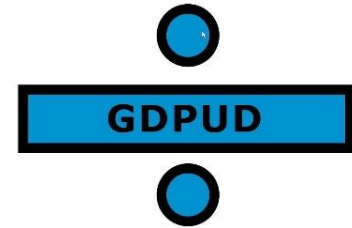


New Position



Existing Position

**REPORT TO THE BOARD OF DIRECTORS  
SPECIAL BOARD MEETING OF JUNE 29, 2017  
AGENDA ITEM NO. 7**



**SUBJECT: FINANCE COMMITTEE RECRUITMENT**

**PREPARED BY: Steven Palmer, PE, General Manager**

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**BACKGROUND**

The Board of Directors of the Georgetown Divide Public Utility District (“District”) adopted Resolution 2015-08 (Attachment 1) providing the role and responsibilities of the Finance Committee. The Committee was established as an advisory body to the Board and was asked to work with Staff to develop, monitor, and report on the District budget; as well as develop a long range financial plan.

The Committee is to be comprised of no fewer than three (3) and no more than five (5) members with a quorum consisting of a simple majority. The Committee members were appointed to the Board for a two (2) year term. The initial committee members were Rick Gillespie (expired June 30, 2016), Ray Kringle (expired June 30, 2016), and Dane Wadle (expires June 30, 2017). On September 15, 2015, the Board appointed Donna Bruss and Dennis Goodenow with terms expiring on June 30, 2017.

Member Ray Kringle left the Committee at the end of his initial term, and member Dane Wadle left the committee when he was elected to the Board. Committee member Rick Gillespie has continued serving on the committee past his initial term. After June 30, 2017, the terms of all Committee members will have expired.

**DISCUSSION**

In order for the Finance Committee to continue to function, new members are needed or the existing three active members must be reappointed.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District provide direction to staff on whether to recruit for new Committee members, reappoint the three current members, suspend the Finance Committee, dissolve the Finance Committee, or other direction as appropriate.

**ATTACHMENTS**

1. Resolution 2015-08
2. Resolution 2016-15
3. Resolution 2015-10



**RESOLUTION NO. 2015-08  
OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
PROVIDING ROLE AND RESPONSIBILITIES OF THE FINANCE COMMITTEE**

**WHEREAS**, the Board desires to memorialize the membership, duties, responsibilities, and other matters pertaining to the Finance Committee; and

**WHEREAS**, the Board finds it to be in the best interest of the public to establish the Finance Committee as set forth herein,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:**

SECTION 1. The Finance Committee (“Committee”) shall be created as follows:

1. **Membership; Quorum.** The Committee shall be composed of no fewer than three (3) and no more than five (5) members. A quorum shall consist of a simple majority of the total number of members of the Committee.
2. **Selection of Committee Members.** The policy for selecting Finance Committee members is shown in “*Exhibit A*,” which is attached hereto and incorporated herein by reference as if set forth in full.
3. **Role of the Committee.** The role of the Finance Committee is primarily to provide financial oversight for the District. Task areas will include budgeting and financial planning, financial reporting, and the review and monitoring of internal controls and accountability policies.
  - a. Budgeting and Financial Planning
    - i. Develop an annual operating budget with staff.
    - ii. Approve the budget within the Finance Committee.
    - iii. Monitor adherence to the budget.
    - iv. Set long-range financial goals along with funding strategies to achieve them.
    - v. Develop multi-year operating budgets that integrate strategic plan objectives and initiatives.
    - vi. Present all financial goals and proposals to the Board of Directors for approval.
  - b. Reporting
    - i. Develop useful and readable report formats with staff.

- ii. Work with staff to develop a list of desired reports for the Board noting the level of detail, frequency, deadlines, and recipients of these reports.
  - iii. Work with staff to understand the implications of the reports.
4. **Meetings.** The Committee shall meet at least quarterly, and more often if needed or requested by the Board. Meetings shall be held at the District's offices. The Rules of Operating Procedure are shown in "Exhibit B," which is attached hereto and incorporated herein by reference as if set forth in full.
5. **Terms.** The terms of the office shall be two (2) years. Committee members may be re-appointed to subsequent terms.
6. **Vacancies.** Any vacancies shall be filled for the unexpired term by the Board of Directors.
7. **Removal.** All Committee members serve at the will of the Board, and any member may be removed by an affirmative vote of three (3) members of the Board of Directors. There shall be no requirement to show cause for removal.
8. **Officers.** The Committee shall designate from among its members a Chair, Vice-Chair, and Secretary. The Chair shall preside over the meetings, and in the Chair's absence the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the remaining members, if a quorum exists, shall select from among themselves a person to preside over the meeting. The Secretary (or another member if the Secretary is absent) shall prepare agendas and minutes of every meeting and shall be responsible for transmitting the agenda and the final copy of all minutes to the Office Manager. Items needing Board action shall be transmitted as soon as possible to the Office Manager for inclusion on the next available Board agenda.
9. **Advisory Nature of the Committee.** The Committee is advisory in nature and shall be responsible to and shall report to the Board of Directors. The Committee and its members have no authority to set policy, expend funds, or make obligations on behalf of the Board of Directors and/or the Georgetown Divide Public Utility District.
10. **Board Reports.** The Committee shall report on its activities to the Board as least quarterly, and more often if needed or requested by the Board. The Board Report can be either oral or written and shall include a description of the activities of the committee for the preceding period and any on-going or outstanding activities or tasks. Committee meeting minutes can be used to satisfy this requirement.
11. **Board Liaison and Staff Support.** The Committee shall have the following Board and/or staff members to assist it with its work from time to time as may be necessary or desired by the Committee and/or the Board: one (1) Board member (who shall be the Board Treasurer); the General Manager, and the Office Manager. The Board Treasurer, General Manager, and Office Manager shall (a)

not be regular or ex officio members of the Committee; (b) not have the right to vote; and (c) not be counted for purposes of determining the presence of a quorum.

SECTION 2. The current members of the Finance Committee and the ending dates of their current terms are shown on "Exhibit C," which is attached hereto and incorporated herein by reference as if set forth in full. Upon the expiration of each of their current terms, new members shall be appointed or reappointed consistent with the policy set forth in Section 1(2) of this Resolution.

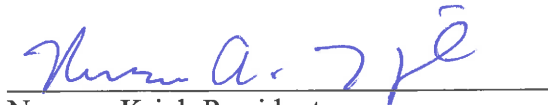
SECTION 3. This Resolution shall take effect immediately upon adoption. This Resolution shall remain in full force and effect until rescinded by a subsequent Resolution of the Board of Directors.

PASSED AND ADOPTED at a regularly held meeting of the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT this fourteenth day of July, 2015.

AYES: Krizl, Capraun, Hanschild, Uso

NOES:

ABSENT: Hoelscher




Norman Krizl, President

Board of Directors

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:



Wendell Wall, Clerk and ex officio

Secretary, Board of Directors

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

## **EXHIBIT A**

### **Policy for Selecting Finance Committee**

- 1) Publish in the Georgetown Gazette a notice of vacancy on the Committee and a desire to fill said vacancy
- 2) The Board President will select two Board Members to make up the selection committee.
- 3) The selection committee will interview all applicants and return to the full Board with recommendations but all applicants will be eligible for the Board to appoint.
- 4) The Committee will be made up of no less than three and no more than five members.
- 5) The Board will confirm the selections by resolution.

## EXHIBIT B

### Finance Committee of the Georgetown Divide Public Utility District Rules of Operating Procedure

#### MEETINGS

- a) At any meeting of the Committee, the majority of the members currently appointed shall constitute a quorum for purposes of conducting business or meetings. Unless otherwise posted, a majority vote of those present and voting shall be sufficient to adopt any motion.
- b) All meetings of the Committee shall be open and public, and all persons shall be permitted to attend any meeting of the committee as provided by Government Code Section 54950 et seq.
- c) All meetings of the Committee shall be held in the GDPUD offices at 6425 Main Street, Georgetown, California 95634, unless there is a special need to hold a meeting at a different location.
- d) The proceedings of all meetings of the Committee shall be conducted in accordance with Robert's Rules of Order.
- e) Each Committee shall determine the order of business for the conduct of its meetings.
- f) Any meeting may be adjourned to a time and place stated in the Order of Adjournment. Less than a quorum may so adjourn from time to time. If all members are absent, the Secretary may declare the meeting adjourned to a stated time and place and shall cause such notice to be given in the same manner as for special meetings.
- g) Special meetings may be called at any time at the direction of the chairperson or by a majority of a Committee. Twenty-four hours advance written notice of special meetings shall be provided by the chairperson stating the time, place, and business to be transacted. The public shall be notified through the District's regular communications and procedures, in accordance with the Brown Act.
- h) At least 72 hours before a regular Committee meeting, the legislative body of the District, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall be filed with the Office Manager for posting outside the District offices.
- i) The Committee shall maintain meeting minutes, including a complete record of all transactions, findings, and determinations and present a full statement to the Board of Directors upon request. A signed copy of meeting minutes shall be filed with the Office Manager.
- j) The Board liaison to the Committee shall be the Board Treasurer.
- k) The duties of the liaison include presenting relevant data to the Board and arranging for the presentation of important progress on projects to the Board by the Committee chairperson.

- l) The liaison's role will be advisory to the Committee, but the process is meant to be staff driven.
- m) The liaison will not have a vote on the Committee.
- n) The Committee will work hand in hand with staff through the GM or his/her representative. All data collected or produced by the Committee becomes the property of the GDPUD and must be shared with the GM or his/her representative.


**EXHIBIT C**

**Current Finance Committee Members and  
Expiration of Their Terms of Office**

Rick Gillespie	June 30, 2016
Ray Kringle	June 30, 2016
Dane Wadle	June 30, 2017

**CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2015-08 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 14<sup>th</sup> day of July 2015.

  
\_\_\_\_\_  
Wendell Wall  
General Manager  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT



**RESOLUTION NO. 2016-15  
OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
CONFIRMING THE REAPPOINTMENT OF  
RICK GILLESPIE  
TO THE FINANCE COMMITTEE**

**WHEREAS**, the membership, duties, responsibilities, and other matters pertaining to the Finance Committee was memorialized by the Board of Directors in Resolution 2015-08, adopted on July 14, 2015; and

**WHEREAS**, at its regular meeting of October 11, 2016, the Board considered the status of the Finance Committee and confirmed the current active members include Dennis Goodenow, Donna Bruss, and Dane Wadle, whose terms are set to expire on June 30, 2017; and

**WHEREAS**, during the same meeting, the Board confirmed the terms of Rick Gillespie and Ray Kringle expired on June 30, 2016, creating the two vacancies that presently exist on the Committee; and

**WHEREAS**, the policy of the Committee requires appointment of Committee members to be confirmed by resolution; and


**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN PUBLIC UTILITY DISTRICT** hereby confirms the reappointment of Rick Gillespie to the Finance Committee, for a two-year term, or until such time that another individual is appointed.

**PASSED AND ADOPTED** at a regularly held meeting of the Board of Directors of the **GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT** this eighth day of November, 2016.

AYES: Directors Capraun, Hanschild, Hoelscher, Krizl, Uso

NOES:

ABSENT:



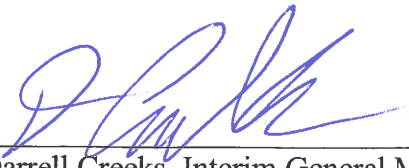
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Norman Krizl, President

Board of Directors

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:

  
\_\_\_\_\_  
Darrell Creeks, Interim General Manager,  
Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Date: 11/16/16

**CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2015-10 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 8<sup>th</sup> day of November 2015.

  
\_\_\_\_\_  
Darrell Creeks, Interim General Manager  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Date: 11/16/16

**RESOLUTION NO. 2015-10  
OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
CONFIRMING APPOINTMENTS TO THE FINANCE COMMITTEE**

**WHEREAS**, at its regular meeting on July 14, 2015, the Board memorialized the membership, duties, responsibilities, and other matters pertaining to the Finance Committee (the "Committee") by Resolution No. 2015-08; and

**WHEREAS**, the Committee shall be composed of no fewer than three (3) and no more than five (5) members; and

**WHEREAS**, at the time the Committee was memorialized by the Board the names and expiration of terms of the three existing Committee members were acknowledged and confirmed; and

**WHEREAS**, at that time two vacancies existed on the Committee; and

**WHEREAS**, the policy of the Committee requires appointment of Committee members to be confirmed by resolution; and

**WHEREAS**, at its regular meeting on August 11, 2015, Donna Bruss was appointed to the Committee; and

**WHEREAS**, at its regular meeting on September 8, 2015, Dennis Goodenow was appointed to the Committee,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:**

**SECTION 1.** The Georgetown Divide Public Utility District Board of Directors hereby confirms the appointments of Donna Bruss and Dennis Goodenow to the Finance Committee. The current members of the Finance Committee and the ending dates of their current terms are shown on "Exhibit A," which is attached hereto and incorporated herein by reference as if set forth in full.

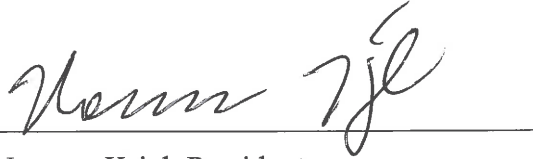
**SECTION 2.** This Resolution shall take effect immediately upon adoption. This Resolution shall remain in full force and effect until rescinded by a subsequent Resolution of the Board of Directors.

PASSED AND ADOPTED at a regularly held meeting of the Board of Directors of the  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT this eighth day of September, 2015.

AYES: Krizl, Hoelscher, Capraun, Hanschild, Uso

NOES:

ABSENT:



Norman Krizl, President  
Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:



Wendell Wall, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

**EXHIBIT A**

**Current Finance Committee Members and  
Expiration of Their Terms of Office**

Rick Gillespie	June 30, 2016
Ray Kringle	June 30, 2016
Dane Wadlé	June 30, 2017
Donna Bruss	June 30, 2017
Dennis Goodenow	June 30, 2017

## CERTIFICATION

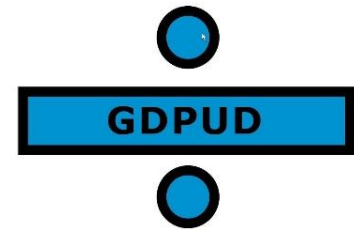
I hereby certify that the foregoing is a full, true and correct copy of Resolution 2015-10 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 8<sup>th</sup> day of September 2015.

 \_\_\_\_\_

Wendell Wall, General Manager

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JUNE 29, 2017  
AGENDA ITEM NO. 8**



**SUBJECT:**                    **AUTHORIZE GENERAL MANAGER TO SUBMIT COMMENTS ON THE STATE WATER RESOURCES CONTROL BOARD PLAN FOR A LOW-INCOME WATER RATE ASSISTANCE PROGRAM**

**PREPARED BY:**            Gloria Omania, Board Assistant

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

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**BACKGROUND**

The Low-Income Water Rate Assistance Act, established through AB 401 (Dodd, 2015) directs the State Water Resources Control Board (SWRCB) to prepare a plan, in collaboration with the State Board of Equalization, for the funding and implementation of a Low-Income Water Rate Assistance (LIWRA) Program.

The SWRCB is holding a series of public meetings in June and July to receive public comments on the development of this plan. The State water board must complete the Plan by January 1, 2018, and submit a report to the Legislature by February 1, 2018.

**DISCUSSION**

The Association of California Water Agencies (ACWA) is encouraging its members to weigh in and has prepared talking Points and a list of questions for ACWA members to refer to during this public comment period (this is included as Attachment 1 of this report).

**FISCAL IMPACT**

There could be fiscal implications for the District depending on what the plan contains.

**CEQA ASSESSMENT**

This is not a CEQA Project.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) authorize the General Manager to submit written comments to the State Water Resources Control Board on the preparation of a plan for a Low-Income Water Rate Assistance Program. The comments will be consistent with the talking points and guidance issued by ACWA and any other direction provided by the Board.

**ALTERNATIVES**

The Board can take the alternative action of not weighing in on this issue.

**ATTACHMENTS**

1. Talking Points and Questions Suggested by ACWA



**Suggested Talking Points and Questions for  
Public Meetings Regarding  
Development of a Low-Income Water Rate Assistance Program**

**Talking Points**

**1) Collaboration is Required.**

- Having the public meetings is helpful, however, AB 401 requires the State Water Board to collaborate with stakeholders. Collaborating is different than holding public meetings or workshops.
- We suggest that the State Water Board create a stakeholder group or groups so that the required collaborative work can happen in a series of meetings.
- Much thought would need to go into the composition of the groups to ensure that a cross-section of water agencies (e.g., different sizes, different geographic locations and varying levels of customer incomes) is represented.
- The stakeholder group meetings are needed for the water community to understand and evaluate the options that the State Water Board staff and UCLA are evaluating, to suggest other options and work through issues.

**2) Volume for Discount Should be Based on Reasonable Indoor Usage.**

- In the four options that are shown in UCLA's presentation, the proposed discount would equal a percentage (20 %) of the drinking water expenditure on 12 hundred cubic feet of water.
- If the discount were based on 55 gallons per capita, per day for indoor use (for human consumption, cooking and sanitary use) for a family of four, the discount would apply to 8.9 hundred cubic feet of water instead of 12 hundred cubic feet.
- The 8.9 number makes more sense so that the assistance does not incentivize the use of more water.

**3) Integrate with CalFresh**

- The State Water Board should look at how a low-income water rate assistance program could be integrated with the CalFresh program, the state’s program to implement the federal supplemental nutrition assistance program.
- Integrating the two programs could reduce administrative costs and protect the program against fraud.

## **Potential Questions to Ask**

### **1. 34% of the Households**

Drinking water affordability is a challenge for some Californians and the UCLA options would result in a subsidy to about one third of the households in California.

- Q: Is there data to show that such a large scope is needed for water affordability?
- Q: Has UCLA modeled the cost estimates for options with smaller percentages of households being eligible? What were the results?

### **2. Spiral Effect**

- Q: How do you deal with the issue where increasing the costs for some ratepayers will make water less affordable for other ratepayers whose income is not much higher?

### **3. 20% Number**

- Q: What is the thinking behind the 20% discount number in the 4 options?

### **4. Option 4 “Compliant”**

- Q: How do you define the word “compliant” in option 4?

### **5. Renters**

- Q: How would you deal with situations where renters do not pay the water bills (such as when the landlords pay them)?

### **6. Proposition 218**

- Q: How do you see Proposition 218 affecting this program?

7. **MCLs**

- Q: Is the State Water Board aware that new drinking water standards can be a huge factor in increases to the cost of water? It is important to protect public health, but the economic feasibility analysis is an important part of the new drinking water standard development too.



[Click here to view it in your browser.](#)

## **OUTREACH ADVISORY**

**June 19, 2017**

### **Talking Points Available for ACWA Members to Weigh In On Possible Affordable Drinking Water Program Options**

#### *State Water Board Workshops Begin June 20*

ACWA has developed talking points and a list of questions for ACWA members to refer to during the State Water Resources Control Board's series of public meetings seeking input on the development of plan for a low-income water rate assistance (LIWRA) program. The meetings, which will be held in June and July, begin tomorrow, June 20. ACWA members are strongly encouraged to attend one or more of the meetings and provide public comment on the program options being floated by State Water Board staff and their consultant UCLA.

#### **Background on AB 401**

The State Water Board is developing a plan for a LIWRA Program, which is required by AB 401 (Dodd, 2015). Under the law, the State Water Board must complete its AB 401 plan by Jan. 1, 2018, and submit a related report to the Legislature by Feb. 1, 2018. Legislation to authorize the funding tools for the LIRA is expected to follow the submittal of the report to the Legislature.

ACWA has been actively engaged in this issue to ensure that the SWRCB staff collaborates with stakeholders as required by AB 401. ACWA also recently conducted a member survey to collect information on existing local Low-Income Rate Assistance Programs to help steer the development of the state's program.

**Please note that currently, State Water Board staff is talking about a program that would subsidize water rates for 34% of the households in California.**

#### **Workshop Information**

The State Water Board's public workshops are scheduled for:

##### **June 20 in Riverside**

**6-8 p.m.**

Reid Park – Ruth Lewis Center, Reid Multi-Purpose Room

701 Orange Street

Riverside, CA 92501

**June 27 in Salinas**

**6-8 p.m.**

Millennium Charter High School, Santa Lucia Room, 2<sup>nd</sup> Floor

940 N. Main Street

Salinas, CA 93906

**June 28 in Oakland**

**6-8 p.m.**

Ira Jinkins Recreation Center, Meeting Room

9175 Edes Avenue

Oakland, CA 94603

**July 10 in Sacramento**

**4:30-630 p.m.**

CalEPA Building, Klamath Room

1001 I Street

Sacramento, CA 95814

**July 12 in Los Angeles**

**1-3 p.m.**

Los Angeles City Hall, 1070 Committee Room, 10<sup>th</sup> Floor

200 N. Spring Street

Los Angeles, CA 90012

The program scenarios that will be presented can be found [here](#).

ACWA's talking points may be found [here](#).

More information on the State Water Board's AB 401 efforts can be found [here](#).

## Preparing for the Workshops

Plan to attend. Please take a look at the [full schedule of workshops](#) and identify the meetings you are able to attend. Please note that some of the upcoming workshops will be held in the evening.

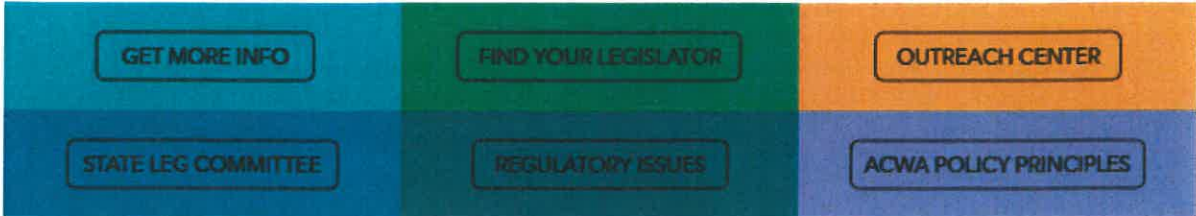
Utilize ACWA's talking points. ACWA has provided talking points and a list of salient questions to help member agencies highlight the importance of a responsible and well-designed program with an appropriate funding source, such as the state's General Fund.

Coordinate your attendance and testimony. To ensure ACWA is represented at every workshop, ACWA suggests connecting other member agencies in your area and also discussing which of ACWA's talking points you plan to cover in your comments, especially if time is limited.

## Questions

ACWA members with questions about these workshops, or AB 401, should contact ACWA Deputy Executive Director for Government Relations [Cindy Tuck](#) at (916) 441-4545.

**CONTACT**  
**Cindy Tuck**  
**Deputy Executive Director Government Relations**  
**(916) 441-4545**



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910 K Street, Suite 100, Sacramento, CA 95814

We hope you enjoy receiving email notices and updates from ACWA. At any time you can click [here](#) to unsubscribe or to change your subscription preferences.

State Water Resources Control Board

**PUBLIC NOTICE**

The State Water Resources Control Board (State Water Board) will hold a second series of public meetings seeking input on program scenarios to provide affordable drinking water to low-income Californians as mandated by AB 401 (2015). The program scenarios and cost estimates are available on the Board's [website](#) under section 2017 Presentations: [UCLA 05/11/17](#).

**Dates and locations of Public Meetings are listed below:**

Public Workshop	Scheduled Date & Time	Location
<b>Riverside</b>	June 20, 2017 6:00-8:00 pm	<b>Reid Park- Ruth Lewis Center</b> Reid Multi-Purpose Room 701 Orange St Riverside, CA 92501
<b>Salinas</b>	June 27, 2017 6:00-8:00 pm	<b>Millennium Charter High School</b> Santa Lucia Room, 2 <sup>nd</sup> Fl 940 N Main Street Salinas, CA 93906
<b>Oakland</b>	June 28, 2017 6:00-8:00 pm	<b>Ira Jinkins Recreation Center</b> Meeting Room 9175 Edes Ave Oakland, CA 94603
<b>Sacramento</b>	July 10, 2017 4:30-6:30 pm	<b>CalEPA Building</b> Klamath Room 1001 I St Sacramento, CA 95814
<b>Los Angeles</b>	July 12, 2017 1:00-3:00 pm	<b>Los Angeles City Hall</b> 1070 Committee Room, 10 <sup>th</sup> Fl 200 N Spring St Los Angeles, CA 90012



**Background**

State law provides that every Californian has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. The State Water Resources Control Board is developing a plan for a statewide Low-Income Rate Assistance Program, which is required by A.B. 401 (2015, Dodd) to be released no later than February 1, 2018.



FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR