

AGENDA
REGULAR MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CALIFORNIA
TUESDAY, FEBRUARY 14, 2017
2:00 P.M.

MISSION STATEMENT

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

- Provide reliable water supplies
 - Ensure high quality drinking water
 - Promote stewardship to protect community resources, public health, and quality of life
 - Provide excellent and responsive customer services through dedicated and valued staff
 - 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 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.

4. CONSENT CALENDAR

A. Approval of Minutes -

1. Regular Meeting of January 10, 2017
2. Special Board Meeting of January 30, 2017

B. Financial Reports

1. Early Pays – February 2017
2. December 2016 Month End Payable Activity Report
3. December 2016 Month End Revenue and Expense Summary Report
4. Auburn Lake Trails Zone and CDS Summary

C. Mid-Term Budget and Investment Review

D. Surplus Equipment

Discussion – Staff has identified a vehicle that is no longer in use and unable to pass a smog check. This vehicle should be declared as surplus.

Possible Board Action – It is Staff’s recommendation that the Board declare said vehicle as surplus and direct Staff to dispose of it through an auction or through other appropriate action.

5. Approve and Execute Employment Agreement with New General Manager

Discussion – After an extensive search, the Board has announced the hiring of Steve Palmer as the new General Manager.

Possible Board Action – Approve and execute Employment Agreement.

6. PRESIDENT’S REPORT

7. BOARD REPORTS

8. GENERAL MANAGER’S REPORT

9. OPERATIONS MANAGER’S REPORT

10. FINANCE COMMITTEE REPORT

- A. Finance Committee Minutes of January 24, 2017 Meeting.
- B. Finance Committee Agenda – February 21, Meeting

11. ACKNOWLEDGE RECEIPT OF 2016 AUDIT REPORT

Discussion – The District received on January 30, 2017, the final signed copy of the Financial Statements along with the Final Management Report from Fechter & Company.

Possible Board Action - It is Staff’s recommendation that the Board acknowledge receipt of the report and direct Staff to distribute appropriately for review and development of action plan for addressing identified deficiencies.

12. PROFESSIONAL SERVICES AGREEMENT – SIREN & ASSOCIATES

Discussion – The District has contracted with Siren & Associates since 2006 to assist the District with regulatory compliance for both the Public Water and Onsite Wastewater Management Zone reporting. The District has received a proposal from Siren & Associates for the period beginning February 12, 2017, through February 12, 2018, for a total contact amount not to exceed \$34,906.

Possible Board Action – It is Staff’s recommendation that the Board approve this Professional Services Agreement with Siren & Associates.

13. CalPERS DISCOUNT RATE CHANGE

Discussion – The District has received notification from CalPERS of recent changes to the discount rate assumption and the impact of these changes on required employer and member contributions.

Possible Board Action – It is Staff's recommendation that the Board acknowledge receipt of this notification and direct Staff to provide the Board with an analysis of how this change will impact the District's budget at a forthcoming Board meeting.

14. TRAINING ON BEST PRACTICES IN PENSION AND BENEFITS ADMINISTRATION

Discussion – Given the relevance of pension issues faced by the District, Director Wadle requested Board approval to attend training on Best Practices in Pension and Benefits Administration offered by the Government Finance Officers Association on March 21-22, 2017, in Reno, Nevada. Staff has learned that this class has been cancelled.

Possible Board Action – It is Staff's recommendation that the Board direct Staff to identify similar training opportunities for Board Members and Staff to attend.

15. WATER RIGHTS

Discussion – At the Board meeting of January 10, 2017, the Board directed Staff to add this item to the Board's agenda.

Possible Board Action – It is Staff's recommendation that the Board receive and file information provided and direct Staff to schedule a Water Rights Workshop in the near future.

16. CONSIDER REQUEST FROM DEAN LACEY TO SPLIT IRRIGATION WATER SERVICE

Discussion – During the regular Board meeting of January 10, 2017, the Board deferred action on this request from Dean Lacey, an irrigation customer, pending a closer review of the current Irrigation Ordinance.

Possible Board Action – Staff is neutral on this matter recommendation and awaits direction from the Board.

17. ACWA SPRING CONFERENCE

Discussion – The ACWA Spring Conference is scheduled for May 9-12, 2017, in Monterey, California. The registration deadline is

Possible Board Action – It is Staff's recommendation that the Board approve attendance by Staff and interested Board members and direct Staff to follow registration requirements.

18. FINANCIAL ASISTANCE FOR GDPUD CUSTOMERS IN HARDSHIP CASES

Discussion – District Staff was directed by the Board at its meeting of January 10, 2017, to search options for providing financial assistance to GDPUD customers who are experiencing financial hardship in paying their water bills.

Possible Board Action – It is Staff's recommendation that the Board receive the findings and direct Staff accordingly.

19. **AUBURN LAKE TRAILS WATER TREATMENT PLANT PROJECT – CHANGE ORDER AUTHORITY**

Discussion – Construction activities are about to begin on the Auburn Lake Trails Water Treatment Plant Project. Elements of construction will move rapidly. Inasmuch as the Board regularly on a monthly basis, there is a benefit to authorizing Staff (General Manager) to approve change orders during construction. This is a common practice within the construction industry.

Possible Board Action – Authorize General Manager to approve and process Change Orders on the ALT Project, with Meyers & Sons Construction, for a total amount not to exceed \$10,000.

20. **ALT TREATMENT PLANT UPDATE**

Discussion – This constitutes this month’s update on the ALT Treatment Plant Project.

Possible Board Action – It is Staff’s recommendation that the Board receive and file this report.

21. **PSOMAS CONTRACT – ENGINEERING SUPPORT DURING CONSTRUCTION OF ALT WATER TREATMENT PLANT**

22. **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.

23. **NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting March 14, 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 Darrell Creeks 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 February 10, 2017.

CONFORMED AGENDA
REGULAR MEETING
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
6425 MAIN STREET, GEORGETOWN, CALIFORNIA
TUESDAY, JANUARY 10, 2017
2:00 P.M.

MISSION STATEMENT

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

- Provide reliable water supplies
 - Ensure high quality drinking water
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 - Insure fiscal responsibility and accountability are observed by balancing immediate and long term needs.
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1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE

The meeting was called to order at 2:00 pm. Directors present: David Halpin, Jesse Hanschild, Carl Hoelscher, Lon Uso and Dane Wadle. Staff present: Interim General Manager Darrell Creeks, Office Manager Diane Schroeder, Project Manager George Sanders, Interim Operations Manager Marty Ceirante and Meeting Recorder Gloria Omania. Legal Counsel: Robin Baran of Churchwell White.

2. ADOPTION OF AGENDA

Director Uso indicated he would like to pull Item #11 from the agenda per his conversation with Legal Counsel Barbara Brenner.

Motion by Director Hoelscher to withdraw Item #11 from the agenda adopt the balance of the agenda. Second by Director Hanschild.

Public Comment: None

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

1. Regular Meeting of December 13, 2016
2. Special Meeting of December 15, 2016

B. Financial Reports

1. Early Pays – January 2017
2. November 2016 Month End Cash Disbursements Report
3. November 2016 Month End Payable Activity Report

C. Mid-Year Budget and Investment Review

Discussion – The District’s Annual Calendar of agenda items for the month of January includes a mid-year budget and investment review. These items will be addressed at the regular Board Meeting in February.

Possible Board Action – It is Staff’s recommendation that these items be placed on the February 14, 2017, regular Board meeting agenda.

D. Update on General Manager Selection Process

Discussion – The Interim General Manager has been contacted by three of the candidates for a meeting and tour of the District facilities.

Possible Action – Receive and file.

E. Consider Attendance by Staff and Directors to Spring Conferences

Discussion – Directors and Staff have traditionally attended the Spring Conferences of the Association of California Water Agencies, and the California-Nevada Section of the American Water Works Association.

Possible Board Action – It is Staff’s recommendation that the Board discuss and determine attendance at these Spring Conferences and direct Staff to make necessary arrangements.

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

Public Comment: None.

The motion passed unanimously.

5. ADOPTION OF RESOLUTION 2017-01 AUTHORIZING THE CHANGE OF SIGNATORY AUTHORITY FOR ACCOUNTS ESTABLISHED WITH EL DORADO SAVINGS BANK

Discussion – This Resolution is a requirement of El Dorado Savings Bank, which has provided banking services for the District since around 2002.

Office Manager Diane Schroeder stated the bank requires a Resolution by the Board to change the signers on the accounts.

Possible Board Action: It is Staff’s recommendation that the Board adopt Resolution 2017-01.

Motion by Director Hoelscher to adopt Resolution 2017-01. Second by Director Halpin.

Public Comment: None

The motion passed unanimously.

6. PRESIDENT'S REPORT

Director Uso stated that the District is making progress. Wants

7. BOARD REPORTS

Director Wadle reported that he met with a representative of Mountain Counties to establish a working relationship.

8. GENERAL MANAGER'S REPORT

Darrell Creeks expanded on his written report with the following additional points and comments from others:

- *District Staff has received some calls from customers about the Supplemental Charge and hardship cases have been received. Some have forgotten about the increase, but most are understanding.*

Diane Schroeder indicated she has received a couple of hardship calls and has told these customers that we have nothing in place currently; most are working on their own financials to adjust for the increase.

Director Uso stated he would like an opportunity to discuss the ability of the District to provide financial assistance in hardship cases, and what programs are available for financial assistance. He asked Staff to add this item to the next Board agenda.

- *District Staff is continuing to work on the RFP for the New Meters. District staff conducted an inventory of boxes and lids and provided this information to MC Engineering to put into a database to determine project needs. They can then complete the RFP.*

The General Manager of the Meadow Vista County Water District spoke highly about their AMR (Automated Meter Reading) drive-by system. He indicated they that they have had no problems with it. In addition, Kyle Madison, Distribution Lead, took a tour of the Meadow Vista system. Darrell was pleased to have received some good information and ideas about the AMR system that could translate into some savings for the District. Additional discussion ensued about the importance of moving this project forward.

- *Staff is making progress with the RCAC Water Rate Study. Darrell reported that he was just informed by RCAC that they have cleared out other projects so we are now at the top of their priority list. This has resulted in an increased flow of information requests from RCAC, which is good.*
- *The orange boons at Stumpy are floating around the spillway because the cable broke. These will need to be fixed, but the weather makes it quite risky to do this now. Considering having a District crew take care of it when it is safer to do so.*

Director Uso stated that we should not put staff in jeopardy and suggested that the District hire someone with proper equipment to do it right.

- *Darrell shared an interesting point that he has discussed with Engineering Consultant George Sanders about the spilling of about a foot and a half or two feet a day at the Stumpy Spillway. We have calculated that roughly 2,000 acre feet a day has been going over the spillway. Darrell stated that if we had Onion Creek with 4,000 acre feet of storage, we could fill it in two days. Darrell stated he is bringing this up because he still wants to go after these water rights someday. He added that when you consider that we put out about 4,700 acre feet during the five-month irrigation season, this water storage capability could take care of much of one irrigation season.*

Director Uso stated he had a brief conversation with Legal Counsel about water rights to ensure that we are rock solid. He asked Staff to add a discussion about water rights on the next agenda.

- *The new truck was received by the District. This new truck came in just in time since one of the trucks couldn't pass a smog check. The bigger one is expected to come in soon.*
- *Darrell distributed binders containing updated reference information to Directors Hanschild, Hoelscher and Uso. He stated the same information was provided to Directors Halpin and Wadle in their orientation binders. The information provided included an updated Board and Staff Directory and Board Policies. Staff would like to review and update these policies for the Board's consideration. These policies need to be reworked and reworded to make sure they don't conflict with our ordinances since these policies were written a few years ago.*

Director Hanschild asked about providing tablets for reviewing the agenda to eliminate the paper. Interim GM Darrell Creeks and Office Manager Diane Schroeder indicated they are looking into this. There are inexpensive tablets... Find ways to reduce paper....

9. OPERATIONS MANAGER'S REPORT

Marty Ceirante added the following points to his written report:

- *Weather has been a factor for the past month.*
- *Combined we treated 527 million gallons of drinking water in the last year: 274 million gallons out of the Walton plant and 253 million gallons out of ALT.*
- *We continue to provide excellent high quality drinking water. We did a total of 306 routine samples and 153 bacterial samples throughout the system during the year with zero positives. We completed all our sampling requirements and had no flags on anything.*

10. FINANCE COMMITTEE REPORT (Deferred to the February Board meeting.)

Director Uso indicated that the Finance Committee Chairman is out of town, so this report will be deferred to the February agenda. Director Halpin stated the next Finance Committee meeting is set for January 24, 2017.

11. **RATE INCREASE NOTIFICATION FROM CHURCHWELL WHITE, LLP, FOR LEGAL SERVICES** *(This item was withdrawn.)*

Discussion – The District is in receipt of a letter from Churchwell White notifying the District of a 2.8% increase in the Firm’s rates for legal services to be effective February 1, 2017.

Possible Board Action – It is Staff’s recommendation that the Board approve the rate increase by Churchwell White for legal services.

12. **AT&T CELL TOWER LEASE AGREEMENT – Owner (District) Signature of Application with County and Approval of AT&T Plans**

Discussion – Staff and Legal Counsel have been working on the Lease Agreement with Cingular/AT&T. The company is in the process of submitting an application to the El Dorado County Planning Department. The county requires the District’s signature on some of AT&T’s application documents.

Darrell Creeks summarized the staff report indicating authorizing the signing of this document required by El Dorado County will allow AT&T to move forward with the project. He stated that Legal Counsel is making sure everything is all done in the right order.

Director Uso commented that there are lots of complaints in the community about the lack of cell service in certain areas and asked if there was some merit to reaching out to other service providers to inform them of possible cell tower sites in the District.

Darrell indicated that they usually come to us. Legal Counsel stated it is the service providers who knows where the particular gaps. AT&T was trying to low ball us for less rate and Robin got them to agree with the rates with wanted. Pleased with how Legal Counsel negotiated to AT&T on the appropriate rate.

Possible Board Action – It is Staff’s recommendation that the Board authorize the Interim General Manager to sign the application for Cell Tower Eligible Request, as required by the County.

Motion by Director Hoelscher to authorize the Interim General Manager to sign the application for the Cell Tower Eligible Request, as required by the County. Second by Director Wadle.

Public Comment: *The Board received a comment that the District should “make money.”*

The motion passed unanimously.

13. **CONSIDER REQUEST FROM DEAN LACEY TO SPLIT IRRIGATION WATER SERVICE**

Discussion – The District is in receipt of a letter from Dean Lacey, an irrigation customer, requesting approval to split the water service on his parcel at 5200 Andy Wolf Road.

Darrell summarized the request to split irrigation water service. The following points were made by Board members and staff during the ensuing discussion:

- *The Ordinance is vague relative to splitting service when the customer owns both parcels.*

- Concern was expressed that property owners have been on a waiting list for irrigation service.
- This split is similar to what was allowed at Dougherty.

Director Hanschild stated he could not take action without reading the Ordinance and said he would like to defer the item to the next meeting.

Possible Board Action – It is Staff’s recommendation that the Board approve this request.

Motion by Director Hanschild to table this item to next month’s Board meeting and direct Staff to provide the Board with a copy of the Ordinance to review in considering action. Second by Director Wadle.

Public Comment: *The Board received the following comments:*

- *It is unfair to those property owners who have been waiting in line; and spoke about how the Dougherty split affected him.*
- *One individual commented he would not have an argument with splitting service between two parcels owned by the same property owner.*
- *Already set a precedence with Dougherty property. 36:24 Director Uso hesitates calling that as a precedence because he is not sure it was approved with due diligence.*
- *Needs clarity with regard to the Ordinance.*

The motion passed unanimously.

14. **DISCUSSION ABOUT CHANGING THE GDPUD’S ELECTION SYSTEM FROM AT-LARGE TO DISTRICT-BASED REPRESENTATION**

Discussion – This agenda item was added at the request of Director Carl Hoelscher to allow the Board to discuss changing the District’s election system from at-large representation to district-based (area) representation.

Director Hoelscher expressed his strong feelings about the election system in this District. A district-based election system would provide for fairer representation. He pointed out that currently four Board members are from one area.

Director Uso shared his experience in San Juan Capistrano where they went from an at-large system to a district-based. This was considered to ensure equal representation for protected minority groups in the community. He pointed out that the GDPUD is a small district with no such protected minority groups. You would be talking about a few hundred votes in each district, if you were able to find anyone to run.

Director Wade shared his perspective that district elections result in representatives prioritizing only for their area; those elected at-large have a tendency to look at matters on a district-wide basis, which is a good thing. He added that this matter should be added to the new General Manager’s list of priorities and objectives.

Director Hoelscher agreed that this is not a pressing issue, but it is something that needs to be discussed. Director Uso added that it could be added to a future Board workshop with the new General Manager.

Possible Board Action – It is Staff’s recommendation that the Board discuss this matter and provide direction.

15. ALT TREATMENT PLANT UPDATE

Discussion – This constitutes this month’s update on the ALT Treatment Plant Project.

George Sanders introduced himself as the District’s Engineering Consultant tasked primarily with the ALT Water Treatment Plant Project. He expanded on his written report. He indicated that he and the Interim General Manager met with the Project Manager in late December and discussed the following:

- *Modification to Pipe Type in Raw Water Line. It is currently made of a substandard material causing leaks, so we’re looking at some different material types, including one that Director Hoelscher brought to Staff’s attention. The Contractor will provide an estimate to identify the added costs or potential savings.*
- *Preliminary Baseline Work Schedule. The Contractor has 590 working days once we issue the Notice to Proceed. We have not issued the Notice to Proceed yet, but that’s coming soon. Some of the delays has to do, obviously, with the weather.*
- *Schedule of Values. The Contractor provided a Schedule of Values which is extremely beneficial to the District in managing the cash flow.*
- *Proposed Changes to the Work. Discussed some modifications that will likely require the Contractor to sign a clause to allow for these grade modifications.*

George made reference to the attached schedule from Psomas for design services during construction management. He indicated he is working with Psomas to reduce cost and would like for it not to exceed 2% of the total cost.

Possible Board Action – It is Staff’s recommendation that the Board receive and file this report.

16. DISCUSSION OF RESOLUTION FOR A BALANCED BUDGET

Discussion – Director Hoelscher requested that the Board discuss a resolution for a balanced budget.

Director Hoelscher stated that he brought this up, because there are many financial issues going forward that need to be addressed for a balanced budget, such as CalPERS.

Legal Counsel stated there are statutory requirements that the District has enough revenue to cover costs. Director Uso stated that the Board needs to do a better job informing the public about fiscal issues.

Possible Board Action – Discuss and take appropriate action.

17. EL DORADO COUNTY WATER AGENCY – USE OF VENDOR LIST

Discussion – The El Dorado County Water Agency is empowered to negotiate contracts with the District for water management and facility construction. Such contracts currently exist between the Agency and District. The Agency has developed a vendor pool of qualified contractors. The District currently has no listing of their own and could benefit from the ability to utilize this list.

Darrell described the cost savings from pulling information. EDWA has a vendor list that they have already vetted. It is helpful when districts like ours can utilize a list like that instead of taking the time to look for vendors ourselves and vet them.

Possible Board Action – It is Staff’s recommendation that the Board authorize Staff to use the vendors on this list.

Motion by Director Wadle to authorize Staff to use the EDCWA’s vendor list of qualified contractors as long the District to go to bid when required. Second by Director Hanschild.

The motion passed unanimously.

18. **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.

Director Uso stated that each Director has the right to place items on the Agenda. Director Hoelscher had emailed him and Darrell Creeks to request the addition of two items and he was pleased to accommodate him. However, he asked that Board Members to use this portion of the agenda to request that items be placed on the Agenda. This will allow an opportunity to provide clarity and direction to Staff on the agenda items requested.

No additional agenda items were presented at this time.

The Board adjourned to Close Session at 3:17 PM.

19. **ADJOURN TO CLOSED SESSION - EMPLOYEE EVALUATION**

Pursuant to Government Code 54957(b)(1), the Board adjourns to closed session for: PUBLIC EMPLOYEE INTERVIEWS

TITLE: General Manager

20. **ADJOURN TO OPEN SESSION** – Announcement of action taken in closed session.

The Board adjourned to Open Session at 3:18 PM. No action taken during closed session was announced.

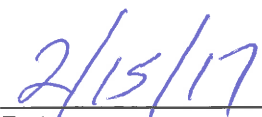
21. **NEXT MEETING DATE AND ADJOURNMENT** – Next regular meeting February 14, 2017, at 2:00 PM, at the Georgetown Divide Public Utility District office.

The meeting was adjourned at 3:19 PM.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Darrell Creeks by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District’s bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on January 6, 2017.



Darrell Creeks, Interim General Manager



Date

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

MONDAY, JANUARY 30, 2017
4:00 PM

MISSION STATEMENT

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

- Provide reliable water supplies
 - Ensure high quality drinking water
 - Promote stewardship to protect community resources, public health and quality of life
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 - 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 4:00 pm. Directors present: David Halpin, Jesse Hanschild, Carl Hoelscher, Lon Uso and Dane Wadle. Staff present: Office Manager / Meeting Recorder: Diane Schroeder. Legal Counsel: Helane Seikaly of Churchwell White.

2. ADOPTION OF AGENDA

Motion by Director Halpin to approve the agenda. Second by Director Hanschild.

Public Comment: None

The motion passed unanimously.

- 3. PUBLIC FORUM** – This is a special meeting under Government Code Section 54956. Public comment is limited to items appearing on the agenda. Under Section 54954.3, the public shall have the right to comment on any items appearing on the agenda prior to or during consideration of this item. Public comment on items not appearing on the agenda should be made at the regular meetings of the District.

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. ADJOURN TO CLOSED SESSION – Public Employee Release.** The board adjourned to closed session at 4:03 pm.

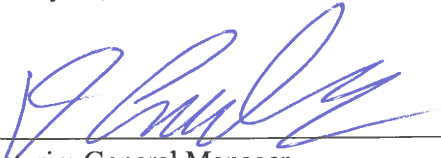
Pursuant to Government Code 54957, the Board adjourns to closed session for: Public Employee Release (§54957)

- 5. ADJOURN TO OPEN SESSION** – Announcement of action taken in closed session.

The board returned to open session at 4:11 pm and reported the employee is released from probationary period.

- 6. NEXT MEETING DATE AND ADJOURNMENT** – The next regular meeting will be February 14, 2017, at 2:00 PM at the Georgetown Divide Public Utility District office.

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Darrell Creeks, Interim General Manager

2/15/17

Date

GDPUD
PO BOX 4240
Georgetown, CA 95634
(530) 333 4356
Fax: (530) 333-9442

Memo

To: Board of Directors
From: Christina Cross, Administrative Aide II
Date: February 14, 2016
Re: Final Early Accounts Payable for February 2017

Please take note that checks have been printed and mailed prior to February 14, 2017 for the following vendors to take advantage of early payment discounts or to comply with payment deadline.

AARP
ACWA/JPIA
Anthem Blue Cross
AT&T
Blue Shield of CA
BOE
Churchwell White
De Lage Landen
Home Depot
Legal Shield
Medical Eye Services
Mobile Mini
Mountain Democrat
PG&E
Powernet Global
Premier Access Dental
Pro Line Cleaning Services
Robinson Enterprise
United Health Care

Verizon Wireless
Wells Fargo SRF

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Accounts Payable -- February 2017 Final Pay

Name Description	Amount	Account	Amount
ACWA JPIA - Employee Benefits	\$77,590.50	5118	\$4,568.79
		5218	\$11,628.06
		5318	\$9,303.53
		5418	\$17,392.95
		5518	\$8,423.51
		5618	\$11,181.72
		6718	\$3,326.30
		12-5668	\$11,765.64
ADT - Monthly service cost	\$187.28	10-5380	\$39.89
		10-5680	\$147.39
All Cycles	\$2,104.33	5138	\$15.89
		5246	\$2,003.44
		5446	\$85.00
ARC	\$52.77	1553	\$52.77
AT&T-Monthly Service	\$809.09	5344	\$235.69
		5544	\$216.39
		5644	\$190.45
		6744	\$99.67
		30-1226	\$66.89
Chris Barbour	\$160.00	5438	\$100.00
		5484	\$60.00
Sharon Barbour	\$900.00	5439	\$900.00
Bear Creek Quarry	\$225.00	5438	\$225.00
BJ Pest control	\$360.00	5676	\$360.00
Board of Equalization	\$522.00	5638	\$522.00
California Diesel & Power	\$3,866.08	5346	\$3,866.08
California Laboratory Services	\$943.74	6784	\$943.74
Caltronics-Copier contract-copy charges	\$282.35	5640	\$282.35
Carmody	\$59.00	6744	\$59.00
CCS Interactive	\$69.00	5640	\$69.00
Costco	\$55.00	5689	\$55.00
Churchwell White	\$9,115.76	40-6736	\$50.00
		5636	\$2,675.00
		5636-010	\$2,785.76
		5636-012	\$1,697.50
		5636-015	\$385.00
		1553-911	\$1,522.50
Corbin Willits Service	\$1,463.20	5546	\$276.60
		5646	\$276.60
		5380	\$585.00
		5480	\$325.00
De Lang-Copier Lease 1/1/17-1/31/17	\$238.63	5640	\$238.63
De Lang-Formax Machine Lease 1/1/17-1/31/17	\$186.04	5640	\$186.04
Department of Forestry & Fire Protection	\$3,886.54	5211	\$3,886.54
Diamond Well Drilling	\$530.00	5384	\$80.00

		5484	\$450.00
<i>Director Payments:</i>			
<i>Halpin, Dave-January Stipend</i>	\$400.00	5670	\$400.00
<i>Hanschid, Jesse-January Stipend</i>	\$400.00	5670	\$400.00
<i>Hoelscher, Carl- January Stipend</i>	\$400.00	5670	\$400.00
<i>Uso, Lon-January Stipend</i>	\$400.00	5670	\$400.00
<i>Wadle, Dane-January Stipend</i>	\$400.00	5670	\$400.00
Divide Auto Parts	\$623.21	5138	\$235.41
		5238	\$136.02
		5438	\$251.78
Divide Supply, Inc	\$357.13	5338	\$286.34
		5438	\$37.92
		6738	\$32.87
Ecorp Consulting, Inc	\$2,746.10	5128	\$2,746.10
El Dorado County Registrar of Voters	\$6,815.87	5691	\$6,815.87
El Dorado Air Quality Management District	\$1,757.67	6784	\$554.89
		5384	\$1,202.78
El Dorado Community Development Agency/Environmental	\$562.00	5384	\$562.00
El Dorado Disposal	\$310.74	5344	\$207.16
		5644	\$103.58
EN2 Resources, Inc	\$5,314.75	1650	\$5,314.75
Fechter	\$6,377.00	5627	\$6,377.00
Ferguson	\$3,783.96	5438	\$3,783.96
Ferrellgas	\$1,003.17	5644	\$1,003.17
Garden Valley Feed & Hardware	\$31.59	5438	\$31.59
G&O Body Shop	\$145.00	5280	\$145.00
Gempler's	\$26.82	6738	\$26.82
George Sanders	\$5,120.00	5380-907	\$2,640.00
		5380	\$240.00
		5680	\$1,160.00
		5680-010	\$1,080.00
Georgetown Ace Hardware	\$385.66	5138	\$78.42
		5338	\$10.73
		5438	\$214.84
		5638	\$81.67
GDPUD-Petty Cash Dec 2016-Feb 2017	\$202.75	5638	\$72.02
		5438	\$62.68
		5640	\$7.29
		5641	\$60.76
Georgetown Gazette, LLC-Founders Day	\$165.68	5340	\$165.68
Global Machinery	\$362.86	5138	\$181.43
		5238	\$181.43
Goodyear	\$519.57	5438	\$519.57
Harris Gas	\$220.38	5239	\$70.00
		5439	\$70.00
		5438	\$80.38
Holdrege & Kull Consulting Engineers	\$2,000.00	6780	\$2,000.00
Home Depot	\$473.03	5139-502	\$154.98

		5239-502	\$154.97
		5438	\$163.08
Legalshield	\$170.05	5190	\$8.95
		5290	\$26.85
		5390	\$8.95
		5490	\$35.80
		5590	\$17.90
		5690	\$35.80
		5690-010	\$26.85
		6790	\$8.95
MC Engineering, Inc	\$7,514.95	5480	\$7,514.95
Medical Eye Services February 2017	\$625.84	5118	\$37.48
		5218	\$112.44
		5318	\$18.74
		5418	\$74.96
		5518	\$37.48
		5618	\$307.26
		6718	\$37.48
MJT Enterprises, Inc-Temporary Labor	\$3,787.44	5511	\$827.84
		5611-010	\$2,590.00
		5611	\$369.60
Mobile Mini-Storage Rental	\$184.39	5639	\$184.39
Mountain Democrat	\$111.54	5640	\$111.54
National Document Solutions	\$1,647.25	5644	\$1,647.25
NTU Technologies, Inc	\$6,764.80	5338	\$6,764.80
PG&E-Utilities Electric	\$20,373.83	5344	\$17,830.78
		5444	\$365.00
		5644	\$970.29
		6744	\$1,207.76
Pape	\$98.80	5638	\$98.80
Phillips Steel	\$90.54	5438	\$90.54
Powernet Global	\$139.64	5644	\$139.64
Premier Access Dental January 2017	\$2,524.30	5118	\$111.56
		5218	\$278.90
		5318	\$55.78
		5418	\$278.90
		5518	\$111.56
		5618	\$1,576.04
		6718	\$111.56
Proline Cleaning Services, Inc	\$250.00	5676	\$250.00
Robinson Enterprise-Gasoline & Diesel	\$3,252.12	5148	\$395.53
		5248	\$1,003.82
		5348	\$516.94
		5448	\$1,196.60
		6748	\$139.23
Rocklin Saw Works	\$637.50	5180	\$318.75
		5280	\$318.75
Santander	\$1,230.88	2113	\$1,077.57
		5610	\$153.31

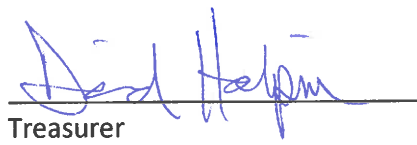
Sierra Chemical Company	\$3,621.00	5338	\$3,621.00
Siren & Associates	\$12,180.00	5680	\$3,150.00
		6780	\$1,680.00
		5180	\$7,350.00
Jason Smith	\$45.00	5484	\$45.00
Bryan Stiles	\$200.00	5138	\$200.00
Teichert Aggregates	\$513.03	5438	\$513.03
United Rentals	\$1,000.00	5441	\$400.00
		5241	\$600.00
US Postal Service-Permit 6	\$2,000.00	5540	\$1,500.00
		5640	\$300.00
		6740	\$200.00
USA Blue Book	\$282.30	5338	\$282.30
Valley Pump	\$1,083.24	6738	\$1,083.24
Vaughn Johnson, CPA	\$3,210.00	5680	\$3,210.00
Verizon Wireless	\$558.66	5344	\$27.13
		5444	\$372.94
		5644	\$131.89
		6744	\$26.70
Walkers	\$342.49	5640	\$162.93
		5639	\$122.16
		6738	\$28.70
		5538	\$28.70
White Cap	\$419.15	5138	\$104.78
		5238	\$157.18
		5438	\$157.19
Wienhoff	\$30.00	5441	\$30.00
Total General Fund	\$219,799.99		\$219,799.99

RETIREE FUND			
AARP Medicare Rx - February 2017	\$33.40	12-5668	\$33.40
Blue Sheild of CA-J. Leu 2/1/17-4/30/17	\$639.00	12-5668	\$639.00
Blue Sheild of CA-E. Leu 2/1/17-4/30/17	\$792.00	12-5668	\$792.00
Anthem Blue Cross-Retiree Insurance Prem. 1/1/17-1/31/17	\$1,560.11	12-5668	\$1,560.11
Anthem Blue Cross-Retiree Insurance Prem. 2/1/17-2/28/17	\$1,240.28	12-5668	\$1,240.28
Anthem Blue Cross- P. Herford 1/1/17-3/1/17		12-1157	
Blue Shield of CA - J St Dennis February 2017	\$169.00	12-5668	\$169.00
Blue Shield of CA - J St Dennis March 2017	\$169.00	12-5668	\$169.00
Blue Shield of CA - M. Davis 3/1/117-5/31/17	\$483.00	12-5668	\$483.00
Unitedhealthcare Ins - Prepay for D Schwagel, February 2017	\$142.25	12-5668	\$142.25
Unitedhealthcare Ins - Prepay for D Schwagel, March 2017	\$142.25	Dec-68	\$142.25
Total Retiree Fund	\$5,370.29	FUND #12	\$5,370.29

STUMPY MEADOWS EMERGENCY RESERVE FUND (SMERF)			
Wells Farge SRF	\$4,593.90	1115	\$4,593.90
Total SMERF Fund	\$4,593.90	FUND#19	\$4,593.90

Capital Reserve Fund			
Auburn Ford	\$47,833.28	1414-502	\$47,833.28
Total Capital Reserve Fund	\$47,833.28	Fund #43	\$47,833.28
TOTAL ALL FUNDS IN GENERAL ACCOUNT	\$277,597.46		\$277,597.46

Approved for Payment:



 Treasurer



 General Manager

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT						
STATEMENT OF CASH AND INVESTMENT BALANCES DECEMBER 31, 2016						
	BEGINNING	CASH	CASH DIS-	TRANSFERS	ENDING	
	BALANCE	RECEIPTS	BURSEMENTS	IN (OUT)	BALANCE	
8 SMUD Fund	216,340.00				216,340.00	
9 CABY Grant	(30,921.23)	6,493.57	(4,634.78)		(29,062.44)	
10 General Fund	640,409.12	64,997.07	(306,740.03)		398,666.16	
12 Retiree	545,159.69	2,072.10	(6,401.31)		540,830.48	
14 Stewart Mine	28,783.68				28,783.68	
25 Bayne Road & Other Assessment Districts	67,259.15		(750.00)		66,509.15	
17 Water Development	399,094.90				399,094.90	
19 Stumpy Meadows Emergency Reserve Fund (SMERF)	1,046,025.37		(4,538.22)		1,041,487.15	
43 Capital Reserve Cash Clearing	1,088,432.57		(30,057.89)		1,058,374.68	
53 Pilot Hill North	(7,480.80)				(7,480.80)	
54 Pilot Hill South	50,067.85				50,067.85	
51 Kelsey North	119,641.01				119,641.01	
52 Kelsey South	209,357.16				209,357.16	
29 State Revolving Fund	39,289.87	2,296.95	(2,296.95)		39,289.87	
30 Small Hydro Fund	589,876.24		(67.13)		589,809.11	
31 Pipeline Extension Holding Fund to 26	0.00				0.00	
35 Environmental Protection Agency	315,097.95				315,097.95	
37 Garden Valley Water Improvement District	71,426.79				71,426.79	
39 Capital Facility Charges	1,677,167.40				1,677,167.40	
24 ALT - WTP Capital Reserve	764,860.52				764,860.52	
40 Auburn Lake Trails (ALT) Zone Fund	961,122.51	13,482.39	(40,447.14)		934,157.76	
41 ALT Tank Replacement Loans & Repair Activity	33,726.91				33,726.91	
42 ALT CDS Reserve Connection Fund	181,540.62				181,540.62	
	9,006,277.28	89,342.08	(395,933.45)	0.00	8,699,685.91	
Totals by Type of Account:		Rate Information:				
EI Dorado Savings Bank Checking	90,542.32	0.03%				
EI Dorado Savings Bank Savings	1,669,149.40	0.14%				
Wells Fargo State Revolving Fund Debt Accounts	29,523.69			0.00		
Wells Fargo Brokered Time Deposits		2.00%				
Local Agency Investment Fund	6,910,470.50	0.28%				
Grand Total	\$8,699,685.91					

Memo



To: Board of Directors
From: Diane Schroeder, Office Manager
Date: February 14, 2017
SUBJECT: **MID-YEAR BUDGET AND INVESTMENT REVIEW**
Board Meeting of February 14, 2017; **Agenda Item #04C**

BACKGROUND / DISCUSSION

There have been a few small changes to both the Operations Budget and Capital Budget for Fiscal Year 2016-2017. (Please see **Attachment 1 and 2** to this report.) These changes add clarification for the Board to review.

FY 2016-2017 Revised Operations Budget

The July-December 2017 Expense and Revenue accounts have been reviewed Year-to-Date (YTD). A correction to Account 5094 for Depreciation did not include a budgeted amount which skewed the overall operating budget to 63% (see Attachment 2).

Adjusting the depreciation forecast in the amount of \$632,837.00 accurately reflect assets as of December 2016. Simply adding a budgeted amount to this account total operating expenses would reflect 52% in additional budget changes to Accounts 5038 and 5039.

The two expense accounts need to be adjusted. Cost associated with three CIP projects need to accurately capture the cost in Fund 43, as described below:

Adjust the following two accounts:

- Account **5038** (Materials & Supplies) current disbursements in the amount of \$108,049.00 (Attachment 2) need to be adjusted to \$98,105.00 (Attachment 1). \$9,943.74 will be funded out of Fund 43.
- Account **5039** (Rentals/Outsourced Maintenance) current disbursements in the amount of \$46,025.00 (Attachment 2) will be adjusted to \$26,867.00 (Attachment 1). \$19,158.03 will be funded out of Fund 43.

The amount from the above-mentioned accounts are three projects that need to be added to the CIP Projects, Fund 43:

- **Upper Ditch Project** (100% completed) with a budgeted amount of \$18,000.00. The total cost of the project came to \$17,979.21.

- **Spanish Flat Project** (100% complete) with a budgeted amount of \$5,000. The total cost of the project came to \$4,593.57.
- **Pipe Threader Equipment** (purchased) in the amount of \$6,528.96.

RECOMMENDATION

- Add a budget amount for depreciation to Department 5094.
- Create three CIP projects and adjust operational cost for Fund 5038 and 5039.
- Allow the District Accountant to make the above-mentioned adjustments.

Staff recommends Board approval of the FY 2016-17 Mid-Year Budget Revision.

ATTACHMENT 1
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Expense Summary Mid-Year Review

Acct#	EXPENSE CATEGORY	Budget 2016-2017	To Date 7/1/2016 - 12/31/2016	Balance	% of Budget Spent
Operating Expenses:					
5010	Labor	1,153,108	609,689	543,419	53%
5019	Overtime	64,000	38,699	25,301	60%
5017	Standby	55,500	27,640	27,860	50%
5011	Temporary Labor	94,000	30,027	63,973	32%
5014	PERS Benefits	117,592	67,264	50,328	57%
5015	Deferred Compensation	0	0	0	-
5016	Payroll Taxes	106,633	56,032	50,601	53%
5018	Insurance: Health & Life Plans	271,950	180,795	91,155	66%
5020	Insurance: Worker's Comp.	94,069	26,967	67,102	29%
5027	Audit	22,000	10,003	11,997	45%
5028	Engineering-Studies, including Ecorp.	0	9,434	(9,434)	
5034	Insurance: General	67,695	31,325	36,370	46%
5036	Legal-General	121,000	43,830	77,170	36%
5038	Materials and Supplies	183,650	98,105	85,545	53%
5039	Rentals/ Outsourced Maintenance	27,200	26,867	333	99%
5040	Office Supplies	48,000	19,661	28,339	41%
5041	Staff Development	10,500	1,271	9,229	12%
5042	Travel-Conference	15,000	45	14,955	-
5044	Utilities	198,308	103,237	95,071	52%
5046	Vehicle & Equipment Maintenance	51,000	28,629	22,371	56%
5048	Vehicle Operations	50,200	21,070	29,130	42%
5060	Bank Fees & Payroll Services	5,000	2,860	2,140	57%
5068	Retiree Health Premiums	132,000	82,984	49,016	63%
5070	Director Stipends	24,000	12,400	11,600	52%
5076	Building Maintenance	9,500	3,028	6,472	32%
5080	Outside Service/Consultants	133,000	87,053	45,947	65%
5084	Govt. Regulation/Lab Fees	170,000	85,238	84,762	50%
5090	Other:	2,000	1,456	544	73%
5090	Other: Recruitment	0	7,289	(7,289)	
5090	Other: County Tax Admin. Fees	37,000	17,622	19,378	48%
5089	Other: Memberships	16,500	5,615	10,885	34%
5094	Depreciation	632,837	316,419	316,419	50%
Total Operating Expense		\$3,913,242	2,052,555	1,860,687	52%
Non-operating Expenses:					
7010	Interest Expense	\$33,000	13,499	19,501	41%
7090	Other		2,626	(2,626)	
Total Non-operating Expenses		\$33,000	16,126	16,874	49%
Total Expenses		\$3,946,242	2,068,680	1,877,562	44%
Net Income (Loss)		\$217,800	\$145,945		67%

ATTACHMENT 2
Georgetown Divide Public Utility District
Expense Summary (does not include a Depreciation Budget)

Acct#	EXPENSE CATEGORY	Budget 2016-2017	To Date 7/1/2016 - 12/31/2016	Balance	% of Budget Spent	Includes capi See without c forecast
Operating Expenses:						
5010	Labor	1,153,108	609,689	543,419	53%	1,275,000
5019	Overtime	64,000	38,699	25,301	60%	62,000
5017	Standby	55,500	27,640	27,860	50%	54,000
5011	Temporary Labor	94,000	30,027	63,973	32%	60,053
5014	PERS Benefits	117,592	67,264	50,328	57%	325,000
5015	Deferred Compensation	0	0	0	-	0
5016	Payroll Taxes	106,633	56,032	50,601	53%	99,000
5018	Insurance: Health & Life Plans	271,950	180,795	91,155	66%	361,591
5020	Insurance: Worker's Comp.	94,069	26,967	67,102	29%	53,934
5027	Audit	22,000	10,003	11,997	45%	9,270
5028	Engineering-Studies, including Ecorp.	0	9,434	(9,434)		18,868
5034	Insurance: General	67,695	31,325	36,370	46%	62,650
5036	Legal-General	121,000	43,830	77,170	36%	87,660
5038	Materials and Supplies	183,650	108,049	75,601	59%	216,098
5039	Rentals/ Outsourced Maintenance	27,200	46,025	(18,825)	169%	92,049
5040	Office Supplies	48,000	19,661	28,339	41%	39,323
5041	Staff Development	10,500	1,271	9,229	12%	2,541
5042	Travel-Conference	15,000	45	14,955	-	90
5044	Utilities	198,308	103,237	95,071	52%	206,474
5046	Vehicle & Equipment Maintenance	51,000	28,629	22,371	56%	57,258
5048	Vehicle Operations	50,200	21,070	29,130	42%	42,141
5060	Bank Fees & Payroll Services	5,000	2,860	2,140	57%	5,720
5068	Retiree Health Premiums	132,000	82,984	49,016	63%	165,968
5070	Director Stipends	24,000	12,400	11,600	52%	24,800
5076	Building Maintenance	9,500	3,028	6,472	32%	6,056
5080	Outside Service/Consultants	133,000	87,053	45,947	65%	174,107
5084	Govt. Regulation/Lab Fees	170,000	85,238	84,762	50%	170,477
5090	Other:	2,000	1,456	544	73%	2,000
5090	Other: Recruitment	0	7,289	(7,289)		14,578
5090	Other: County Tax Admin. Fees	37,000	17,622	19,378	48%	35,243
5089	Other: Memberships	16,500	5,615	10,885	34%	11,230
5094	Depreciation		316,419			632,837
Total Operating Expense		\$3,280,405	2,081,656	1,198,749	63%	4,388,016
Non-operating Expenses:						
7010	Interest Expense	\$33,000	13,499	19,501	41%	26,998
7090	Other		2,626	(2,626)		5,253
Total Non-operating Expenses		\$33,000	16,126	16,874	49%	32,251
Total Expenses		\$3,313,405	2,097,781	1,215,624	54%	
					% W/O Depr	
Net Income (Loss)		\$217,800	\$116,844		54%	

Memo



TO: Board of Directors
FROM: Darrell Creeks, Interim General Manager
DATE: February 14, 2017
SUBJECT: SURPLUS EQUIPMENT
Board Meeting of February 14, 2017; Agenda Item #04D

DISCUSSION / BACKGROUND

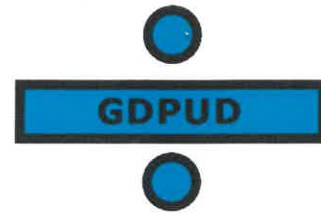
Staff has identified a vehicle that is currently not in use, to be declared as surplus. The vehicle is a 1995 Ford F150 with 212,000 miles. The vehicle recently failed a smog check. The vehicle has been replaced, with the purchase of a new vehicle as identified within the current FY 2016-17 Budget.

Staff can provide additional information relative to the overall condition of this vehicle upon request.

RECOMMENDATION

It is Staff's recommendation that the Board declare the vehicle described above as surplus and direct Staff to dispose of it through an auction or by other appropriate action.

Memo



TO: Board of Directors
FROM: Director Lon Uso, President
DATE: February 14, 2017
SUBJECT: **APPROVE THE EMPLOYEMENT AGREEMENT WITH STEVE PALMER FOR THE POSITION OF GENERAL MANGER**

Board Meeting of February 14, 2017; Agenda Item #05

DISCUSSION / BACKGROUND

The Board of Directors initiated the recruitment process for a new General Manager at its Board meeting of August 9, 2016. Through Ralph Anderson & Associates, an executive search consulting firm, the Board announced the opening, received and vetted numerous applications, and conducted interviews to evaluate the applicants' knowledge, experience, administrative skills, and abilities.

The Board is pleased to announce the selection of Steve Palmer for the position of General Manager.

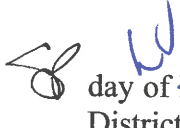
Mr. Palmer brings to the District a wealth of experience and knowledge acquired as the Director of Public Works for the City of St. Helena; through his years as Supervising Engineer and Project Manager with consulting engineering firms that provide engineering support to municipalities throughout California; as well as engineering management positions with other California cities, including the cities of Wildomar, Lincoln, and Elk Grove. His list of career achievements is impressive.

This Employment Agreement allows Steve Palmer to begin his assignment with the District on March 6, 2017.

RECOMMENDATION

Approve and authorize the Board President to execute the Employment Agreement with Steve Palmer for the position of General Manager.

**EMPLOYMENT AGREEMENT
GEORGETOWN DIVIDE PUBLIC UTILITY
DISTRICT GENERAL MANAGER**

 **THIS EMPLOYMENT AGREEMENT** (“Agreement”) is made and entered into this 14th day of February 2017 (“Effective Date”), by and between the Georgetown Divide Public Utility District, a California public utilities district (the “District”) and Steve Palmer (“Employee”), an individual. The District and Employee may individually be referred to herein as “Party” or collectively as “Parties”. There are no other parties to this Agreement.

RECITALS

A. The District has created the position of District manager (“General Manager”), pursuant to Public Utilities Code section 16111(d), to be the administrative head of the District government under the direction and control of the District’s Board of Directors (“Board”).

B. The District has been actively recruiting for the position of General Manager and has interviewed numerous qualified applicants.

C. The Board has evaluated Employee's knowledge, experience, administrative skills and abilities, as evidenced in his professional background, and has determined that Employee is the best candidate within the District's General Manager salary range and is qualified to fill the position of General Manager.

D. The Parties desire to execute this Agreement pursuant to the authority of, and subject to the provisions of, Government Code Section 53260 et seq. to appoint Employee as the General Manager for the District.

NOW, THEREFORE, in consideration of the mutual covenants entered into between the Parties and in consideration of the benefits that accrue to each, it is agreed as follows:

Section 1. Recitals. The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Appointment of General Manager, Duties and Term

Section 2.1 Appointment of General Manager. The Board hereby appoints Employee to the position of General Manager in and for the District to perform the function and duties of the General Manager as specified in this Agreement, and Employee accepts such appointment and employment pursuant to the terms of this Agreement.

Section 2.2 Term. The term of this Agreement shall commence on the Effective Date and shall continue until terminated by one or both of the Parties (“Term”), as outlined in Section 15 of this Agreement.

Section 2.3. General Manager Duties. For the Term, Employee shall perform the functions of the General Manager position in accordance with Public Utilities Code section 16114, the terms of this Agreement, and the District's General Manager job description, last ratified as of May 2001, which is attached hereto as **Exhibit A**. Employee's duties, responsibilities, and limitations as General Manager include, but are not limited to:

A. Under administrative direction of the Board, Employee shall be in charge of the administrative public relations, personnel and general affairs of the District. Employee shall represent the Board's policies and programs with other employees, community organizations and the general public. Employee shall report to the Board as needed, including at regular and special meetings, work with other employees of the District, including preparation of contracts, review of budget requests and to make those recommendations reasonably necessary to run the District.

B. Employee does not have authority to enter into any contract in excess of Ten Thousand Dollars (\$10,000.00) without the express consent of the Board. Employee has authority to enter into any contract up to Ten Thousand Dollars (\$10,000.00), which expenditure is set forth in the approved annual budget, consistent with District Ordinance 2012-18 or any modification thereto, which sets forth the General Manager's contracting authority.

C. Employee shall conduct the business of the District and report to the District at general or other meetings noticed by the District. Employee shall otherwise have the responsibility and authority for operation of all works of the District, including its infrastructure, reservoirs, tanks, water treatment plants, water conveyance, water pipelines, and any and all other equipment and property. Employee shall be responsible for supervising and directing personnel at the District, including personnel actions. However, Employee shall not have the authority to alter the job position or compensation of any employee without express permission and consent of the Board.

D. Employee shall become fully aware and knowledgeable of the requirements of the applicable job duties of the General Manager. Employee acknowledges receipt of a copy of the job description for General Manager for the Georgetown Divide Public Utility District, last ratified as of May 2001. Employee represents to have the time, skill and background in order to properly effectuate those job duties.

Section 2.4 No Secondary Employment. Employee agrees to devote all of his productive time, ability and attention to the District's business. During the Term of this Agreement, Employee shall not hold secondary employment and shall be employed exclusively by the District, subject to any exceptions approved in writing by the Board. Provided, however, that Employee has the right to volunteer for such nonprofit organizations as he may see fit; and further provided that such volunteer services shall not interfere with his duties as General Manager.

Section 2.5 Exempt Position. The position of General Manager is an exempt position for purposes of the Fair Labor Standards Act of 1938 (29 U.S.C. § 201 et seq.). The general business hours for District employees are Monday through Friday, 7:45 a.m. to 4:30 p.m. This full-time employment will typically average forty (40) hours of work per week. Employee's typical working hours will be during regular business hours, plus evening hours as needed to attend Board meetings

and other District business. However, it is recognized by the Parties that Employee's hours may exceed forty (40) hours of work per week. As such, Employee shall not receive overtime or extra compensation for hours worked outside of general business hours which are necessary to fulfill the duties of the General Manager position.

Section 2.6 At-Will Employment. Employee is an “at will” employee serving at the pleasure of the Board, as provided in Public Utilities Code section 16112. Accordingly, the Board may terminate Employee's employment at any time, with or without cause, by a three-fifths (3/5) vote of the Board.

Section 2.7 Probationary Period. Employee shall be subject to a six (6) month probationary period, commencing on the Effective Date of this Agreement, during which period the District may terminate Employee at any time, with or without notice, for cause or for the convenience of the District.

Section 2.8 No Property Right in Employment. Employee understands and agrees that the terms of his employment are governed only by this Agreement, and that no right of employment for any specific term is created by this Agreement. Employee further understands that based on his “at will” employment status, he acquires no property interest in his employment by virtue of this Agreement, and that he is not entitled to an administrative hearing or other due process for any disciplinary actions, including termination, by the District.

Section 2.9 No Membership in Bargaining Unit. Employee understands that he is not a member of any bargaining unit and is not covered by the terms of any Memorandum of Understanding with any represented or unrepresented group of District employees

Section 3. Compensation.

Section 3.1 Base Salary. Employee shall be paid at a rate of One Hundred Fifty-Five Thousand Dollars (\$155,000) (“Base Salary”) per year. Payments will be made on regularly scheduled payroll dates and shall be subject to all applicable payroll withholdings. Such compensation shall be the only compensation the District pays, and the Employee receives, for Employee's services under this Agreement.

Section 3.2 Health, Dental, and Vision Insurance Benefits. During the Term of this Agreement, the District agrees to contribute to basic medical insurance premiums, excluding dental and vision, in the following manner: (A) for the Employee only plan, the District will pay one hundred percent (100%) of the premium for the lowest plan available; (B) for the Employee plus one dependent plan or the Employee plus two or more dependents, the District shall pay the premium at the previous year maximum contribution rate and shall adjust up to ninety-three percent (93%) of the costs of the current year premium for the lowest plan available, as shown in **Exhibit B**, which is attached hereto. Notwithstanding the above, the District shall not pay for a premium increase that exceeds twelve percent (12%) of the previous year's premium. For dental and vision insurance, the District shall pay the premium for the Employee only, but coverage may be extended to Employee's dependents at the option and expense of Employee.

Section 3.3 Life Insurance. The District shall pay for term life and accidental death and dismemberment insurance coverage for Employee with a death benefit equal to Employee's Base Salary, as provided in Section 3.1 of this Agreement.

Section 3.4 Retirement Benefits. Employee shall be enrolled in the PERS 2% at 62 Plan with the three (3) highest year option. Pursuant to the Public Employees' Pension Reform Act, Employee shall contribute half of the District's normal cost rate of contribution to his PERS plan as his contribution portion. Employee's plan shall be integrated with Social Security and cost of living adjustments shall not exceed two percent (2%).

Section 3.5 Deferred Compensation. Employee has been enrolled in the ICMA Deferred Compensation Plan. The District will contribute five percent (5%) of his Base Salary on an annual basis either throughout the year or annually, as determined by the District, to the ICMA Deferred Compensation Plan in addition to Employee's Base Salary.

Section 3.6 Vacation Leave. Employee shall accrue vacation leave at a rate of 4.615 hours per biweekly pay period or up to a maximum of one hundred twenty (120) hours per year. The Employee may accrue up to a total of three hundred twenty (320) hours of vacation leave. Once Employee accrues the maximum three hundred twenty (320) hours of vacation leave, no additional accrual will occur until Employee's bank of vacation leave is reduced below three hundred twenty (320) hours. Employee will have forty (40) hours of vacation credited upon date of hire and available for use immediately as needed.

Section 3.7 Sick Leave. Employee shall accrue sick leave at a rate of 3.69 hours for every biweekly pay period, up to a maximum of ninety-six (96) hours or twelve (12) work days per year. Employee shall begin accruing sick leave on the first day of his employment with the District. Employee will have forty (40) hours of sick leave credited upon date of hire and available for use immediately as needed.

Section 3.8 Cellular Phone. The District shall provide Employee with a cellular phone for the Term of the Agreement, which shall be used for business calls. The District shall not be responsible for charges or fees incurred by Employee's use of the cellular phone for personal purposes.

Section 3.9 Holidays. Employee shall be entitled to observe, with pay, the twelve (12) observed holidays as outlined in the District's Personnel Rules.

Section 3.10 District-Related Business Travel Reimbursement. Employee's duties require that he have continuously available transportation for District business or other related purposes. Employee agrees to provide and utilize his own vehicle for District-related business. The District shall reimburse Employee for any District-related business travel at the Internal Revenue Service ("IRS") mileage rate, which may change from time to time.

Section 14. Performance Evaluation. For the first year of this Agreement, performance evaluations shall be conducted following the end of the sixth (6th) and twelfth (12th) month following the Effective Date of this Agreement. After the first year of this Agreement, performance

evaluations, shall be conducted annually in November of each year. The process, at a minimum, shall include the opportunity for both parties to: (A) prepare a written evaluation, (B) meet and discuss the evaluation, and (C) present a written summary of the evaluation results.

Section 15. Termination of Employment and Severance.

Section 15.1. Voluntary Resignation. Employee may resign at any time and agrees to give the District at least sixty (60) days advance written notice of the effective date of Employee's resignation, unless the Parties otherwise agree in writing. If Employee retires from full time public service with the District, Employee shall provide at least three (3) months advance written notice. Employee's actual retirement date will be mutually established between the Parties. During the notice period, all rights and obligations of the Parties under this Agreement shall remain in full force and effect. Promptly after the effective date of resignation, the District shall pay to Employee all salary and benefit amounts both accrued and owing under this Agreement. In the event of voluntary resignation, Employee shall not be entitled to Severance as set forth in Section 15.3 of this Agreement.

Section 15.2. Termination by the Board. The Board may terminate this Agreement and remove Employee from his position as the General Manager at any time, with or without cause, by a three-fifths (3/5) vote of the entire Board. Employee shall not be removed from office during or within a period of ninety (90) days following any general or special municipal election held at which a member of the Board is elected. Upon termination, for any reason, the District shall compensate Employee for all accrued vacation leave. This compensation shall be based upon Employee's salary as of the date of employment termination.

Section 15.3. Termination without Good Cause. In the event the District terminates this Agreement without cause, the District may elect to pay Employee up to a sum equal to three (3) months Base Salary ("Severance"). This potential Severance is subject to the restrictions of Government Code section 53260 which sets out the maximum amount of Severance pay that Employee may receive. Any cash settlement related to the termination of this Agreement received by Employee from the District shall be fully reimbursed to the District if Employee is convicted of a crime involving an abuse of his office or position while employed with the District, pursuant to Government Code section 53243.2. This Severance shall be paid in the same manner as other employees unless otherwise agreed to by the District and Employee. In the event the District terminates this Agreement, Employee shall be entitled to continued medical and dental benefits at his cost pursuant to the provisions of the federal Consolidated Omnibus Budget Reconciliation Act.

Section 15.4. Termination for Good Cause. The District may at any time immediately terminate this Agreement for good cause as defined in this Section 15.4. If Employee is terminated for good cause, the District shall not be required to pay any Severance under this Agreement, and the District shall have no obligation to Employee beyond those benefits accrued as of Employee's last day of employment and those the District is obligated to provide under federal or state law.

"Good Cause" for purposes of this Agreement, means a fair and honest cause or reason for termination. These reasons include, but are not limited to:

1. Conviction of a felony;
2. Disclosing confidential information of the District;
3. Unjustifiable and willful neglect of the duties described in this Agreement;
4. (redundant of #3);
5. Any conduct which violates the District's Personnel Rules and for which a District employee may be terminated;
6. Repeated and protracted unexcused absences from General Manager's office and duties;
7. Willful destruction or misuse of District property;
8. Conduct that in any way has a direct, substantial, and adverse effect on the District's reputation;
9. Willful violation of federal, state or District discrimination laws;
10. Continued substance abuse which adversely affects performance of Employee's duties as General Manager;
11. Refusal to take or subscribe any oath or affirmation which is required by law; or
12. Permanent disability of Employee, or Employee becoming otherwise unable to perform the duties of General Manager, by reason of sickness, accident, illness, injury, mental incapacity or health for a period of six (6) weeks following the exhaustion of all available leave balances and any applicable Family Medical Leave Act or California Medical Leave Act leaves, or where the same occurs for forty (40) working days over a sixty (60) working day period following exhaustion of such leaves.

Notwithstanding any provision in this Agreement to the contrary, the Board may suspend Employee with full pay and benefits at any time during the Term of this Agreement.

Section 16. Indemnification. The District shall defend, hold harmless and indemnify Employee against any tort, personnel, civil rights or professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as General Manager in accordance with California's Tort Claims Act (Government Code § 825 et seq.), and shall provide a defense to Employee in accordance with Government Code sections 995-996.5. The District may decline to defend or indemnify Employee only as permitted by the Government Code. The District may compromise and settle any such claim or suit and pay the amount of any resulting settlement or judgment. Provided, however, that the District's duty to defend and indemnify shall be contingent upon Employee's good faith cooperation with such defense. In the event the District provides funds for legal criminal defense pursuant to this Section, Employee shall reimburse the District for such legal criminal defense funds if Employee is convicted of a crime involving an abuse of office or position, as provided by Government Code sections 53243-53243.4.

Section 17. Notices. Any notice or communication required hereunder between the District and Employee must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice or communication shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to the District
Georgetown Divide Public Utility District
6425 Main Street
Georgetown, CA 95634
Tel: (530) 333-4356
Fax: (530) 333-9442

With a courtesy copy to:
Churchwell White LLP
1414 K Street, Third Floor
Sacramento, California 95814
Attention: Barbara A. Brenner, Esq.
Tel: (916) 468-0950
Fax: (916) 468-0951

If to Employee:
Steven Palmer
P.O. Box 706
Newcastle, CA 95658
(916) 396-4221

Section 18. Exhibits. All "Exhibits" referred to below or attached to herein are, by this reference, incorporated into this Agreement:

<u>Exhibit Designation</u>	<u>Exhibit Title</u>
Exhibit A	Job Description
Exhibit B	Health Insurance Benefits
Exhibit C	Personnel Policy

Section 19. General Provisions

Section 19.1 Modification. No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all Parties to this Agreement.

Section 19.2 Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 19.3 Assignment. No Party to this Agreement shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties hereto.

Section 19.4 Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by the state or federal law in order to enter into the Agreement have been fully complied with. Further, by entering into this Agreement, neither Party; hereto, shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 19.5 Drafting and Ambiguities. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against, the drafting party does not apply in interpreting this Agreement.

Section 19.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 19.7 Venue. Venue for all legal proceedings shall be in the Superior Court of California for El Dorado County.

Section 19.8 Severability. If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

Section 19.9 Counterparts. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

Section 19.10 Entire Agreement. This Agreement, together with its specific references, attachments and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof and supersedes any and all prior negotiations, understanding and agreements with respect hereto, whether oral or written.

Section 19.11 Supersedes Prior Agreements. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations whether, written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

Section 19.12 Mandatory and Permissive. “Shall” and “will” and “agrees” are mandatory. “May” and “can” are permissive.

Section 19.13 Successors and Assigns. All representations, covenants, and warranties specifically set forth in this Agreement by or on behalf of, or for the benefit of, any or all of the Parties hereto, shall be binding upon, and inure to the benefit of, such Party, its successors and assigns.

Section 19.14 Headings. The headings in this Agreement are included for convenience only and neither affect the construction or interpretation of any section in this Agreement, nor affect any of the rights or obligations of the Parties to this Agreement.

Section 19.15 Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 19.16 Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

Section 19.17 Time is of the Essence. Time is of the essence in this Agreement for each covenant and term of a condition herein.

SIGNATURE PAGE DIRECTLY FOLLOWS

IN WITNESS WHEREOF, this Agreement has been entered into by and between EMPLOYEE and the DISTRICT as of the date of the Agreement set forth above.

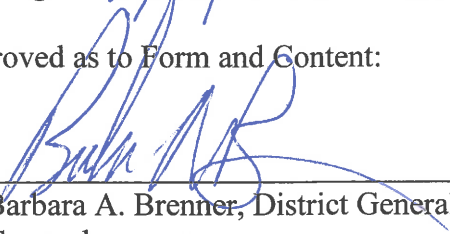
DISTRICT:

Georgetown Divide Public Utility District, a California public utility district

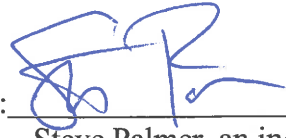
By: 
Lon Uso, President

Date Signed: 2/14/17

Approved as to Form and Content:

By: 
Barbara A. Brenner, District General Counsel

EMPLOYEE:

By: 
Steve Palmer, an individual

Date Signed: 1/27/17

EXHIBIT A – JOB DESCRIPTION

(The remainder of this page left blank intentionally.)

GENERAL MANAGER

Definition

Under administrative direction of the Board of Directors; to be in charge of the administrative, public relations, personnel, and general affairs of the District; to represent the Board's policies and programs with employees, community organizations, and the general public; to review budget requests and make recommendations to the Board on final expenditure levels; to be responsible for employer-employee relations; and to do related work as required.

The General Manager is appointed Clerk and ex officio Secretary of the Board.

Responsibilities of General Manager

- The Manager appointed by the Board of Directors shall have the responsibility and authority for the operation of all the works of the District. This includes \$200,000,000 of operating infrastructure: eighteen reservoirs and tanks, two water treatment plants, seventy miles of raw water conveyance, 200 miles of treated water pipeline, 3,500 services, and appurtenances in a 75,000 acre service area. Only the Manager's assistants and employees shall be permitted to operate District works unless otherwise directed by the Board of Directors.
- The General Manager is responsible for assisting the Board of Directors in accomplishing the Mission of GDPUD. It shall be the duty of the General Manager to enforce all provisions set forth in the rules, regulations, ordinances, and policies. Any person dissatisfied with any determination of the Manager shall have the right to appeal to the Board of Directors of the District.
- The District Manager shall employ such assistants and other employees, as he may deem necessary for the proper operation of the system subject to the approval of positions established by the Board of Directors and at rates of compensation fixed by the Board. The Manager shall delegate authority at his/her discretion. All persons employed in the operation and maintenance of the District facilities shall be under the manager's direction.

Examples of Duties

- Serves as the Chief Administrative Officer for the District.
- In charge of preparing the annual operating budget, currently around \$2,400,000, making recommendations to the Board on final expenditure levels; reviews budget requests and recommends approval or disapproval.
- Oversees investments of short-term and long-term funds, currently totaling \$5,000,000.
- Has responsibility for District personnel matters, including employment procedures, grievances, classification and pay, training and employer-employee relations and negotiations.
- Makes decisions in emergencies which best serve the public health and safety of the people of the District.

- Represents the Board's policies and programs with employees, community representatives, and other government agencies, serving as liaison with State Water Resource Control Board, Central Valley Regional Water Quality Control Board, Department of Fish and Game, county Board of Supervisors, El Dorado County Water Agency, neighboring water districts, local fire districts, and other entities.
- Oversees the operation of onsite waste disposal systems on 1,100 home sites in the Auburn Lake Trails Onsite Waste Disposal Zone.
- Works directly with consultants and attorneys regarding personnel, water rights, and engineering matters.
- Provides advice and consultation on the development of District programs and policies.
- Oversees office operation, billing, and customer relations.
- Oversees development of the Board Agenda for meetings.
- Oversees preparation of leases and agreements with other agencies.
- Oversees preparation of grant applications and maintains responsibility for proper administration of grants received.
- Oversees preparation for long-term capital improvement plans for financing.

Typical Physical Activities

- Travels frequently by automobile and occasionally by airplane in conducting District business.
- Communicates orally with District Board members, co-workers, and the public in face-to-face, one-to-one and group settings.
- Regularly uses a telephone for communication.
- Uses office equipment such as computer terminals, copiers, and FAX machines.
- Sits for extended time periods.
- Hearing and vision within normal ranges.

Special Requirements

Possession of an appropriate California operator's license issued by the State Department of Motor Vehicles. Possession and proof of a good driving record as evidenced by freedom from multiple or serious traffic violations or accidents for at least two (2) years duration. The driving record will not contribute to an increase in the District's automobile insurance rates.

Employment Standards

Knowledge of:

- Principles and practices of public administration, including administrative analysis, fiscal planning, and control, and policy and program development.
- Laws, rules, ordinances, and legislative process controlling District functions, programs, and operations.
- Organization, operations, and problems of special districts.
- Research and evaluation methods.
- Budgeting principles and practices.

Knowledge of (continued)

- Cost estimating and contract administration.
- Public personnel administration, and employer-employee relations.
- Principles of supervision training and management.

Ability to:

- Plan, organize, coordinate, and direct the work of staff to achieve efficient operations and meet program goals.
- Prepare and administer District budgeting and fiscal control processes.
- Collect, organize, and analyze data on a variety of topics.
- Prepare concise and comprehensive reports.
- Oversee the preparation of Board agendas.
- Communicate well during public presentations.
- Exercise leadership, authority, and supervision tactfully and effectively.
- Evaluate and make recommendations on improvements to existing District operations, programs, and services.
- Provide advice and consultation to the Board of Directors on the development of ordinances, regulations, programs, and policies.
- Effectively represent the District's policies, programs, and services with individual citizens, community groups, and other government organizations.
- Establish and maintain cooperative working relationships.

Desirable Education and Experience

Any combination of education and experience which would likely provide the necessary knowledge and abilities is qualifying.

A typical way to obtain the knowledge and abilities would be:

Broad and extensive work experience in a management or administrative position in a public agency, requiring the responsibility for the formulation and implementation of programs, budgets, and administrative operations. At least two years of experience should have been in a management or supervisory capacity.

EXHIBIT B – HEALTH INSURANCE BENEFITS

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2017 OPEN ENROLLMENT
September 30, 2016 to October 15, 2017

AFLAC

Contact: Jennifer Dann 530-906-9387

ACWA Health Plan Premiums
Effective Date of Changes: January 1, 2017

Anthem Blue Cross of CA: www.anthem.com/ca
Kaiser: www.kp.org

	Employee Only	Employee + One	Employee + Family
Anthem Blue Cross Classic Plan (PPO)	\$904.75	\$1,844.36	\$2,479.72
Anthem Blue Cross Advantage Plan (PPO)	\$761.57	\$1,550.85	\$2,084.55
Anthem Blue Cross California Care (HMO)	\$915.61	\$1,821.34	\$2,518.76
Kaiser (HMO) Opti-	\$704.49	\$1,399.08	\$1,975.59
Kaiser (HMO)	\$692.17	\$1,374.45	\$1,940.74

The 2017 District Contribution Caps are:

Employee Only	761.57
Employee + One	\$1,442.29
Employee + Family	\$1,938.63

If you would like to make a change in your insurance coverage, please let us know..

To get new enrollment cards by January 1st, make changes by October 15th.



SUMMARY OF VISION BENEFITS

GEORGETOWN DIVIDE PUBLIC UTILITIES

CONGRATULATIONS!

Follow these simple steps:

- Select a provider.** Select a participating vision care provider by visiting www.MESVision.com. Obtaining services from a Participating Provider will maximize your benefits.
- Make an appointment.** Call the Participating Provider of your choice to make an appointment and inform them of your vision coverage.
- You're done! Your doctor will take care of the rest.** The Participating Provider will contact MESVision to verify your eligible benefits and submit a claim for payment for services covered by your plan.
- If covered services are received from a non-participating provider, you are responsible for paying the provider in full. You or the provider must submit the itemized bill and a copy of your prescription with the Claim Form to MESVision. Reimbursement will be made to the insured person up to the schedule of allowances shown for non-participating providers.

LIMITATIONS

Contact Lenses and fitting except as specifically provided; Eyewear when there is no prescription change, except when benefits are otherwise available; Non-standard lenses, including, but not limited to; Progressive, Photochromic, hi-index, Polycarbonate, occupational lenses, beveled, faceted, coated or oversize; Tints other than pink or rose #1 or #2, except as specifically provided; Two pair of glasses in lieu of bifocals, unless prescribed; New-patient intermediate examinations: When an Enrollee selects a different provider to perform the intermediate examination, the Enrollee will be responsible for the difference between the intermediate examination allowance and the comprehensive examination allowance. To maximize benefits, the patient should return to the original provider; Non-prescription (Plano) eyewear, except when specifically covered.

EXCLUSIONS

Any eye examination required by the employer as a condition of employment; Any covered services provided by another vision plan; Conditions covered by Workers' Compensation; Contact lens insurance of care kits; Frame cases; Covered Services which began prior to the Enrollee's effective date or after benefits have been terminated; Charges for which the Enrollee is not legally obligated to pay; Covered Services required by any government agency or program federal, state or subdivision thereof; Covered Services performed by a Close Relative or by an individual who ordinarily resides in the Enrollee's home; Covered Services obtained from a Non-Participating Provider; Medical or Surgical treatment of the eyes; Orthoptics, vision training or Subnormal or Low Vision Aids; Services that are Experimental or Investigational in nature; Services for treatment directly related to any totally disabling condition, illness or injury; Lenses or frames which are lost, stolen or broken will not be replaced, except when benefits are otherwise available; In connection with war or any act of war whether declared or undeclared; a condition or accident occurring while on full-time active duty in the armed forces or any country or combination of countries.

This is a brief outline of the plan and is not to be accepted or construed as a substitute for the provisions of the contract.

Benefits:

- Co-pay: \$20
- Comprehensive Vision Exam: One every 12 months
- Lenses* (Standard) One pair every 12 months
- Frame:** One frame every 12 months
- Contact Lenses:*** One pair every 12 months

The Policy provides full coverage for Covered Services when you go to a Participating Provider of the MESVision network. If Covered Services are provided by a Non-Participating Provider, charges will be paid, but not to exceed the following Schedule of Allowances.

**Standard" lenses (plastic) fit any frame with an eye size less than 61mm.

	Participating Provider	Non-Participating Provider
Comprehensive Examination	Covered	Up to \$ 40.00
Single Vision Lenses*	Covered	Up to \$ 40.00
Bifocal Lenses*	Covered	Up to \$ 60.00
Trifocal Lenses*	Covered	Up to \$ 80.00
Progressive Lenses	Up to \$ 89.50	Up to \$ 80.00
Polycarbonate Lenses****	Up to \$ 75.00	Up to \$ 50.00
Aphakic Monofocal	Covered	Up to \$ 125.00
Aphakic Multifocal	Covered	Up to \$ 125.00
Frame**	Up to \$ 90.00	Up to \$ 45.00
Contact Lenses ***		
Medically Necessary	Covered	Up to \$ 210.00
Cosmetic or Convenience	Up to \$105.00	Up to \$ 105.00

** Participating Providers allow a selection of frames that retail up to \$90.00 with lenses that fit an eyesize less than 61 millimeters. If a more expensive frame is selected, you are responsible for the additional cost above \$90.00. If the lenses received are 61 millimeters or above, the charge for the oversize lenses is your responsibility. "The retail frame allowance will be converted to wholesale or warehouse equivalent prices at category 1 or 6 provider locations (please refer to the Plan's website at www.MESVision.com). The wholesale or warehouse equivalent may be approximately 30% less than the retail frame allowance; please confirm this benefit before ordering your eyewear."

*** This benefit is in addition to the comprehensive vision examination, but in lieu of lenses and frame. If contact lenses are for cosmetic or convenience purposes, the Policy will pay up to \$105.00 toward the contact lens evaluation, fitting costs and materials. Any balance is your responsibility. If contact lenses are medically necessary, they are a fully covered benefit. Approval from MESVision is required. Please refer to your Policy if you require additional information.

****For Dependent Children through age 18

Discounts: A 20% discount is available for cosmetic extras, such as tints, coatings and other add-on charges to standard lenses, after Covered Services are rendered. The discount may be applied to charges for the frame or contact lenses (except disposable or replacement contact lenses) over the stated allowances. The 20% discount also applies to additional pairs of glasses and/or pairs of standard contact lenses. To determine whether a provider offers the 20% discount, an insured individual can review their Participating Provider Directory, call MESVision or visit www.MESVision.com. Discounts are available through TLCVision for conventional and custom LASIK procedures with the TLCVision Advantage Program.

If you have any questions about your vision benefits, please contact Medical Eye Services at:
 PO Box 25209; Santa Ana, CA 92799
 800/877-6372 or www.MESVision.com

Underwritten By:



Gerber Life Insurance Company
 A separate subsidiary of Gerber Products
 Home Office: White Plains, NY 10605



Summary Of Vision Benefits

OBTAINING SERVICES IS EASY

With this vision plan, you have access to an extensive network of vision care providers in California and nationwide.* When you use a participating provider for your eye care, there's no additional charge for most services.

FOLLOW THESE SIMPLE STEPS:

- 1. Select a provider.** Select a participating vision care provider by visiting www.mesvision.com.
- 2. Make an appointment.** Make an appointment with the Participating Provider of your choice and inform them of your vision coverage.
- 3. You're done! Your doctor will take care of the rest.** The Participating Provider will contact MESVision to verify your eligible benefits and submit a claim for services covered by your plan.

At your appointment, you will pay any applicable copayment and optional eyewear costs (if any). If you select a Participating Provider, the provider will submit the claim. If you select a Non-Participating Provider, please mail your completed claim form to P.O. Box 25209, Santa Ana, CA 92799-5209. We recommend that you file your claim within 3-6 months from the date of service. Submitting your claim later than this may result in a submission deadline denial.

WHAT YOUR VISION PLAN COVERS

Service and eyewear	Coverage when provided by participating provider	Maximum payment when provided by non-participating provider
Exam Copay \$20.00		
Annual examination - every 12 months¹		
Ophthalmologic exam	100%	\$40.00
Optometric exam	100%	\$40.00
Standard lenses ² - every 12 months		
Single	100%	\$40.00
Bifocal	100%	\$60.00
Trifocal	100%	\$80.00
Aphakic monofocal	100%	\$125.00
Aphakic multifocal	100%	\$125.00
Progressive (no line bifocal)	Up to \$89.50	\$80.00

Service and eyewear	Coverage when provided by participating provider	Maximum payment when provided by non-participating provider
Polycarbonate lenses for covered dependent children (through 18)		
Single	Up to \$75.00	\$50.00
Bifocal	Up to \$75.00	\$0.00
Standard frame - every 12 months ⁴		
Standard frame	Up to \$90.00	\$45.00
Contact lenses⁷ - every 12 months		
Elective (Cosmetic/Convenience) ⁵	Up to \$105.00	\$105.00
Non-Elective (Medically necessary) ⁶		
Hard	100%	\$210.00
Soft	100%	\$210.00

* Nationwide vision providers are available by arrangement through MESVision. Please visit our website www.mesvision.com to search for providers by state, city zip code or name.

¹: The comprehensive eye examination is considered a separate service from a contact lens evaluation and fitting.

²: Standard lenses fit any frame with an eye size of 61 mm.

⁴: Retail frame benefits will be converted to wholesale-equivalent prices at certain provider locations, see provider directory or MESVision website at www.mesvision.com.

⁵: In lieu of other eyewear, except when specifically provided. Disposable contact lenses should be purchased up to the maximum allowance. Any cost over contact lens allowance is a patient responsibility.

⁶: One pair, in lieu of other eyewear, except when specifically provided. A report from the provider and approval from MESVision is required.

⁷: Contact allowance per pair. For most plans, the contact lens allowance includes the fitting, evaluation, and materials. As a result, the amount available for contact lens materials is reduced by the contact lens fitting and evaluation charges.

General Exclusions and Limitations

For additional Exclusions and Limitations, please see your Evidence of Coverage or Certificate of Coverage. Benefits are not provided (unless exemptions to the following exclusions are made elsewhere) for:

- Any eye examination required by the employer as a condition of employment;
- Any covered services provided by another vision plan;
- Conditions covered by workers' compensation;
- Covered services for which the vision plan member is not legally obligated to pay;

- Covered services required by any government agency or program, federal, state or subdivision thereof;
- Covered services performed by a close relative or by an individual who ordinarily resides in the vision plan member's home;
- Medical or surgical treatments of the eyes;
- Non-prescription (plano) eyewear or sunglasses, except when specifically provided;
- Low vision testing orthoptics, subnormal vision aids or vision training, except when specifically provided;
- Contact lenses and contact lens fitting, except as specifically provided;
- Eyewear for which there is no prescription change, unless benefits are otherwise available;
- Replacement of lenses or frames which are lost, stolen or broken, except at the normal intervals;
- Additional charges for custom lens options (progressive, polycarbonate, photochromic, tints, coatings, etc.) are a patient responsibility.

This is only a summary of benefits. Please refer to the plan contract and the *Evidence of Coverage* or *Certificate of Coverage* for a detailed description of covered benefits and limitations.

[Legal Notice](#) | [PRIVACY POLICY](#)

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GROUP POLICY RENEWAL

Premier Access Insurance Company
 8890 Cal Center Drive
 Sacramento, CA 95826

EMPLOYER NAME: **Georgetown Divide Public Utility District**
 POLICY NUMBER: **3549**
 POLICY RENEWAL TERM: **Apr/01/2016 Through Mar/31/2017**

RATES

Tier	Number of Employees	Current Rates	Renewal Rates
EE Only	8	\$ 55.78	\$ 55.78
EE + Spouse	0	\$ 125.47	\$ 125.47
EE + 1Child	1	\$ 125.47	\$ 125.47
EE + Children	2	\$ 195.27	\$ 195.27
EE + Family	5	\$ 195.27	\$ 195.27
TOTAL	16	\$ 1,938.60	\$ 1,938.60

Custom PPO Plan 10124

Benefits	Premier Choice Network	Preferred Provider Network	Non-Network Provider*
CLASS I - Preventive	100%	100%	100%
CLASS II - Basic	100%	100%	90%
CLASS III - Major	70%	60%	60%
Calendar Year Deductible	\$25	\$50	\$50
Waived for Class I?	Yes	Yes	Yes
Calendar Year Maximum	\$1,500	\$1,500	\$1,500
CLASS IV - Orthodontia	No Orthodontia		
	NA	-	-
Orthodontia Lifetime Max	-	-	-

Benefit Waiting Periods

No Benefit Waiting Period for MAJOR services for those with similar PRIOR group coverage. (+)

* Covered charges are based on the lower of: 1) the dentist's actual charge for the service, 2) the dentist's usual charge for the service, 3) or the UCR amount for the service based on the 90th percentile of dentists in the same geographic area.

- (+) Benefit Waiting Period on MAJOR services.
- With proof of current similar group coverage: NONE
- With no current similar group coverage: 12 Months

Renewal Rates are based on the benefits and plan provisions of the prior Group Policy issued by Premier Access, unless changes otherwise noted for the Policy Renewal Term. If this Group Policy Renewal is accepted, this signed acceptance will become part of the original Group Policy. Payment of monthly premiums according to the Renewal rates will represent acceptance of the Renewal in place of a signed acceptance.

The Applicant has approved the Renewal and accepts its terms.

Authorized Employer Signature _____ Dated _____

Print Name and Title _____ 00000 112 163 current || Analysis 1604 20131212 newstartort

Underwriting dt52



GROUP POLICY RENEWAL

Premier Access Insurance Company
 8890 Cal Center Drive
 Sacramento, CA 95826

EMPLOYER NAME:
 POLICY NUMBER:
 POLICY RENEWAL TERM:

Georgetown Divide Public Utility District
3549
Apr/01/2016 Through Mar/31/2017

RATES

Tier	Number of Employees	Current Rates	Renewal Rates
EE Only	0	\$ 55.78	\$ 55.78
EE + Spouse	0	\$ 125.47	\$ 125.47
EE + 1Child	0	\$ 125.47	\$ 125.47
EE + Children	0	\$ 195.27	\$ 195.27
EE + Family	0	\$ 195.27	\$ 195.27
TOTAL	0	\$ -	\$ -

DHMO Plan 500

Covered Procedures	Copays
120 Periodic Oral Evaluation	\$0.00
150 Comprehensive Oral Eval.	\$0.00
210 Intraoral-Compl Ser Incl Bitewings	\$0.00
274 Bitewings-Four Films	\$0.00
1110 Prophylaxis-Adult	\$0.00
2140 Amalgam-One Surface	\$0.00
2150 Amalgam-Two Surfaces	\$0.00
2160 Amalgam-Three Surfaces	\$0.00
2330 Resin-One Surf. Anterior	\$0.00
2750 Crown-Porc.Fused To Hi Noble Metal	\$165.00
2751 Crown-Porc.Fused To Predom Base Metal	\$165.00
2752 Crown-Porc.Fused To Noble Metal	\$165.00
3330 RC Therapeutic-Molar Exclus. Final Rest.	\$250.00
4341 Periodontal Root Planing - per Quad	\$25.00
7210 Surg. Removal of Erupted Tooth	\$25.00

If this Group Policy Renewal is accepted, this signed acceptance will become part of the original Group Policy. Payment of monthly premiums according to the Renewal rates will represent acceptance of the Renewal in place of a signed acceptance.

The Applicant has approved the Renewal and accepts its terms.

Print Name and Title _____

Authorized Employer Signature _____

Dated _____ .00000 .112 .163 .current ||Analysis 1604 20131212 newstartort

Underwriting dt52

EXHIBIT C – PERSONNEL POLICY

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GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

PERSONNEL MANUAL

2000

I. GENERAL PERSONNEL POLICIES

The Georgetown Divide Public Utility District recognizes the need to recruit and retain high quality, responsible employees for the efficient and economical operation of the District. To this end, the following rules, regulations and benefit programs have been established.

This policy shall apply only to regular District employees. Government-funded employees shall be governed by the policies dictated by the government for the program involved.

II. DEFINITIONS

- A. Anniversary Date shall mean the first day the employee was employed.
- B. Continuous Service shall mean service commencing with the employee's anniversary date and continuing until broken by resignation or dismissal.
- C. Demotion shall mean a decrease in the duties and responsibilities assigned to an employee and a downward change in his classification and salary range.
- D. Full Time shall mean eight hours per day and five days per week, excepting holidays.
- E. Holiday shall mean any holiday recognized by the District.
- F. Hourly Employee shall mean any employee that is compensated at an hourly rate.
- G. Permanent Employee shall mean any employee who has served the District continuously for six months and is not on probation.
- H. Promotion shall mean an increase in the duties and responsibilities assigned to an employee and an upward change in his classification and salary range.
- I. Reclassification shall mean a change in the duties and responsibilities assigned to an employee and a change in his classification while remaining in the same salary range.

III. CLASSIFICATION

Classifications and job descriptions have been established for each position within the District to provide a basis for equitable remuneration according to duties and responsibilities and to be in conformity with similar agencies.

The District Manager may recommend to the Board of Directors the creation of new classifications and the abolition of existing classes as the need may develop.

The District Manager shall, at each budget session, recommend to the Board of Directors an appropriate salary range for each class.

IV. APPOINTMENTS

All appointments under the civil service system shall be made solely on the basis of integrity, character, merit, fitness, and competitive written and/or oral tests without regard to partisan, political, social or other considerations, and shall be made from lists of eligibles prepared by the General Manager.

When no list of eligibles is available for a position in the class requisitioned by the division head, the General Manager may make a non-civil service appointment for a period not to exceed six months and only until a regular appointment can be made.

The General Manager may make appointments to higher positions exclusively promotional by tests from lower ranks.

Every appointee to a permanent position shall be on probation for six months, except that the General Manager may establish a probationary period for up to 12 months for professional, scientific, administrative, management, or executive positions. The General Manager may terminate the appointment during the probationary period. If the appointment is not then terminated, it shall be permanent.

V. RESIGNATION

An employee may resign in good standing by submitting a letter of resignation to the department head at least two weeks before it is to become effective. In extenuating circumstances, the department head may agree to shorter notice.

VI. PROMOTION, DEMOTION, RECLASSIFICATION

The District Manager may, when authorized by the Board of Directors, promote or demote an employee within his classification or reclassify an employee by written and/or oral test and according to the employee's performance or the needs of the District.

VII. DISMISSAL

No employee may be removed, discharged, or suspended without pay, except for cause. Prior to discharging, removing, or suspending without pay a permanent employee, the District Manager or his/her designee, shall provide the employee with a written Notice of Intent to Discipline setting forth the intended action of the District and stating the reasons for the intended discipline. Within five (5) working days of receipt of the Notice of Intent to Discipline, the employee may schedule a "Skelly" hearing with the District Manager or his/her designee. Failure of the employee to request the Skelly hearing may result in the District Manager or his/her designee taking the intended disciplinary action without the hearing.

The District Manager or his/her designee may dismiss, or suspend for 15 days without pay, an employee for any of the following reasons:

- a. Drunkenness on duty
- b. Willful disobedience
- c. Fraud in securing employment
- d. Dishonesty
- e. Conviction of a felony or misdemeanor
- f. Refusal to take and subscribe to any oath or affirmation, which is required by law in connection with his employment.
- g. Participation in any illegal activity while on duty.
- h. Job abandonment. An employee shall be deemed to have abandoned his/her job and may be dismissed if such employee fails to report for duty, and while able to notify the District office, fails to do so for two consecutive working days or if such employee fails to give notice or report for duty within two consecutive working days following expiration of a leave of absence.
- i. Refusal or inability to perform the work established in the employee's job description.
- j. Any and all acts or threats of violence toward employees or officers of the District, or toward the general public.
- k. Any and all acts or conduct tending to bring the reputation of the District into disrepute or, that in the opinion of the District Manager, are so severe as to warrant immediate disciplinary action.

Section VII amended 2/11/00

The following require three (3) corrective interviews prior to dismissal or suspension:

- a. Incompetence
- b. Inefficiency
- c. Neglect of duty
- d. Insubordination
- e. Addiction to the use of narcotics or habit-forming drugs
- f. Inexcusable absence without leave
- g. General misconduct
- h. Immorality
- i. Discourteous treatment of the public or other employees
- j. Improper political activity
- k. Misuse of District property
- l. Misuse of sick leave
- m. Any other failure of good behavior or acts either during or outside of duty hours, which are incompatible with or inimical to the public service.

The District Manager or his/her designee shall give or mail the employee written notice of the determination made at the Skelly hearing not later than five (5) working days after the hearing.

A corrective interview may be processed by the department head at any time as the need occurs providing it is initiated and presented to the employee involved within seven (7)

working days of the incident. The employee may add his personal comments to the interview form.

VIII. LAY OFF

The District Manager may lay off an employee for lack of work or lack of funds.

IX. RIGHT OF APPEAL

A permanent employee may appeal a demotion, dismissal, or suspension without pay by following the procedure outlined below. An employee with less than six (6) months continuous employment with the District shall not have a right of appeal.

1. Within five days of receiving the "Skelly" determination to remove, discharge, or suspend without pay, any employee shall file a written request to appeal the decision with the General Manager or his/her designee. Failure to file a written request to appeal shall result in implementation of the "Skelly" decision.

2. When an appeal is filed, the General Manager shall immediately schedule an appeal hearing before the Board of Directors to hear and determine such charges and shall notify the person accused of the time and place when the charges will be heard by mailing a notice to his/her last known address.

3. The Board shall hear evidence at the hearing and make such decision as it deems just and may among other things order the employee discharged, suspended, or reinstated. The Board shall render its decision in writing and their determination shall be final. This appeal procedure shall not supersede any state or federal law.

X. SAFETY

It is the responsibility of all District personnel to conduct District business in the safest possible manner. Any condition considered unsafe must be reported at once to the Safety Officer.

Employees are required to wear any and all protective clothing and to use any and all protective devices as directed by their supervisor or the Safety Officer.

All job-incurred accidents or injuries **MUST BE REPORTED TO THE SUPERVISOR or the SAFETY OFFICER and to the OFFICE IMMEDIATELY.**

Failure to comply with safety regulations may be cause for dismissal.

XI. DISTRICT VEHICLES

District vehicles are to be used for authorized business only and are to be operated by authorized personnel possessing a valid California Driver's License. Unauthorized persons (i.e. spouses, children, etc) are not permitted in District vehicles.

Only those persons subject to 24-hour maintenance call are authorized to drive District vehicles home. Alcoholic beverages, of any kind, are not permitted inside a District vehicle.

As the use of a District vehicle in and out of normal working hours is subject to public scrutiny, all employees should make every attempt to minimize speculation regarding its use and drive with courtesy and safety at all time.

XII. PERSONAL VEHICLES

The use of personal cars for District business must be authorized by the manager. Reimbursement will be made for mileage when submitted on the approved mileage form. Under no circumstances shall an employee obtain gasoline or repairs for a personal vehicle at District expense.

XIII. FRINGE BENEFITS

A. Sick Leave

1. Every person who is a full-time, permanent employee of the District shall be entitled to receive 8 hours of sick leave with pay for each full calendar month of regular employment. Permanent employees shall accrue sick leave credit from their first day of employment, but cannot use prior to their reaching permanent status, or 6 months of full-time employment.

2. Part-time or hourly employees who have served continuously for six (6) months shall be entitled to one (1) hour of sick leave for each thirty (30) hours of actual work, not to exceed one thousand, four hundred forty (1,440) hours.

3. If a holiday which an employee is entitled to have off with pay occurs on a workday during the time an employee is absent on sick leave, he/she shall receive pay for the holiday as such, and it shall not be counted as a day of sick leave.

4. Sick leave may be taken for:

a. An employee's illness or injury. Leaves of more than three (3) days for this reason may require a doctor's or licensed practitioner's certificate indicating absence from work was necessary.

b. An employee's dental, eye or other physical or medical examination or treatment by a licensed practitioner and illness of other family members (as defined in "c" following) requiring the presence of the employee. Unless otherwise approved, leaves for this purpose are limited to four (4) hours in any one workday.

c. Death or illness in the immediate family. Up to three (3) days absence with pay will be allowed annually when death or illness occurs in an employee's immediate family, which shall include spouse, parents, brother, sister, children and grandchildren. The payment shall be deducted from sick leave.

5. An employee shall notify his/her supervisor before 8:15 a.m. if sick.

6. Planned sick leave...time of taking sick leave for medical services must be coordinated with the supervisor to meet the District work load.

7. When an employee is absent by reason of injury arising out of, and in the course of, his employment with the District, and is eligible for WORKER'S COMPENSATION, the employee shall receive sick leave benefits for the duration of temporary absence. An employee will receive his salary less the disability insurance benefit received. Sick leave is reduced only by the net amount of District wages paid. Should the employee's sick leave benefits become exhausted and the employee is still disabled, he is entitled to any and all further disability monies received. (Note: Worker's Compensation and SDI benefits are tax-exempt.)

8. When an employee is absent by reason of a non-occupational injury or illness, the employee is eligible for State Disability Insurance. Accrued sick leave/vacation shall be coordinated with SDI benefits. The employee will receive his/her salary less the disability insurance benefit received. Sick leave is reduced only by the net amount of District wages paid.

9. Employees with five (5) or more years of service, retiring under the Public Employees' Retirement System, shall receive retirement credit for unused sick leave at the rate of .004 years retirement credit for each day of accumulated unused sick leave.

10. Employees otherwise terminated shall receive no compensation for unused sick leave.

B. Vacation Leave

1. Employees of the District shall be entitled to vacations with pay as follows:

a. Beginning the first day of permanent employment through twelve (12) months, vacation benefits are accrued but cannot be used. On each anniversary date thereafter, an employee will accrue and be entitled to twelve (12) days of vacation.

b. Beginning with the sixth year of service and each anniversary date thereafter, an employee will accrue and be entitled to fifteen (15) days of vacation pay.

c. Beginning with the eleventh year, one additional day of vacation time for each year of service between the 11th and 14th years; beginning with the 11th year an employee will accrue an additional day as follows:

11 years	16 days of vacation
12 years	17 days of vacation
13 years	18 days of vacation
14 years	19 days of vacation
15 years	20 days of vacation

c. Beginning with the sixteenth year of service and each anniversary date thereafter, an employee will accrue and be entitled to twenty (20) days of vacation pay.

d. Beginning with the twentieth year of service and each anniversary date thereafter, an employee will accrue and be entitled to twenty-five (25) days of vacation pay.

2. Permanent hourly employees earn vacation pay at the rate of 8 hours for every 173.33 hours worked.

3. Coordination of Time-Off Work for All Employees - All leave (vacation, compensated, or other) must be approved in advance by the employee's immediate supervisor and the General Manager. Application for leave forms will be available in the office. The vacation leave will be posted to the calendar and filed with the payroll clerk. For leave which will extend over 2 days, a minimum of one week's advance notice is required. It will be the responsibility of each supervisor to coordinate his employee's time-off, as well as his own time-off, to insure that adequate coverage is maintained at all times.

4. Each employee is expected to use his/her full vacation each year, if at all possible. If the full vacation is not used in a given year, the employee subject to the approval of the manager, may request the unused portion to be accumulated to his credit, provided that at NO TIME SHALL HE HOLD MORE THAN 30 DAYS OF VACATION CREDITS. *Notwithstanding the foregoing, the General Manager may accrue up to 60 days of vacation credits. (*amended 3/9/99)

5. Upon termination of employment, the employee will be paid a lump sum for all accrued vacation earned to date.

6. A legal holiday as recognized by the District that falls during an employee's vacation shall not be charged as vacation.

C. Holidays

1. District employees, except as otherwise provided herein, will be entitled to the following holidays off with pay:

New Year's Day	Veteran's Day
Martin Luther King's Birthday	Thanksgiving Day
President's Day	Day After Thanksgiving
Memorial Day	Christmas Day
Independence Day	Day After Christmas
Labor Day	

2. If a holiday falls on a Sunday, the following Monday shall be deemed the holiday in lieu of the day observed. If the holiday falls on a Saturday, the previous Friday will be observed.

3. All holidays, as set forth herein, shall have payment therefore guaranteed. This means that if a holiday falls on an employee's normal day off, the employee will be relieved from work, subject to the needs of the District, the previous or following workday.

4. If an employee is absent from work on either the workday prior to the holiday or the workday following the holiday, without permission or a bona fide reason, he/she will not receive pay for the holiday.

5. Employees called out to work on holidays will be paid overtime for the hours worked. The maximum combination of salary shall not exceed two and one-half (2½) times base rate in any event.

D. Miscellaneous Leaves With Pay

If an employee is required to serve Jury Duty, appear as a witness, or required to attend court concerning District business, he/she shall be granted pay for that period. Any extra compensation, except mileage, received by the employee shall be remitted to the District.

E. Leave of Absence

The General Manager may, in writing grant an employee a leave of absence without pay for a period not to exceed three months. A longer leave of absence may be granted by the Board of Directors.

F. Absence

Notification as to the cause of absence will be required. Personal business will not normally be considered authorized absence, and the employee will not normally be paid for such time off.

G. Insurance

Worker's Compensation Insurance is available to all employees to cover all job-incurred sickness or injuries. State Unemployment Insurance covers unemployment when you are no longer a District employee. State Disability Insurance (SDI) covers an employee on a daily rate when hospitalized for a non-occupational injury or illness, (see Item 8 under Sick Leave), and covers an employee when sick leave runs out. All employees are provided coverage by the United States Social Security Act (FICA).

Blue Cross Hospital and Major Medical Insurance (since July 1, 1982) is paid for the employee and dependents. Coverage begins the 15th of the month following the first full month of permanent employment.

Dental and Optical Insurance is available to all permanent full-time employees and their dependents in accordance with the plan approved by the Board of Directors. Since July 1, 1984 the \$600 dental/optical limit per employee/family is increased by the annual Consumer Price Index (CPI); and a 20% deductible on all optical services was implemented. The employee must have a dental checkup each year to maintain or advance his dental coverage percentage. An employee must be employed six (6) months before the dental/optical plan becomes available to him/her at 70%, advancing 10% each year up to 100%.

Life Insurance is available in accordance with the plan approved by the Board of Directors, to all permanent employees and their dependents who have served six (6) months continuous employment. Cost of the dependent coverage is paid by the employee.

H. Retirement Program

The Public Employee's Retirement System (PERS), as determined by agreement between the District and the Public Employee's Retirement System, is a mandatory retirement program for all permanent full-time employees. The plan provides for an employee's income when he retires. As an additional benefit to the employee (since 6/11/79) the District contributes the employee's share. The program takes effect the first day of permanent full-time employment.

I. Group Meetings

Directors and key personnel may attend meetings of technical, trade, or professional groups at District expense when authorized by the Board of Directors or the General Manager. The cost of the expenses incurred by the employee will be reimbursed by the District.

J. Conventions

Directors and key personnel may attend conventions on an expense basis when authorized by the Board of Directors.

XIV. KEY PERSONNEL

Those employees subject to standby and/or emergency service calls shall refrain from other forms of public service (i.e. fire departments, sheriffs reserve, etc.) that, by their very nature, might provide a conflict with the performance of said duties.

XV. NONDISCRIMINATION AGREEMENT

The District shall comply with all provisions under Title VI, Civil Rights Act of 1964 Nondiscrimination Agreement.

XVI. EQUAL OPPORTUNITY AGREEMENT

The District shall comply with all provisions pursuant to the rules and regulations of the Secretary of Labor issued under the Authority of Executive Order 11246, as amended.

XVII. OVERTIME

Overtime compensation shall be paid at the rate of one and one-half times the regular rate of pay, and is defined as: time worked in excess of (40) hours in a week.

XVIII. STANDBY PAY (effective 7/1/00)

Establishment of Standby pay at \$15 per weekday, \$20 per weekend day, and \$25 per holiday for those employees required to carry a pager and respond after work hours, weekends and holidays.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
SEXUAL HARASSMENT POLICY

1.0 Purpose. It is legally mandated by State and Federal laws that employees have a right to work in an environment that is free from all forms of discrimination, including sexual harassment. Sexual harassment is a form of discrimination that is prohibited by Title VII of the Civil Rights Act of 1964 and California Government Code Section 12940. Sexual harassment is a costly form of discrimination that can result in expensive litigation that may result in back pay or punitive damage awards, withdrawal of Federal support funds and/or other adverse actions. District employees have a grave responsibility for maintaining high standards of honesty, integrity, impartiality and conduct to assure proper performance of the District's business and the maintenance of confidence of the people it serves. It is, therefore, the policy of the Georgetown Divide Public Utility District that sexual harassment is unacceptable and will not be tolerated.

2.0 Definition. Sexual harassment is generally defined as unsolicited and unwelcome sexual advances of a severe and/or pervasive nature, be they written, verbal, physical and/or visual, that usually occurs when:

2.1 Submission to that conduct or communication is made either explicitly or implicitly a term of condition of employment;

2.2 Submission to or rejection of that conduct or communication by an employee is used as a basis for employment decisions affecting the employee; or,

2.3 Such conduct or communication has the potential to affect an employee's work performance negatively and/or create an intimidating, hostile or otherwise offensive work environment.

3.0 Definition Examples. Sexual harassment manifests itself in many forms. The following are a few examples of sexual harassment:

3.1 Written sexually suggestive or obscene letters, notes or invitations.

3.2 Verbal: sexually derogatory comments, slurs, jokes, remarks or epithets.

3.3 Visual: leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons or posters.

3.4 Physical: assault, attempted rape, impeding or blocking movement, or touching.

3.5 Other:

3.51 Sexual advances which are unwanted (this may include situations which began as reciprocal attractions, but later ceased to be reciprocal).

3.52 Women in nontraditional work environments who are subjected to hazing (this may include being dared or asked to perform unsafe work practices, having tools and equipment stolen, etc.) if requests for sexual favors are not met.

3.53 Employment benefits affected in exchange for sexual favors (may include situations where an individual is treated less favorably because others have acquiesced to sexual advances).

3.54 Implying or actually withholding support for appointment, promotion, transfer or change of assignment; or initiating a rejection on probation or adverse action; or suggesting that a poor performance report will be prepared if requests for sexual favors are not met.

3.55 Reprisals or threats after negative response to sexual advances.

4.0 Policy Publicizing. All employees shall be informed of the District's sexual harassment policy and complaint process prior to their need to know, and again when any complaint is filed. Also, said policy and complaint process shall be readily available to all employees and members of the general public utilizing the District's facilities and services.

4.1 All new employees shall be given a copy of the sexual harassment policy at the time of hiring and said policy's contents shall be discussed with said employee at that time by the Office Manager.

4.2 Within three (3) working days after any complaint has been filed in accordance with this policy, a bulletin shall be prepared and distributed to all employees reinforcing them of the District's sexual harassment policy.

5.0 Complaint Process. Any employee who believes they are the victim of sexual harassment may file a formal or informal confidential complaint without fear of reprisal or embarrassment.

5.1 An informal complaint is made verbally by the employee to his/her immediate supervisor. Although filing the complaint with said immediate supervisor is preferred, the employee is free to file his/her complaint with any supervisory employee.

5.2 A formal complaint is made in writing, using the "Employee Grievance Form," attached hereto as "Appendix A," and made a part hereof. Said form should be submitted by the employee to his/her immediate supervisor. Although submitting the formal complaint with said immediate supervisor is preferred, the employee is free to submit his/her formal complaint with any supervisory employee, or with the President of the Board of Directors if the employee's immediate supervisor is the General Manager and the General Manager is unavailable or personally involved in said complaint.

6.0 Complaint Response Process. Any supervisory employee who receives a formal or informal sexual harassment complaint shall at all times maintain the confidentiality

of the complainant and shall personally tell or deliver said complaint immediately and directly to the General Manager or to his/her designee if the General Manager is unavailable.

6.1 Within twenty-four (24) hours of the filing of a formal or informal complaint, even if it is withdrawn, an investigation shall be conducted by the General Manager, or his/her designee.

6.2 A written record of any investigation of an alleged sexual harassment shall be maintained. Findings will be sent to the General Manager.

6.3 All discussions resulting from said investigation shall be kept confidential.

6.4 The person initiating the complaint has the right to be accompanied by an advocate(s) when discussing alleged incidents. Said person shall be advised of this right prior to the commencement of such discussions.

7.0 Disciplinary Procedures and Sanctions. Upon conclusion of the investigation of an alleged sexual harassment, appropriate action shall be taken by the General Manager against the harasser where sexual harassment is found. Whatever punishment is meted out to the harasser shall be made known to the victim of the harassment.

7.1 Appropriate action shall be taken to remedy the victim's loss, if any, resulting from the harassment.

7.2 Action taken to remedy a sexual harassment situation shall be done in a manner so as to protect potential future victims.

7.3 Employees complaining of sexual harassment shall be protected thereafter from any form of reprisal and/or retaliation.

Appendix "A"

SEXUAL HARASSMENT COMPLAINT FORM
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Any individual employed by GDPUD who feels he/she is the victim of sexual harassment may use this form to file a complaint.

Employee's Name: _____

Statement of complaint:

Circumstances involved:

Decision rendered by the informal conference:

Specific remedy sought:

Signature of employee _____

Date _____

Received by _____

Date _____

GDPUD SUBSTANCE USE AND FITNESS FOR DUTY POLICY

POLICY STATEMENT:

It is GDPUD's commitment to provide a safe and productive work environment for its employees, to reflect a proper demeanor to its customers and to be cognizant of its responsibility for public safety. Therefore, the District requires its employees to work free from the effects of substances- including alcohol, illegal drugs or other non-medically prescribed substances - that affect the normal mental and/or physical state.

APPLICABILITY

This policy and its procedures are applicable to all GDPUD employees. Employees who perform safety sensitive functions will be required to submit to random controlled substance/alcohol testing.

The District will provide fair and equitable application of this Substance Abuse and Fitness for Duty Policy. All supervisory staff are required to administer this policy in an unbiased and impartial manner. Any supervisor who knowingly disregards or mis-uses this policy shall be subject to disciplinary action, up to , and including termination.

Any employee who possesses, manufactures, buys, sells, dispenses, uses, or is under the influence of a prohibited substance while on the job or work site shall be subject to discipline, up to and including termination.

All employees shall be fit to perform their duties in a safe and efficient manner. Accordingly, employees showing evidence of being under the influence of any substance may be required to submit to a medical examination. The examination may include blood, urine and/or breathalyzer test. Refusal to submit to these tests will be considered insubordination and may subject the employee to discipline, up to and including termination.

All employees with commercial drivers licenses (CDL's) required as part of their job must submit to random drug testing as required by the U.S. Department of Transportation. A commercial drivers license is required for employees who must drive the following vehicles:

A vehicle with a gross combination weight of at least 26,001 pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds;

A vehicle with a gross vehicle weight of at least 26,001 pounds;

A vehicle designed to transport 16 or more passengers, including the driver;

A vehicle used to transport hazardous materials. (Class A, B, or C license with a hazardous material endorsement.)

Any person engaged in driving the vehicles listed above are performing "Safety Sensitive Functions" as defined by the U.S. D.O.T.

Any supervisor who knowingly permits employees to possess or use any such substance on the job or work while under the influence of a prohibited substance, shall be subject to discipline, up to and including termination. It shall be the responsibility of the supervisor to make a good faith report to evaluate the possible effects of medically-prescribed substances.

PROHIBITED SUBSTANCES

Prohibited Substances addressed by this policy shall include the following:

Illegally Used Controlled Substances or Drugs

Under the FHWA regulations, prohibited illegal substances include: marijuana, amphetamines, opiates, phencyclidine (PCP) and cocaine. This policy prohibits the use of any illegal drug or substance identified in schedules I through V of Section 202 of the Controlled Substance Act (21 U.S.C. 812) and as further defined by 49 CFR Part 382. This includes the FHWA prohibited substances as well as any drug not approved for medical use by the Administration. Illegal use includes use of any illegal drug, misuse of legally prescribed drugs, and use of illegally obtained prescription drugs.

Legal Drugs

The appropriate use of legally prescribed drugs and non-prescription medications is not prohibited. However, the use of any substance which carries a warning label that indicates that mental functioning, motor skills or judgment may be adversely affected should be reported to supervisory personnel and medical advice should be sought, as appropriate, before performing work-related duties.

Alcohol

The use of beverages containing alcohol, or substances including any medication such that alcohol is present in the body while performing transit business, is prohibited.

EMPLOYER NOTIFICATION

Any employee undergoing prescribed medical treatment with a prescribed drug or other medication that may impair the employee's ability to perform on the job must report this treatment to his or her supervisor before beginning work so that the supervisor may determine whether the employee can perform his or her assigned duties in a safe and efficient manner. Failure to report this to the supervisor, or abuse of medically-prescribed controlled substances, may subject the employee to discipline, up to and including termination.

Pursuant to the "Drug Free Workplace Act of 1988", any employee who fails to immediately notify the District of any criminal controlled substance statute conviction shall be subject to disciplinary action, up to and including termination.

TESTING FOR PROHIBITED SUBSTANCES

All permanent and probationary District employees will be subject to prohibited substances testing in the following circumstances:

Pre-Employment Testing:

All applicants for District positions will be required to submit to testing as a condition of employment. Failure of a prohibited substance test will disqualify the candidate.

Reasonable Suspicion Testing:

All District employees will be subject to prohibited substance testing when there are reasons to believe that prohibited substances are adversely affecting job performance.

Post Accident Testing:

Any significant accident involving extensive property damage or serious personal injury shall be grounds for requesting a medical examination. Other accidents or near-miss situations caused by lack of perception or alertness, manual dexterity or general coordination may be grounds for requesting a medical examination if there is any evidence of a controlled substance or alcohol.

Random Testing:

All employees working in safety sensitive positions will be tested on a random, unannounced basis.

Return to Duty Testing:

All employees who tested positive must test negative before returning to work. Employees will be required to undergo unannounced followup testing thereafter.

Employee Requested Testing

Any employee who questions the result of a required prohibited substances test may request that an additional test be conducted. This test must be conducted on the split sample that was provided at the same time as the original sample.

UNFIT FOR DUTY - CONSEQUENCES

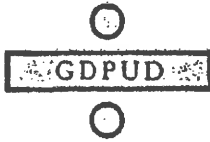
If it is determined that the employee is unfit for duty, the employee should be told that he/she has been determined to be unfit for duty and that consistent with the Fitness for Duty Policy, he/she must submit to a medical examination as a condition of employment, at which point the employee will be required to sign a consent/release form. The employee will be transported to the medical examiner and after completion of the test, the employee will be relieved from duty pending the outcome of the chemical analysis and transported home. Should the test results prove negative the employee shall be reinstated with full pay for time relieved from duty and any reference to the test removed from the personnel file. If the test results should prove positive, the employee will be required to seek assistance (at her/his own cost) from a Substance Abuse Professional (SAP) for rehabilitation and sign a return to duty agreement, test negative for any prohibited substance, and be subject to unannounced, random testing. If the employee should ever test positive again for prohibited substance, they are automatically terminated.

PROHIBITED CONDUCT

The following is prohibited conduct:

1. Reporting for duty or remaining on duty requiring the performance of safety sensitive functions while having an alcohol concentration level of 0.02 or greater.
2. Using alcohol while performing a safety sensitive function* or performing a safety sensitive function within four hours of using alcohol.
3. Being on duty or operating a District vehicle while possessing alcohol or having a blood alcohol concentration in excess of 0.08 or greater.
4. Reporting for duty or remaining on duty requiring the performance of safety sensitive functions when the employee used any prohibited substances, except if the use is pursuant to the instructions of a physician who has advised the employee that the substance does not adversely affect the employee's ability to safely operate a vehicle.
5. Reporting for duty or remaining on duty requiring the performance of safety sensitive functions if the employee tests positive for prohibited substances.
6. By refusing to submit to any alcohol or prohibited substances test required by FHWA. An employee who refuses to submit to a required drug/alcohol test will be treated in the same manner as an employee who tested 0.02 or greater on an alcohol test or tested positively on a prohibited substance test. Failure to provide an adequate sample for testing will be treated as a refusal to test.
7. Being unable to perform job requirements due to being under the influence of a prohibited substance as evidenced by prohibited substances testing, physical or mental incapacitation due to prohibited substance use, or refusal to submit to prohibited substance testing when a supervisor has reasonable suspicion that the employee is under the influence of a prohibited substance.
8. Manufacture, possession, sale, dispensing, using, or under the influence of a prohibited substance.
9. Failure of a supervisor to enforce this policy.

*Safety sensitive functions are defined on page 1.



GEORGETOWN DIVIDE
Public Utility District
P. O. BOX 338
PHONE 333-4356

GEORGETOWN, CALIFORNIA 95634

April 16, 1986

MEMORANDUM

TO: District Employees
FROM: Charles F. Gierau, General Manager
SUBJECT: Medical Examination Policy

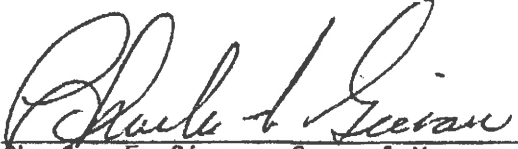
In response to new insurance requirements, the District Board of Directors adapted the following policy on April 9, 1986:

1. New Hires
 - A. General Physical Examination
 - B. Spinal X-Rays (laboring positions)
 - C. Drug Screening

2. Employees
 - A. General Physical Examination
 - B. EKG Testing (one time for employees over 40)

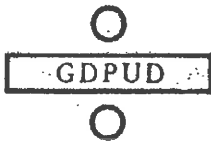
For new hires, passing the three phases of testing will be a condition of employment.....the District will pay for all testing through a laboratory/clinic of its choice.

For existing employees, the physical examination will be required on or about the employee's anniversary date commencing with the 1986-87 fiscal year.....the District will cover the costs for standard testing at the clinic of its choice, or, pay up to that amount if the employee desires to utilize the services of an independent physician clinic.



Charles F. Gierau, General Manager

RNP:j1



GEORGETOWN DIVIDE
Public Utility District

P. O. BOX 338

PHONE 333-4356

GEORGETOWN, CALIFORNIA 95634

April 16, 1986

To All District Employees:

It is the policy of the Georgetown Divide Public Utility District to achieve the greatest practical degree of freedom from accidents and to insure that every employee is provided safe healthful working conditions free from recognized hazards.

Work injuries are always costly to the individual worker and often disastrous to employee's future, and the security of his/her family. They are also costly to both in direct financial burdens and in the reduction of efficiency. It is the firm and continuing policy of the Board of Directors of the GDPUD that industrial accidents shall be reduced or eliminated by the use of every reasonable mechanical precaution and the aggressive promotion of safe practices.

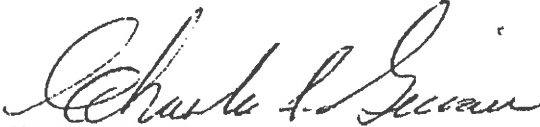
Every employee has an important place in the accident prevention program and is expected to cooperate fully in the measures taken for safety.

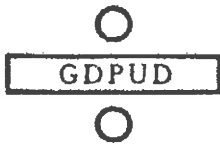
The employee has a personal responsibility for his/her safety, and, likewise has a responsibility to family, to fellow workers, to the community, and the District.

In the performance of his/her duties, therefore, the employee shall be expected to observe safe practice rules and operating procedures, as well as instructions relating to the efficient performance of assigned tasks. The ideal in safe and efficient District operation is reached only when all employees are safety conscious and keenly alert mentally and physically.

We have instituted a Loss Prevention Program which, with your help, will succeed in providing a safe, healthful and pleasant working environment.

Everyone stands to benefit, everyone stands to gain! The cooperation of all employees in this agency is expected. The results will be worth the effort.


Charles F. Gierau, General Manager



GEORGETOWN DIVIDE

Public Utility District

P. O. BOX 338

PHONE 333-4356

GEORGETOWN, CALIFORNIA 95634

July 22, 1987

MEMORANDUM

TO: Permanent District Employees
FROM: Charles F. Gierau, General Manager
SUBJECT: Employee Compensation - FY 1987-88

At the July 8, 1987 Regular Board of Director's meeting, the Board approved the following benefits and compensation:

1. 4.6% Cost of Living increase, plus a step increase if applicable.

2. Extend the District contributory policy concerning medical-dental-optical to retiring personnel, under the guidelines of PERS, on the following schedule:

0 to 4.99 years	0% for retiree and dependent
5.00 to 9.99 years	25% for retiree and dependent
10.00 to 14.99 years	50% for retiree and dependent
15.00 to 19.99 years	75% for retiree and dependent
20.00 and over	100% for retiree and dependent

This coverage would extend to the surviving spouse. Remarriage would automatically terminate policy responsibility. Divorce situation to be handled under the laws and guidelines of COBRA. Funding of this benefit to be paid from reimbursement dividends received for good safety records under the Workmen's Compensation program. It is to the employee's benefit to be "safety conscious" in our work habits.

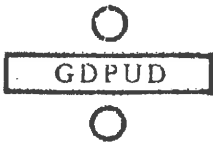
3. One additional day of vacation time for each year of service between the 11th and 14th years; beginning with the 11th year an employee will accrue an additional day, as follows:

11 years	-	16 days of vacation
12 years	-	17 days of vacation
13 years	-	18 days of vacation
14 years	-	19 days of vacation
15 years	-	20 days of vacation

As per existing District policy, vacation can be used the year after it is accrued.

Please insert this memorandum of understanding in your PERSONNEL MANUAL for future reference.


Charles F. Gierau



GEORGETOWN DIVIDE
Public Utility District

P. O. BOX 338

PHONE 333-4356

GEORGETOWN, CALIFORNIA 95634

July 26, 1988

TO: District Employees
FROM: Charles F. Gierau, General Manager
SUBJECT: Employee Compensation - FY 1988-89

At the July 13, 1988 Board of Director's meeting, the Board approved the FY 88-89 Budget, which includes the following employee benefits and compensation:

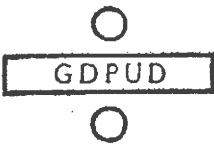
1. Cost-of-Living increase of 5%, which they felt was fair, and actually more than the State of California employees received.
2. Retiree's medical/dental/optical coverage - The Board approved, in addition to the savings received on dividends from a good safety record under the Worker's Compensation Plan, that the Dental Fund carry-over (beginning 6/30/89), that has in the past been shown in the District Non-Operating Income section, be put in a reserve account to fund said benefits. The Board will continue to review this policy on a year to year basis.
3. The Dental/Optical Fund per employee/per family be raised from \$695 to \$750 for the 7/1/88-6/30/89 year. Subsequent years will be increased based on the CPI, the same as previous years. Orthodonture is now included in same coverage.
4. The Board felt the utilization of educational seminars for employees has worked well in the past, and recommended no change.
5. The Board approved an identifying cap for District employees (return old cap for new one). Also, a shirt with logo was approved for meter readers.

The Board also approved the hiring of one additional full-time employee to work 50% of the time with the ALT Zone area, and 50% in the Irrigation Maintenance Program.

Cross-training existing personnel to better divide the workload in cases of future emergency, such as extended sick leave, vacations etc.

An Employee Meeting will be held in the near future to answer any questions you may have.

CFG:jl



GEORGETOWN DIVIDE
Public Utility District

P.O. BOX 4240

PHONE 333-4356

GEORGETOWN, CALIFORNIA 95634

June 13, 1989

Honorable Board of Directors
Georgetown Divide Public Utility District

Re: Employee Negotiations for 1989-90

Gentlemen:

The employees of the GDPUD have met and are respectfully requesting the following for your consideration:

1. A wage increase of 5.40 percent. The employees unanimously agree that it is increasingly difficult to make ends meet. We realize that the monies distributed to the District by the County are limited to last year's Consumer Price Index, which was 4.98 percent. It is reality, however, that we employees must currently pay increasingly more for goods and services, at an annualized rate of 9.4% projected for 1989. We believe that a 5.4% cost of living increase is vital, and a modest request, in light of the projected CPI.

2. All of the employees believe it is important to save for our retirement years, and that the Deferred Compensation Plan is of great value in supplementing our PERS retirement. In that regard, we are requesting the District contribute an amount equal to 2% of each employee's salary into the ICMA Retirement Trust. This benefit, coupled with our first request, will bring us into parity with projected CPI increases, while offering additional advantages. First, it will not be taxed as income to the employees until withdrawn, and secondly, it will allow all of the employees to become active participants in this valuable program.

Keeping up with the cost of living and providing for our families is of primary concern to all District employees, and is the basis for our requests this year.

Thank you for your consideration on our behalf.

Respectfully submitted,

The Employees of the
Georgetown Divide
Public Utility District

GDPUD

GEORGETOWN DIVIDE

Public Utility District

P.O. BOX 4240

PHONE 333-4356

GEORGETOWN, CALIFORNIA 95834

DATE: July 12, 1990
TO: All GDPUD Employees
FROM: Charles F. Gierau
SUBJECT: The Budget For Fiscal Year 1990-91

At the regular meeting of the Board of Directors on July 11, 1990, the budget for the new fiscal year was adopted as reviewed, amended, and approved by the Budget Committee. The budget totals \$1,493,099. For your information, I have attached a summary of expenses to show you how that money is to be spent.

Of greatest interest to the employees is how the Board acted on the employee's Letter of Request. The approved changes in salary and benefits are: 1) an across the board cost of living increase of 5%, 2) an additional 1% District contribution to the Deferred Compensation Plan for all employees who elect to participate, and 3) a District funded actuarial study to determine the true cost of the PERS optional benefits package as proposed by the employees.

For staff with step increases forthcoming, these will be in addition to the above; as is customary, raises will be retroactive to July 1990.

Also important in the approved budget is the addition of one skilled labor position, bringing the total number of permanent employees to twenty-two.

If you have any questions regarding the budget, please feel to ask.

CFG:db

VEHICLE POLICY

The following is a modified version of the policy regarding the use of District vehicles set forth in the Policy Memorandum of January 25, 1990.

District Vehicles: District Vehicles are to be used only for authorized business. Those persons subject to 24 hour maintenance calls, evening, and/or weekend duty, may be authorized to drive District vehicles home. In order for an employee to be "On-Call," he/she must be reachable by telephone and be able to respond to a service call. The Division Supervisors shall determine which employees are to be on call, and the duration of that time period.

Unauthorized persons (i.e. spouses, children, etc.) are not permitted in District vehicles due to insurance restrictions; District guests shall be cleared through Division Managers.

Alcoholic beverages are not permitted inside a District vehicle at any time.

As the use of a District vehicle in and out of normal working hours is subject to public scrutiny, all employees should make every attempt to minimize speculation regarding its use and drive with courtesy and safety at all times.

RNP:jl

2A:Policy.veh

EMPLOYEES INITIAL:

<u>S.A.</u> Aitkens	<u>AAA</u> Andreadis	<u>AB</u> Beall
<u>x-JB</u> Bohn	<u>QV</u> Cassels	<u>ROC</u> Cooper
<u>ALD</u> Davis	<u>SR</u> Gau	<u>P.N.H.</u> Hereford
<u> </u> Leu	<u>UHM</u> Manzer	<u>R.M.</u> Monson
<u>PN</u> Nicol	<u>D.J.P</u> Pedri	<u>J.S.</u> St. Dennis
<u>WS</u> Schwagel	<u>J.S.</u> Simons	<u> </u> Scott
<u>M.W.</u> Wilson	<u> </u> Garcia	<u>JP</u> Prince



GEORGETOWN DIVIDE
Public Utility District

P.O. BOX 4240

PHONE 333-4358

GEORGETOWN, CALIFORNIA 95634

February 13, 1990

POLICY MEMORANDUM

At the direction of the Board of Directors of the Georgetown Divide Public Utility District, administrative staff have been attempting to compensate for the changes in personnel in order to remain an efficient operation. Clarification of certain District policies is necessary on a periodic basis for maintenance of orderly operation. Therefore, this memorandum is intended to clarify operational policies for the benefit of all:

1. Purchase Orders: All purchases require the use of purchase orders. William H. Manzer has been designated as the District's Purchasing Officer. He will have sole control of the issuance of purchase orders. All major purchases (e.g. over \$20) shall be performed by the Purchasing Officer. It is not intended to limit minor purchases, on an as needed basis, necessary for the accomplishment of a job. It is intended to implement an efficient purchasing program with the ability to track and audit expenditures.
2. Vacation Leave: Vacation time is currently earned on an annual basis. It is intended that an employee use the total vacation allotment each year. With approval of the manager, vacation time may be carried over; however, at no time is an employee to have more than 30 days of vacation credits. All leave must have prior approval by the employee's supervisor(s). Time off must be coordinated so as to maintain adequate coverage of the District's operations at all times.
3. Occupational Injury and Leave: It is imperative that all accidents, injuries and illnesses be reported to the employee's supervisor and/or safety officer immediately. And in no case later than 24 hours after the incident. A conditional release or a limited release is not acceptable for field personnel. Field personnel must submit a full unlimited release to their supervisor prior to returning to work. A limited or conditional release for office personnel must be approved by the employee's supervisor and the general manager.
4. District Vehicles: District vehicles are to be used only for authorized business. District vehicles are to be picked up and left off at the corporation yard each working day. District vehicles will no longer be available to take home. Employees are to arrange for their own transportation to and from work.

Employees who have weekend duty may have the use of a vehicle each day for transportation. The use of a vehicle in this instance is limited to the worksite and the employee's home. The vehicle is to be picked up in the morning and returned in the evening, if an afternoon check is necessary, each day of duty.

5. Working Hours: Working hours are to be 7:45 a.m. to 4:30 p.m. for office personnel, allowing a 45-minute lunch. Working hours are to be 8:00 a.m. to 4:30 p.m. for field personnel, allowing a 30-minute lunch. All employees are entitled to two 15-minute breaks, one in the morning and one in the afternoon, each day. The scheduling of these breaks is the supervisor's responsibility. An employee is expected to bring food and beverage provisions to meet his/her requirements when reporting for work. Stopping for provisions after the start of the workday is not permitted, except during the time allotted for lunch. Employees that have weekend duty are to do their morning checks between 8:00 and 10:00 a.m. and their afternoon checks, if necessary, between 3:00 and 5:00 p.m. The employee's supervisor will determine the amount of coverage necessary.

6. Phone Use: Phones are a tool to accomplish District work. Personal use is to be minimized. Use should be limited to emergencies and to lunch and break periods. All long distance calls are to be billed to the employee's home phone.

Please initial beside your name to indicate that you have read and understand the Memorandum.

Aitkens	<u>AKW</u>	Nicol	<u>PN</u>
Andreadis	<u>APR</u>	Pedrim	<u>J.P.</u>
Beall	<u>B</u>	Prince	<u>J.P.</u>
Bohn	<u>JB</u>	Scott	<u>PWG</u>
Cassels	<u>CC</u>	St. Dennis	<u>J.S.</u>
Cooper	<u>_____</u>	Schwagel	<u>EL</u>
Davis	<u>DM</u>	Simons	<u>JFS</u>
Gau	<u>JFG</u>	Wilson	<u>MWW</u>
Hereford	<u>RNH</u>		
Leu	<u>XL</u>		
Manzer	<u>MM</u>		
Monson	<u>RM</u>		

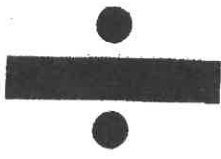
PAGER POLICY
ON-CALL PERSONNEL

Approval has been received to upgrade the District's communication system by utilizing pager technology. Pagers are anticipated to be beneficial to the employee and the District. This system will be successful through the following program and policy.

Five pagers will be purchased and one will be assigned to each person responsible for a given segment of the District's operation (e.g. - Treatment Plants, Treated Water Distribution, Hydroelectric Plant, 2 - Raw Water Distribution) for the given period of time.

Home phone numbers will no longer be given out through the after hours answering machine. Pager numbers, for each area of responsibility, will be announced along with information to assist the caller. The pager must be kept with the employee and in the mode to receive a call at all times. In the event a call is received by the pager a return call is to be made within 15 minutes and a physical response (if required) within 30 minutes. Calls received from a facility (e.g.- treatment plant or hydroelectric plant) should have a physical response within 30 minutes. Employees with weekend responsibility will remain on the Divide, unless alternate coverage has been authorized by that employee's supervisor.

The Georgetown Divide Public Utility District has the obligation of providing a safe and reliable potable water supply and an obligation to meet its contracts. Employees of the District share in this obligation. Pagers will assist the District and its employees meet their responsibilities in a more professional and efficient manner.



GEORGETOWN DIVIDE
Public Utility District

P.O. BOX 4240

PHONE 333-4356

GEORGETOWN, CALIFORNIA 95634

February 16, 1994

MEMORANDUM

TO: ALL DISTRICT EMPLOYEES
FROM: CHARLES F. GIERAU, GENERAL MANAGER
SUBJECT: ACCRUAL OF VACATION/SICK LEAVE

We want to clarify to all employees the policy of accruing vacation and sick leave. In order to accrue vacation and sick leave at your present rate, you must be in a "pay status" for 80 hours. For example, if you have used up all of your sick and vacation leave, and were off 2 days during the 2-week work period, you would accrue vacation/sick leave for that period at a rate LESS than if you worked the full 80 hours.

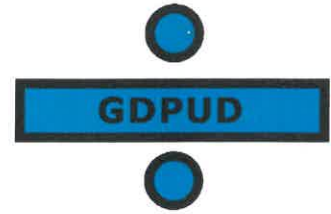
Also, if you are sick one day, for example, but have only a fraction of 8 hours sick leave available, then you would be paid for the sick hours available, and the balance of leave would come from vacation, if it is available. If you do not want time made up from vacation when sick leave is not available, then you need to notify your supervisor that you wish to be in a "leave without pay status." This is okay, but you need to understand that you will not accrue leave at your full rate.

On the bottom of your pay stub is the balance of your vacation and sick leave as of the last day of the pay period for which you are being paid.

Please place this memo in your Personnel Manual for future reference, and if you have any questions please ask your supervisor, or come into the office.

policy
CFG:jl

Memo



TO: Board of Directors
FROM: Darrell Creeks, Interim General Manager
DATE: February 14, 2016
SUBJECT: GENERAL MANAGER'S REPORT
Board Meeting of February 14, 2017; **Agenda Item #08**

BACKGROUND / DISCUSSION

Notice of Supplemental Charge to Customers

The Supplemental Charge, for the Auburn Lake Trails Water Treatment Plant, has been included in the current billing cycle. Based on direction received from Counsel, together with Staff inquiries made with other districts, it is likely the Board will need to consider the adoption of a new Ordinance to address a series of nuances. Staff will be prepared to discuss the specifics of this matter at the meeting.

Meter Replacement Program – RFP and Financing Plan

The Consulting firm of *MC Engineering* has completed the Request for Proposals (RFP) for the replacement of water meters. Staff is anticipating the bidding process will be complete with a recommendation to award at the April Board meeting. Funding for the meter replacement will likely be through a loan, executed with a private lending institution. Staff is currently working with *I Bank* and *Holman Capital* for the financing.

RCAC Water Rate Study

Staff continues to work with RCAC. RCAC anticipates completion of the Water Rate Study by April 1, 2017. RCAC will schedule a meeting with the District in early March to review all of the data and assumptions. It is likely the Finance Committee will attend the meeting in March.

Stumpy Boom Repair

A portion of the safety boom, mid-section, at Stumpy Meadows Reservoir has separated. Staff has been unable to make the necessary repairs due to snow. It is the intent of Staff to contract out for the needed repairs to the boom. This project remains a priority.

RECOMMENDATION

Take appropriate action as desired. Receive and file this report.

Memo



To: Board of Directors

From: Martin Ceirante, Acting Operations Manager

Date: February 8, 2017

Re: **OPERATIONS MANAGER'S REPORT**

Board Meeting of February 14, 2017; **Agenda Item #09**

BACKGROUND / DISCUSSION

Recoating of Walton Treatment Plant #1 Storage Tank

The request for bids was released on January 26, 2017. There will be a pre bid meeting for prospective contractors at the tank site on February 16, 2017 and the bids are due back in the District Office on February 24, 2017.

Water Treatment (ALT & Walton)

The Auburn Lake Trails Water Treatment Plant produced 12.705 million gallons of potable water for the month of December. This equates to an average of 409,839 gallons per day. This flow is a decrease of 7,000 gallons per day from the month of December. The Walton Lake Water Treatment Plant produced 15.827 million gallons of potable water for the month of December. This equates to an average of 510,548 gallons per day. This flow is an increase of 27,935 gallons per day from the month of December.

As of July 2014, the District is required to report to the State the amount of total potable water produced through the two plants (ALT and Walton) monthly, and to compare that value with the demands of the prior year over the same reporting period. The table below shows the percentage increase (+) or decrease (-) for 2017 compared to 2016 and 2013.

The District is no longer required to reduce water consumption by 29% compared to 2013. We are self-certified at 0%; however, we are still held to reduce 20% by 2020.

Month	Total Prod. 2017	+/- % of 2016	+/- % of 2013	Month	Total Prod. 2017	+/- % of 2016	+/- % of 2013
Jan.	28.532	+1%	-8%	Jul.			
Feb.				Aug.			
Mar.				Sep.			
Apr.				Oct.			
May				Nov.			
Jun.				Dec.			

Water Quality

The District conducted the required water quality monitoring at the treatment plants and in the distribution system and submitted the required water quality monitoring reports to the State.

Water Resources Control Board (SWRCB). Under contract with the District, Becky Siren prepared the required reports and reviewed key elements of the same with the Interim General Manager prior to submittal.

The Treatment Plant reports showed compliance with all drinking water standards, with the exception of the Auburn Lake Trails Water Treatment Plant which is currently under a compliance order from SWRCB for failure to meet the requirements of the Surface Water Treatment Rule.

The distribution system monitoring results showed all samples absent/negative of any bacteriological contamination and adequate levels of disinfection through the system.

The District conducted the first quarter Disinfection Byproduct (DBP) monitoring. The results showed the district's water is well below the Maximum Contamination Level (MCL).

A copy of the report, as submitted to the SWRCB, has not been included in this report due to the technical nature and overall size of the document.

Waste Water: Auburn Lake Trails

Average daily flows in the community disposal system were 89,599 gallons per day. This value exceeds the limit of 71,800 gallons per day as identified in the Waste Discharge Requirements. The District has completed all needed reports associated with this issue.

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

The District is currently up to date in the monitoring of waste water systems in the zone. It is anticipated the District will stay on schedule because of permanent staff dedicated to this effort.

Stumpy Meadows Reservoir

As of February 1, 2017, Stumpy Meadows Reservoir showed a reservoir elevation of 4,262 feet, representing storage of 20,000 acre-feet, or 100% of capacity. Stumpy continues to spill.

Current releases from Stumpy on this date, at the base of the dam were 4.0 CFS. Additional water flows out of Stumpy over the spillway. Flow into Stumpy on the day of this report was recorded at 40 CFS.

Field Work Activities – Distribution and Maintenance

No change in the report from the month of January as similar work activities continue with the field crews.

Distribution: The Distribution crew worked throughout the District distribution system repairing leaks, repairing meters, installation of new services, and adjusting altitude and pressure reducing valves. The Distribution crew completed all required water quality sampling and "USA" survey's.

Maintenance: The Maintenance crew has been working to make off season adjustments and winterize the canal system. The crew is working to replace several sections of dilapidated pipe throughout the raw water canal system.

The Combined Crews: The Combined crews are currently working on much needed repairs and safety upgrades, hand rails and walkways, to the upper canal waste gates.

RECOMMENDATION

Receive and file this report.

Georgetown Divide Public Utility District Finance Committee

“Providing financial research, review, and advisory services for the GDPUD Board of Directors and General Manager in support of sound, prudent and business-like management of the water district”

Meeting Date:

January 24, 2017

Location:

GDPUD Board Room

Adopt the January 24, 2017 Agenda

Dennis Goodenow, Rick Gillespie of the Finance Committee, the Board Liaison, and Staff were present. The Agenda was adopted as presented.

Approve the December 15, 2016 Minutes

The Committee decided to review and discuss the minutes from the December 15, 2016 meeting when Donna Bruss was present.

Open Forum

George Sanders from staff discussed the possibility of staff preparing a mid-year budget adjustment to the Board in February. George asked if the FC would be available to review any such documents prior to that date. The FC agreed to such a review.

RCAC Water Rate Study Objectives and Methodology

The proposed RCAC Water Rate structure for both treated water and raw water was discussed in detail. The committee suggested that a graduated percent (20 to 100 percent) available at replacement dates for the reserves portion of the RCAC rates should be used in replace of the default 20% as now proposed, or contract with a reserves expert to provide alternatives. At the last FC Meeting staff requested the FC to assist with the allocation split for some items between the treated water and raw water enterprises. The FC will schedule this item at its next Committee Meeting.

Discussion of Methodologies to adjust the Cost Rates to Sales Rates

The Committee discussed one potential methodology to establish subsidy targets to bridge the gap between the cost rates to be determined by RCAC and the sales rates to be established by the District Board. The FC also discussed one possible method of allocating any non-operating revenues to be used to subsidize the water rates.

Georgetown Divide Public Utility District Finance Committee

"Providing financial research, review, and advisory services for the GDPUD Board of Directors in support of sound, prudent and business-like management of the water district"

FINANCE COMMITTEE MEETING MINUTES

Meeting Date & Time: January 24, 2017

Location: GDPUD Boardroom

Scheduled Time: 4:00- 6:00 PM

Committee Members Present: Dennis Goodenow (DG), Rick Gillespie (RG)

Committee Member(s) Absent: Donna Bruss (DB)

Board Members Present: Dave Halpin

Staff Present: George Sanders, Diana Michaelson

ITEM NO.

1. Adopt the January 24, Agenda

Motion to adopt Agenda, 1st, 2nd & passed Ayes 2 Nays 0

2. Approve Minutes from December 15, 2016 meeting

The Committee decided to review and discuss the Minutes at the next FC Meeting.

3. Open Forum

George Sanders asked the Committee if they would be able to review staff document related to an expected mid-year budget adjustment. All agreed we would review such documents when available.

4. RCAC Water Rate Study Objectives and Methodologies

The General issues concerning the various aspects of the RCAC rate study, data, rate structure, and methodology were discussed.

5. Discussion of Methodology to adjust the cost rates to sales rates

The General issues concerning the potential rate structures, subsidy targets, and subsidy allocation methods were discussed.

6. Next Meeting: February 21, 2017 at 3:00- 5:00 PM

Georgetown Divide Public Utility District Finance Committee

"Providing financial research, review, and advisory services for the GDPUD Board of Directors and General Manager in support of sound, prudent and business-like management of the water district"

MEETING AGENDA

Meeting Date:

February 21st, 2017

Location:

GDPUD Board Room

Scheduled Time:

3:00 - 5:00 PM

ITEM NO:

1. **Adopt the February 21st Agenda**
2. **Approve the December 15th 2016, and January 24th 2017 Minutes**
3. **Open Forum**
4. **RCAC Water Rate Study Objectives and Methodology**
 - **Discussions of the list of assets (inventory)**
 - **Discuss additional data requests from RCAC**
 - **Discuss fixed costs vs. variable costs allocation techniques**
 - **Discuss the allocations of costs between the treated water and raw water enterprises**
5. **Discussion of Methodologies to Adjust the Cost Rates to Sales Rates**
 - **Discuss potential subsidy target**
 - **Discuss potential subsidy allocation methodologies**

Georgetown Divide Public Utility District Finance Committee

"Providing financial research, review, and advisory services for the GDPUD Board of Directors and General Manager in support of sound, prudent and business-like management of the water district"

Meeting Date:

December 15, 2016

Location:

GDPUD Board Room

Adopt the December 15, 2016 Agenda

Dennis Goodenow, Donna Bruss of the Finance Committee, the Board Liaison, and Staff were present. The Agenda was adopted as presented.

Approve the November 15, 2016 Minutes

The Committee approved the minutes from the November 15, 2016 meeting.

Open Forum

There were no comments from the committee, staff, liaison, or the general public.

RCAC Water Rate Study Objectives and Methodology

The RCAC Water Rate Study was discussed in detail. The committee suggested that the inventory of assets needed additional review as some items on the inventory were suspect. Also, the list of assets has been expanded by RCAC to include an allocation split for some items between the treated water and raw water enterprises. Staff asked the FC to help determine the appropriate allocation splits. The FC agreed to assist staff in this endeavor as well as the previously agreed to effort to determine the appropriate reserves to be on-hand at each replacement period for each asset.

Discussion of Methodologies to adjust the Cost Rates to Sales Rates

The Committee discussed the need to establish subsidy targets to bridge the gap between the cost rates to be determined by RCAC and the sales rates to be established by the District. The FC also discussed potential methods of allocating any non-operating revenues to be used to subsidize the water rates.

Memo



TO: Board of Directors
FROM: Darrell Creeks, Interim General Manager
DATE: February 14, 2017
SUBJECT: ACKNOWLEDGE RECEIPT OF FINAL AUDIT REPORT
Board Meeting of February 14, 2017; Agenda Item #11

DISCUSSION / BACKGROUND

The Board of Directors contracted with Fechter & Company, a CPA firm, to conduct the 2016 Annual Audit, on September 13, 2016.

A signed copy of the Financial Statements along with the Final Management Report was received by the District on January 30, 2017, a copy of which is included with this report as **Attachments A and B**.

RECOMMENDATION

It is Staff's recommendation that the Board acknowledge receipt of the 2016 Annual Audit Report and approve the same.

**GEORGETOWN DIVIDE PUBLIC
UTILITY DISTRICT**

MANAGEMENT REPORT

JUNE 30, 2016

January 20, 2017

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

We have audited the financial statements of the Georgetown Divide Public Utility District for the year ended June 30, 2016 and have issued our report thereon dated January 20, 2017. As part of our audit we made a study and evaluation of the District's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. The purpose of our study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the District's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

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

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

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

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

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

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

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

Sincerely,

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

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

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Management Report
For the Year Ended June 30, 2016

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

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

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

As part of obtaining reasonable assurance about whether the District financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Significant Accounting Policies

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

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

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

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Management Report
For the Year Ended June 30, 2016

Audit Adjustments

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

- To record the entries related to the district's net pension liability.
- To record a prior period adjustment for inventory.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

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

GDPUD Board Meeting, 2/14/2017
AGENDA ITEM #11
ATTACHMENT B

**GEORGETOWN DIVIDE PUBLIC
UTILITY DISTRICT**

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

JUNE 30, 2016

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Annual Financial Report
June 30, 2016

Table of Contents

	<u>Page</u>
Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-10
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Statement of Net Position – Proprietary Funds	13
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	14
Statement of Cash Flows – Proprietary Funds.....	15-16
Statement of Fiduciary Assets and Liabilities	17
Notes to Basic Financial Statements.....	18-45
Required Supplementary Information:	
Schedule of Funding Progress for Other Post-Employment Benefits	46
Schedule of the District's Proportionate Share of the Net Pension Liability	47
Schedule of Pension Contributions.....	48
Supplementary Information:	
Schedule of Operating Expenses	49
Restricted Plant Benefit Charges and Disclosures.....	50

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the fiduciary fund of the Georgetown Divide Public Utility District (District) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the District for the year ended June 30, 2015. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, each major fund, and fiduciary fund of the District as of June 30, 2016, and the respective changes in financial position and cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10, the Schedule of Funding Progress for Other Postemployment Benefits on page 44, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 45, and the Schedule of Pension Contributions on page 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

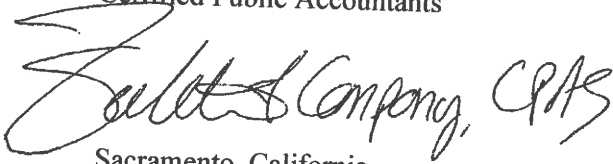
The Schedules of Operating Expenses and Restricted Plant Benefits Charges and Disclosures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Fechter & Company,
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs". The signature is written in dark ink and is positioned over the printed name of the firm.

Sacramento, California
January 20, 2017

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis June 30, 2016

As management of the Georgetown Divide Public Utility District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the audited financial statements and accompanying notes that follow this section.

Financial Highlights

The fiscal year was, once again challenging from an economic perspective. Total revenue for the fiscal year ending June 30, 2016 was \$4,052,283, an increase of \$438,547 or 12.14% from the previous fiscal year. Total expenses were \$4,469,731, an increase of \$664,334 or 17.46% from the previous fiscal year. The decrease in net position was \$417,448 for the fiscal year. By closely monitoring the budget and cutting expenses, the District was able to minimize the decrease in net assets.

Operating revenue totaled \$1,959,999 for the fiscal year ended June 30, 2016, a decrease of \$2,453 or 0.12% from the previous fiscal year. Operating expenses totaled \$4,436,717, an increase of \$729,192 or 19.67% from the previous fiscal year.

Non-operating revenue was \$2,092,284, an increase of \$441,000 or 26.71%. Non-operating expense was \$33,014, a decrease of \$64,858 or 66.27%. The remaining non-operating revenue supplements operating revenue to cover operating expenses and capital improvements.

Other significant financial activities were:

- Filling certain staff positions.
- Increased CalPERS benefit payments with the implementation of GASB 68.
- Investing towards the design of the Auburn Lake Trails Water Treatment Plant Retrofit Project.
- Drought conditions that impact water usage.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis, the Basic Financial Statements, Required Supplementary Information, and optional Supplementary Information.

The required financial statements are the Statement of Net Position at June 30, 2016; the Statement of Activities for the fiscal year ended June 30, 2016, at the government-wide level; the Statement of Net Position— Proprietary Funds at June 30, 2016; the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds for the fiscal year ended June 30, 2016; and the Statement of Cash Flows – Proprietary Funds for the fiscal year ended June 30, 2016, at the fund level. The final required financial statement is the Statement of Fiduciary Assets and Liabilities. The financial statements also include comprehensive notes which summarize the official accounting policies of the District and provide additional details of specific accounts.

The financial statements, except for the cash flow statement, are prepared using the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts or payments. The cash flow statement is an exception because that statement shows the receipt and payment of cash for operating activities, non-

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis June 30, 2016

capital financing activities, capital and related financing activities, and investing activities.

Required Financial Statements

The financial statements of the District report information about the District using accounting methods similar to those used by companies in the private sector. These statements offer short and long-term financial information about its activities. The *Statement of Net Position* includes all the District's assets and liabilities. The statement also provides information about the nature and amounts of investments in assets and obligations to District creditors as liabilities. The statement also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

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

All of the current fiscal year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses, and Changes in Net Position*. This statement measures the District's operations over the past fiscal year and can be used to determine whether the District has successfully recovered all of its costs through its rates, fees, and other charges. The District's net position and credit worthiness can also be determined from this statement.

The primary purpose of the *Statement of Cash Flows* is to provide information about the District's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It explains where cash came from, cash usage, and the change in the cash balance during the reporting period.

The *Statement of Fiduciary Assets and Liabilities* is provided to report on assets held in an agency capacity for others and which cannot be used to support the District's operating activities.

Financial Analysis of the District

Has the financial condition of the District improved or deteriorated as a result of this year's operations? The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position attempts to answer this question. Net position may be a useful indicator over time as to the District's financial position. But, there may be other non-economic factors that could cause a change in the District's financial situation.

Statement of Net Position

The Statement of Net Position is a snapshot in time that shows assets, liabilities, and net assets as of June 30, 2016. Net Position decreased by \$417,448 to \$16,247,025 in fiscal year 2016. Total assets and deferred outflows of resources decreased by \$136,570 and total liabilities and deferred inflows of resources increased by \$280,878 from the previous fiscal year. There is a decrease in net capital assets mainly from depreciation. A summary of the District's Statement of Net Position is presented in Table A-1.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis
June 30, 2016

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

	Fiscal Year 2016	Fiscal Year 2015	Dollar Change	Percent Change
Current assets	\$ 7,163,033	\$ 6,966,924	\$ 196,109	2.81%
Restricted assets	2,994,909	3,023,063	(28,154)	-0.93%
Capital assets, net of accumulated depreciation	12,270,069	12,754,161	(484,092)	-3.80%
Deferred outflows of resources	484,729	305,162	179,567	58.84%
Total Assets and Deferred Outflows of Resources	22,912,740	23,049,310	(136,570)	-0.59%
Current liabilities	223,574	138,114	85,460	61.88%
Current restricted liabilities	8,090	7,719	371	4.81%
Non-current liabilities	6,235,173	5,400,595	834,578	15.45%
Deferred inflows of resources	198,878	838,409	(639,531)	-76.28%
Total Liabilities and Deferred Inflows of Resources	6,665,715	6,384,837	280,878	4.40%
Net investment in capital assets	11,389,428	11,836,954	(447,525)	-3.78%
Restricted for facilities	2,265,880	2,236,016	29,864	1.34%
Restricted for debt service	397,952	423,946	(25,994)	-6.13%
Unrestricted net position	2,193,765	2,167,557	26,201	1.21%
Total Net Position	\$ 16,247,025	\$ 16,664,473	\$ (417,448)	-2.51%

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position provides information on the nature and source of assets represented on the Statement of Net Position. It also shows that the expenses exceeded revenues by \$417,448. Ending net position totaled \$16,247,025. Total revenues increased by \$438,547 in 2016 totaling \$4,052,283. Operating revenue decreased by \$2,453. The Statement of Revenues, Expenses, and Changes in Net Position lists the operating revenues and the non-operating revenues together and compares them to the operating and non-operating expenses. Table A-2 depicts total revenues and total expenses and the resulting changes in net position.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis
June 30, 2016

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

	Fiscal Year 2016	Fiscal Year 2015	Dollar Change	Percent Change
Operating revenues	\$ 1,959,999	\$ 1,962,452	\$ (2,453)	-0.12%
Non-operating revenues and contributions	2,092,284	1,651,284	441,000	26.71%
Total Revenues	4,052,283	3,613,736	438,547	12.14%
Operating expenses	4,436,717	3,707,525	729,192	19.67%
Non-operating expenses	33,014	97,872	(64,858)	-66.27%
Total Expenses	4,469,731	3,805,397	664,334	17.46%
Net Income (Loss)	(417,448)	(191,661)	(225,787)	117.81%
Beginning Net Position, Restated	16,664,473	16,856,134	(191,661)	-1.14%
Ending Net Position	\$ 16,247,025	\$ 16,664,473	\$ (417,448)	-2.51%

Operating Revenues

In a purely business environment, operating revenues are meant to cover operating expenses, retire debt and provide for future improvements by accumulating reserves. The rural nature of the District allows for the receipt of property taxes which are used in conjunction with the operating revenues to pay for operating expenses and other needs. Due to dry weather conditions and conservation practices water demand revenue decreased over the prior fiscal year. The remaining operating revenues were close to expectations. Operating revenues are depicted in Table A-3.

Table A-3
Condensed Operating Revenues

	Fiscal Year 2016	Fiscal Year 2015	Dollar Change	Percent Change
Water sales – residential	\$ 1,244,193	\$ 1,236,737	\$ 7,456	0.60%
Water sales – commercial	177,031	170,797	6,234	3.65%
Water sales – irrigation	135,218	157,407	(22,189)	-14.10%
Water disposal fees and charges	346,429	344,857	1,572	0.46%
Penalties	39,885	48,532	(8,647)	-17.82%
Connections	15,232	4,111	11,121	270.52%
Other operating revenues	2,011	11	2,000	18181.82%
Total Operating Revenues	\$ 1,959,999	\$ 1,962,452	\$ (2,453)	-0.12%

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis
June 30, 2016

Operating Expenses by Department

Total operating expenses increased \$729,192 or 19.67% to \$4,436,717. The largest expense increase was in Transmission and Distribution activities largely due to recovery from the drought and required usage water conservation measures from the prior year. The increase to On-Site Wastewater Disposal was due to position adjustments. Administrative service expenses increased due to General Manager and Office Manager in place for a full year. The hydroelectric activities are combined with the administrative activities as they are not material enough to present separately. Source of Supply expenses increased due to personnel adjustments. The Water Treatment Plant expenses increased slightly due to cost of living adjustments. Operating expenses are depicted in Table A-4.

**Table A-4
Operating Expenses by Department**

	Fiscal Year 2016	Fiscal Year 2015	Dollar Change	Percent Change
Source of supply	\$ 351,861	\$ 231,538	\$ 120,323	51.97%
Transmission and distribution – raw water	593,812	576,995	16,817	2.91%
Water treatment	546,119	540,882	5,237	0.97%
Transmission and distribution – treated water	728,310	540,249	188,061	34.81%
Customer service	250,023	260,774	(10,751)	-4.12%
Administrative and hydroelectric	966,505	721,814	244,691	33.90%
Depreciation and amortization	816,291	672,901	143,390	21.31%
On-site wastewater disposal zone	183,796	162,372	21,424	13.19%
Total Operating Expenses	<u>\$ 4,436,717</u>	<u>\$ 3,707,525</u>	<u>\$ 729,192</u>	19.67%

Operating Revenues vs. Operating Expenses

The District's operating loss increased by \$731,645. Table A-5 compares operating revenues to operating expenses and depicts the District's reliance on other revenue for operations.

**Table A-5
Operating Revenues vs. Operating Expenses**

	Fiscal Year 2016	Fiscal Year 2015	Dollar Change	Percent Change
Operating Revenues	\$ 1,959,999	\$ 1,962,452	\$ (2,453)	-0.12%
Operating Expenses	4,436,717	3,707,525	729,192	19.67%
Operating Loss	<u>\$ (2,476,718)</u>	<u>\$ (1,745,073)</u>	<u>\$ (731,645)</u>	41.93%

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis
June 30, 2016

Non-Operating Revenues and Expenses

The District's non-operating income is vital to covering operations. Property taxes increased this fiscal year and interest income declined. Table A-6 compares non-operating revenues and expenses.

Table A-6
Non-Operating Revenues and Expenses

	Fiscal Year 2016	Fiscal Year 2015	Dollar Change	Percent Change
Property taxes – general	\$ 1,447,381	\$ 1,379,559	\$ 67,822	4.92%
Interest income	45,883	44,764	1,119	2.50%
Restricted benefit charges	18,400		18,400	
Lease revenue	60,230	49,356	10,874	22.03%
Hydroelectric royalty payments	43,259	47,240	(3,981)	-8.43%
SMUD payment	108,515	107,825	690	0.64%
Gain on sale of asset	1,527		1,527	
Other	27,483	22,540	4,943	21.93%
Capital contributions	339,606		339,606	
Total Non-Operating Revenues	2,092,284	1,651,284	441,000	26.71%
Total Non-Operating Expenses	33,014	97,872	(64,858)	-66.27%
Non-Operating Income Less				
Non-Operating Expense	<u>\$ 2,059,270</u>	<u>\$ 1,553,412</u>	<u>\$ 505,858</u>	32.56%

Capital Assets

The District's investment in capital assets for the fiscal year was \$332,201 while depreciation expense was \$816,291. The investment in capital improvements include but are not limited to:

- \$129,469 to move the Auburn Lake Trails Water Treatment Plant Retrofit project forward,
- \$54,406 for a 2016 Dodge Ram 5500
- \$48,517 for a Ditch Witch FX30 Vac Trailer
- \$22,240 for a 2016 Ford F-150
- \$9,630 for office computers

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

Long-Term Debt and Debt Administration

At June 30, 2016, the District had \$6,235,173 in long-term debt, including compensated absences and other postemployment benefits obligations, \$834,578 more than the prior fiscal year. The District continues to perform debt administration functions previously performed by the County on the District's behalf for certain 1915 Act bonds. Additional information about District long-term debt can be obtained in Note 5 of the notes to the financial statements.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis
June 30, 2016

CalPERS Pension Plan

Assembly Bill 340 was recently passed by the California Legislature in an effort to reduce CalPERS pension costs in the long run. The District has participated in a CalPERS Pension Plan since February of 1972. There have been amendments to the contract with CalPERS over the years. CalPERS requires the District to be part of a small employer pool and the 2006 contract change which require payments to reduce a side fund. The contribution requirements of the plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

Postemployment Benefits Other Than Pensions

The District has been endeavoring to fund these benefit commitments for many years and implemented Governmental Accounting Standards Board Statement No. 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions in fiscal year 2010. On April 11, 2006, the District adopted Ordinance 2006-01 regarding retiree health benefits implementing caps on the amount the District would pay towards these types of benefits. A calculation of the future liability for these benefits has been prepared utilizing the simplified method allowed by the statement for small employers. Utilizing this method, it is estimated that the District saved approximately \$850,000 by instituting the caps. The estimated actuarial liability at June 30, 2016, is \$1,532,949. The District has set aside \$566,605 for this obligation. As the District administers this plan without a trust, the designated assets set aside for these benefits are not recognized in the notes to the financial statements. Additional information about postemployment benefits other than pensions can be obtained in Note 14 of the notes to the financial statements.

Economic Factors and Rates

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

Requests for Information

This financial report is designed to provide a general overview of the finances of the Georgetown Divide Public Utility District. After the financial report is approved by the Board of Directors, it can be found under the financial section on the District's website (gd-pud.org). Copies of the report are also provided to the El Dorado County libraries in Placerville and Georgetown. A copy will be available for review at the District office, located at 6425 Main St, Georgetown, CA 95634. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the General Manager of the District, Georgetown Divide Public Utility District, P.O. Box 4240, Georgetown, CA 95634-4240.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016
(with comparative totals for June 30, 2015)

	Business-Type Activities	
	2016	2015
ASSETS		
Current Assets:		
Cash and investments	\$ 6,646,096	\$ 6,398,651
Receivables:		
Accounts	366,806	425,170
Interest	7,081	1,372
Inventory	41,826	47,135
Deposits and prepaid expenses	101,224	94,596
Total current assets	7,163,033	6,966,924
Restricted Assets:		
Cash and investments	2,717,114	2,666,510
Receivables:		
Interest	281	4,819
Current assessments	55,616	56,014
Non-current assessments	221,898	294,176
Deposits and prepaid expenses	-	1,544
Total restricted assets	2,994,909	3,023,063
Capital assets, net	12,270,069	12,754,161
TOTAL ASSETS	22,428,011	22,744,148
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pensions	484,729	305,162
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 22,912,740	\$ 23,049,310
LIABILITIES		
Current Liabilities:		
Accounts payable	146,833	92,188
Accrued expenses	51,489	30,428
Unearned revenue	25,252	15,498
Total Current Liabilities	223,574	138,114
Current Liabilities Payable from Restricted Assets:		
Accrued interest payable	5,646	6,548
Accounts payable	1,273	-
Unearned revenue	1,171	1,171
Total Current Liabilities Payable from Restricted Assets	8,090	7,719
Noncurrent Liabilities:		
Due in one year	137,481	117,750
Due in more than one year	6,097,692	5,282,845
Total Noncurrent Liabilities	6,235,173	5,400,595
TOTAL LIABILITIES	6,466,837	5,546,428
DEFERRED INFLOWS OF RESOURCES		
Deferred pensions	198,878	838,409
NET POSITION		
Net investment in capital assets	11,389,428	11,836,954
Restricted for new facilities	2,265,880	2,236,016
Restricted for debt service	397,952	423,946
Unrestricted	2,193,765	2,167,557
TOTAL NET POSITION	16,247,025	16,664,473
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 22,912,740	\$ 23,049,310

The accompanying notes are an integral part of these financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016
(with comparative totals for June 30, 2015)

Functions/Programs	Expenses	Program Revenues		Net Changes in Net Position	
		Charges for Services	Capital Contributions and Grants	2016	2015
Business-Type Activities:					
Water	\$ 4,258,065	\$ 1,613,570	\$ 339,606	\$ (2,304,889)	\$ (1,997,165)
Wastewater Disposal	211,666	346,429	-	134,763	154,220
Total business-type activities	<u>\$ 4,469,731</u>	<u>\$ 1,959,999</u>	<u>\$ 339,606</u>	<u>(2,170,126)</u>	<u>(1,842,945)</u>
General Revenues:					
				1,447,381	1,379,559
				45,883	44,764
				<u>259,414</u>	<u>226,961</u>
				1,752,678	1,651,284
				<u>(417,448)</u>	<u>(191,661)</u>
				16,664,473	19,875,511
				<u>-</u>	<u>(3,019,377)</u>
				16,664,473	16,856,134
				<u>\$ 16,247,025</u>	<u>\$ 16,664,473</u>

The accompanying notes are an integral part of these financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016
(with comparative totals for June 30, 2015)

	Enterprise Funds		Totals	
	Water	Wastewater Disposal	2016	2015
ASSETS				
Current Assets:				
Cash and investments	\$ 5,766,122	\$ 879,974	\$ 6,646,096	\$ 6,398,651
Receivables:				
Accounts	362,060	4,746	366,806	425,170
Interest	6,005	1,076	7,081	1,372
Inventory	41,826	-	41,826	47,135
Deposits and prepaid expenses	99,934	1,290	101,224	94,596
Total current assets	<u>6,275,947</u>	<u>887,086</u>	<u>7,163,033</u>	<u>6,966,924</u>
Restricted Assets:				
Cash and investments	2,491,956	225,158	2,717,114	2,666,510
Receivables:				
Interest	-	281	281	4,819
Current assessments	55,616	-	55,616	56,014
Non-current assessments	221,898	-	221,898	294,176
Deposits and prepaid expenses	-	-	-	1,544
Total restricted assets	<u>2,769,470</u>	<u>225,439</u>	<u>2,994,909</u>	<u>3,023,063</u>
Capital assets, net	12,038,472	231,597	12,270,069	12,754,161
TOTAL ASSETS	<u>21,083,889</u>	<u>1,344,122</u>	<u>22,428,011</u>	<u>22,744,148</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	468,248	16,481	484,729	305,162
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 21,552,137</u>	<u>\$ 1,360,603</u>	<u>\$ 22,912,740</u>	<u>\$ 23,049,310</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	139,070	7,763	146,833	92,188
Accrued expenses	51,489	-	51,489	30,428
Unearned revenue	25,252	-	25,252	15,498
Total Current Liabilities	<u>215,811</u>	<u>7,763</u>	<u>223,574</u>	<u>138,114</u>
Current Liabilities Payable from Restricted Assets:				
Accrued interest payable	5,646	-	5,646	6,548
Accounts payable	1,273	-	1,273	-
Unearned revenue	1,171	-	1,171	1,171
Total Current Liabilities Payable from Restricted Assets	<u>8,090</u>	<u>-</u>	<u>8,090</u>	<u>7,719</u>
Noncurrent Liabilities:				
Due in one year	136,722	759	137,481	117,750
Due in more than one year	5,934,875	162,817	6,097,692	5,282,845
Total Noncurrent Liabilities	<u>6,071,597</u>	<u>163,576</u>	<u>6,235,173</u>	<u>5,400,595</u>
TOTAL LIABILITIES	<u>6,295,498</u>	<u>171,339</u>	<u>6,466,837</u>	<u>5,546,428</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	192,116	6,762	198,878	838,409
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>192,116</u>	<u>6,762</u>	<u>198,878</u>	<u>838,409</u>
NET POSITION				
Net investment in capital assets	11,157,831	231,597	11,389,428	11,836,954
Restricted for new facilities	2,040,441	225,439	2,265,880	2,236,016
Restricted for debt service	397,952	-	397,952	423,946
Unrestricted	1,468,299	725,466	2,193,765	2,167,557
TOTAL NET POSITION	<u>15,064,523</u>	<u>1,182,502</u>	<u>16,247,025</u>	<u>16,664,473</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 21,552,137</u>	<u>\$ 1,360,603</u>	<u>\$ 22,912,740</u>	<u>\$ 23,049,310</u>

The accompanying notes are an integral part of these financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
(with comparative totals for June 30, 2015)

	Enterprise Funds		Totals	
	Water	Wastewater Disposal	2016	2015
Operating revenues:				
Water sales:				
Residential	\$ 1,244,193	\$ -	\$ 1,244,193	\$ 1,236,737
Commercial	177,031	-	177,031	170,797
Irrigation	135,218	-	135,218	157,407
Installations and connections	15,232	-	15,232	4,111
Waste disposal:				
Zone charges	-	311,629	311,629	310,661
Design fees	-	1,200	1,200	1,200
Escrow fees	-	33,600	33,600	32,996
Penalties	39,885	-	39,885	48,532
Other	2,011	-	2,011	11
Total operating revenues	<u>1,613,570</u>	<u>346,429</u>	<u>1,959,999</u>	<u>1,962,452</u>
Operating expenses:				
Source of supply	351,861	-	351,861	231,538
Transmission and distribution - raw water	593,812	-	593,812	576,995
Pumping and power	546,119	-	546,119	540,882
Transmission and distribution - treated water	728,310	-	728,310	540,249
Customer service	250,023	-	250,023	260,774
Administration and hydroelectric	966,505	-	966,505	721,814
Depreciation	788,421	27,870	816,291	672,901
On-Site Wastewater Disposal Zone	-	183,796	183,796	162,372
Total operating expenses	<u>4,225,051</u>	<u>211,666</u>	<u>4,436,717</u>	<u>3,707,525</u>
Operating income (loss)	<u>(2,611,481)</u>	<u>134,763</u>	<u>(2,476,718)</u>	<u>(1,745,073)</u>
Non-operating revenues (expenses):				
Tax revenue - general	1,447,381	-	1,447,381	1,379,559
Interest income	41,827	4,056	45,883	44,764
Lease revenue	60,230	-	60,230	49,356
SMUD payment	108,515	-	108,515	107,825
Hydroelectric royalty payments	43,259	-	43,259	47,240
Capital facility charge	18,400	-	18,400	-
Gain on sale of assets	1,527	-	1,527	-
Other revenue	27,483	-	27,483	22,540
Interest expense	(25,882)	-	(25,882)	(31,515)
Other expense	(7,132)	-	(7,132)	(66,357)
Total non-operating revenues, net	<u>1,715,608</u>	<u>4,056</u>	<u>1,719,664</u>	<u>1,553,412</u>
Income (loss) before capital contributions and transfers	<u>(895,873)</u>	<u>138,819</u>	<u>(757,054)</u>	<u>(191,661)</u>
Capital contributions	339,606	-	339,606	-
Transfers in	1,189,000	9,358	1,198,358	191,000
Transfers out	(1,198,358)	-	(1,198,358)	(191,000)
Capital contributions and transfers in (out), net	<u>330,248</u>	<u>9,358</u>	<u>339,606</u>	<u>-</u>
Change in net position	<u>(565,625)</u>	<u>148,177</u>	<u>(417,448)</u>	<u>(191,661)</u>
Beginning net position	15,630,148	1,034,325	16,664,473	19,875,511
Prior period adjustment	-	-	-	(3,019,377)
Beginning net position, restated	<u>15,630,148</u>	<u>1,034,325</u>	<u>16,664,473</u>	<u>16,856,134</u>
Ending net position	<u>\$ 15,064,523</u>	<u>\$ 1,182,502</u>	<u>\$ 16,247,025</u>	<u>\$ 16,664,473</u>

The accompanying notes are an integral part of these financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
(with comparative totals for June 30, 2015)

	Enterprise Funds		Totals	
	Water	Wastewater Disposal	2016	2015
Cash flows from operating activities:				
Receipts from customers	\$ 1,681,407	\$ 346,710	\$ 2,028,117	\$ 1,972,225
Payments to suppliers	(1,303,366)	(93,857)	(1,397,223)	(1,025,657)
Payments to employees	(2,005,592)	(88,361)	(2,093,953)	(1,893,599)
Net cash provided by operating activities	<u>(1,627,551)</u>	<u>164,492</u>	<u>(1,463,059)</u>	<u>(947,031)</u>
Cash Flows from non-capital financing activities:				
Property taxes received	1,447,381	-	1,447,381	1,379,559
Assessment receivable payments	72,676	-	72,676	143,317
Receipts from capacity charges	18,400	-	18,400	-
SMUD payment	108,515	-	108,515	107,825
Hydroelectric royalty payments	43,259	-	43,259	47,240
Other revenue	27,483	-	27,483	22,540
Other expense	(7,132)	-	(7,132)	(66,357)
Transfers (to)/from other funds	(9,358)	9,358	-	-
Receipts from cellular antenna rentals	60,230	-	60,230	49,356
Net cash provided by non-capital financing activities	<u>1,761,454</u>	<u>9,358</u>	<u>1,770,812</u>	<u>1,683,480</u>
Cash flows from capital and related financing activities:				
Principal payments on long-term debt	(90,972)	-	(90,972)	(190,774)
Interest payments on long-term debt	(26,784)	-	(26,784)	(32,860)
Capital grant	339,606	-	339,606	-
Proceeds from sale of capital assets	1,527	-	1,527	-
Acquisition and construction of capital assets	(277,793)	-	(277,793)	(131,118)
Net cash used by capital and related financing activities	<u>(54,416)</u>	<u>-</u>	<u>(54,416)</u>	<u>(354,752)</u>
Cash flows from investing activities:				
Proceeds from maturities of investments	-	-	-	600,000
Investment income received	41,048	3,664	44,712	43,878
Net cash provided by investing activities	<u>41,048</u>	<u>3,664</u>	<u>44,712</u>	<u>643,878</u>
Net increase (decrease) in cash and cash equivalents	120,535	177,514	298,049	1,025,575
Cash and cash equivalents, beginning of year	<u>8,137,543</u>	<u>927,618</u>	<u>9,065,161</u>	<u>8,039,586</u>
Cash and cash equivalents, end of year	<u>\$ 8,258,078</u>	<u>\$ 1,105,132</u>	<u>\$ 9,363,210</u>	<u>\$ 9,065,161</u>
Reconciliation to the Statement of Net Position:				
Cash and investments, unrestricted	\$ 5,766,122	\$ 879,974	\$ 6,646,096	\$ 6,398,651
Restricted cash and investments	2,491,956	225,158	2,717,114	2,666,510
Total cash and investments	<u>\$ 8,258,078</u>	<u>\$ 1,105,132</u>	<u>\$ 9,363,210</u>	<u>\$ 9,065,161</u>
Noncash investing/financing activities:				
Issuance of capital lease	<u>\$ 54,406</u>	<u>\$ -</u>	<u>\$ 54,406</u>	<u>\$ -</u>

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

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016
(with comparative totals for June 30, 2015)

	Enterprise Funds		Totals	
	Water	Wastewater Disposal	2016	2015
Reconciliation of operating income (loss) to net cash provided by (used) by operating activities:				
Operating loss	\$ (2,611,481)	\$ 134,763	\$ (2,476,718)	\$ (1,745,073)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	788,421	27,870	816,291	672,901
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Accounts receivable	53,503	4,861	58,364	7,340
Inventory	5,309	-	5,309	(702)
Deposits and prepaid expenses	(4,779)	(305)	(5,084)	(2,894)
Deferred outflow - pension	(173,462)	(6,105)	(179,567)	11,634
Accounts payable	50,473	5,445	55,918	2,087
Accrued expenses	22,008	(947)	21,061	(22,843)
Deposits payable	-	-	-	(752)
Compensated absences	20,175	(1,078)	19,097	(585)
Postemployment benefits	78,182	-	78,182	76,540
Deferred inflow - pension	(617,787)	(21,744)	(639,531)	838,409
Net pension liability	747,553	26,312	773,865	(786,278)
Unearned revenue	14,334	(4,580)	9,754	3,185
Net cash provided (used) by operating activities	\$ (1,627,551)	\$ 164,492	\$ (1,463,059)	\$ (947,031)

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

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2016
(with comparative totals for June 30, 2015)

	Totals	
	2016	2015
ASSETS		
Current Assets:		
Cash and investments	\$ 103,299	\$ 98,709
Prepaid expenses	-	1,235
Receivables:		
Interest	67	52
Current assessments	5,063	4,885
Noncurrent assessments	158,464	165,553
TOTAL ASSETS	\$ 266,893	\$ 270,434
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 955	\$ -
Accrued interest payable	2,996	3,076
Unearned revenue	73,738	73,088
Total current liabilities	77,689	76,164
Noncurrent Liabilities:		
Due in one year	5,358	5,066
Due in more than one year	183,846	189,204
Total noncurrent liabilities	189,204	194,270
TOTAL LIABILITIES	\$ 266,893	\$ 270,434

The accompanying notes are an integral part of these financial statements

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 1: Significant Accounting Policies

A. Organization and Description

The reporting entity, the Georgetown Divide Public Utility District (District), was created by the electorate, June 4, 1946, under the California Public Utility District Act of 1921. The District operates under a governing five-member Board of Directors (Board) elected at-large for four-year overlapping terms. The District's management is under the direction of the General Manager, who also serves as Clerk, and ex-officio Secretary of the Board, who is appointed by and serves at the pleasure of the Board.

B. Reporting Entity

The District's basic financial statements include the operations of all organizations for which the District's Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

Based upon the aforementioned oversight criteria, there are no component units in this report which met the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statements No. 39 and 61.

The basic financial statements include the accounts of two enterprise activities provided by the District: (1) raw and treated water services, and (2) wastewater disposal services in the Auburn Lake Trails (A.L.T.) subdivision.

C. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-Wide Statements

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

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements

June 30, 2016

Note 1: Significant Accounting Policies - continued

C. Basis of Presentation - continued

Government-Wide Statements - continued

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

Fund Financial Statements

The Fund Financial Statements provide information about the District's funds, including the fiduciary fund. Separate statements for each fund category – *proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 1: Significant Accounting Policies - continued

C. **Basis of Presentation** - continued

Fund Financial Statements - continued

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District maintains one fiduciary fund. Fiduciary funds are custodial in nature and do not have a measurement focus, however, they do use the accrual basis of accounting.

D. **Major Funds**

GASB Statement No. 34 defines major funds and requires that the District's major proprietary funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have assets, liabilities, revenues, or expenditures/expenses equal to or greater than ten percent of their fund-type total and five percent of all fund-type totals. The District may also select other funds that it believes should be presented as major funds. The District reports all its proprietary funds as major funds.

The District reported the following major proprietary funds:

Water

This fund accounts for the activities of providing raw and treated water services to the customers. Raw water service is also known as irrigation water.

Wastewater Disposal

This fund accounts for the activities of monitoring wastewater disposal of the residents of the Auburn Lake Trails subdivision. The area is also known as the On-Site Wastewater Disposal Zone. The On-Site Wastewater Disposal Zone is comprised of all the lots in the Auburn Lake Trails Subdivision, including the lots connected to the Community Disposal System.

Additionally, the District reports a fiduciary agency fund to account for the debt service activities for the Stewart Mine, Greenwood, Cool-Cherry Acres, Spanish Dry Diggings, and Water Line Extensions 77-5 Water Assessment Districts. The District's administration of this debt is a purely custodial function.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 1: Significant Accounting Policies - continued

E. Basis of Accounting

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the *full accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

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

F. Budget and Budgeting

Budget integration is employed as a management control device. Budgets are formally adopted by the Board of Directors and take effect the following July 1. The budgets are used as a management tool and are not a legal requirement.

G. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

H. Inventory

Inventories of supplies are stated at cost. Cost is determined on a first-in, first-out basis.

I. Restricted Assets

These assets consist of certificates of deposit, short-term investments, and receivables which are restricted for debt service and other legal obligations.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 1: Significant Accounting Policies - continued

J. Capital Assets

Purchased capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of donation. The District capitalizes capital assets valued over \$1,000 and having a useful life of at least three years. Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets which range from 30 to 100 years for the plant and pipelines and 3 to 15 years for other equipment.

K. Compensated Absences

All earned vacation, which is payable upon termination or retirement, is accrued as compensated absences, in accordance with GASB Statement No. 16.

L. Property Taxes

The District receives property taxes from El Dorado County (County), which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1, on the assessed values as of the prior January 1 for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of the supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31.

The District participates in the County "Teeter Plan" method of property tax distribution and thus receives 100% of the District's apportionment each fiscal year, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest on the related delinquent taxes. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not on collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year.

M. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements

June 30, 2016

Note 1: Significant Accounting Policies - continued

N. Comparative Data

Comparative total data for the prior fiscal year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position, operations, and cash flows. Certain classifications may have been made to the prior fiscal year financial statements to conform to the current fiscal year presentation.

O. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

P. Pension Plans

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Local Government of District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to /deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 2: Cash and Investments

Classification

The cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of District debt instruments or District agreements:

Unrestricted cash and investments	\$ 6,646,096
Restricted cash and investments	<u>2,717,114</u>
Cash and investments, Statement of Net Position	9,363,210
Cash and investments, Statement of Fiduciary Assets and Liabilities	<u>103,299</u>
 Total Cash and Investments	 <u>\$ 9,466,509</u>

Cash and investments as of June 30, 2016, consist of the following:

Cash on hand	\$ 450
Deposits with financial institutions	30,391
Investments	<u>9,435,668</u>
 Total Cash and Investments	 <u>\$ 9,466,509</u>

A. Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (LAIF)	N/A	None	\$50 million
Certificates of Deposit	5 Years	None	None
Money Market Funds (must be Comprised of eligible securities Permitted under this policy)	N/A	None	None

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 2: Cash and Investments – continued

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Money Market Funds	N/A	None	None

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (in Months) 12 Months or Less</u>
State Investment Pool (LAIF)	\$ 6,890,612
Certificates of Deposit	200,000
Money Market Funds	2,316,785
Held by Debt Trustees:	
Money Market Funds	28,271
	<u>\$ 9,435,668</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 2: Cash and Investments – continued

C. Disclosures Relating to Interest Rate Risk – continued

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Fiscal Year End	
			AAA	Not rated
State Investment Pool (LAIF)	\$ 6,890,612	N/A	\$	\$ 6,890,612
Certificates of Deposit	200,000	N/A		200,000
Money Market Funds	2,316,785	N/A		2,316,785
Held by Debt Trustees:				
Money Market Funds	28,271	N/A	28,271	
	<u>\$ 9,435,668</u>		<u>\$ 28,271</u>	<u>\$ 9,407,397</u>

D. Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. Only investments with LAIF and the Money Market Funds exceed 5% or more of total District investments. The Money Market Funds are collateralized for the amount over the Federal Deposit Insurance Corporation amount or backed by United States obligations.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 2: Cash and Investments - continued

E. Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2016, \$2,066,785 of the District's deposits and investments with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

F. Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 2: Cash and Investments - continued

F. Investment in State Investment Pool - continued

Restricted cash and investments are identified by use as follows at June 30, 2016:

	<u>Water</u>	<u>Waste Disposal</u>	<u>Total</u>
Debt Service:			
Kelsey South	\$ 224,546	\$	\$ 224,546
Pilot Hill South	49,746		49,746
Kelsey North	123,660		123,660
State Revolving Fund	54,058		54,058
Total Debt Service			
Cash and Investments	<u>452,010</u>		<u>452,010</u>
New Facilities:			
Capital Facility Charges	1,641,898		1,641,898
Water Development	398,048		398,048
Community Disposal System			
Replacement and Expansion		225,158	225,158
Total New Facilities Cash and Investments	<u>2,039,946</u>	<u>225,158</u>	<u>2,236,158</u>
Total Restricted Cash and Investments	<u>\$ 2,491,956</u>	<u>\$ 225,158</u>	<u>\$ 2,717,114</u>

Note 3: Assessments Receivable and Long-Term Receivable

Assessments receivable to the District are construction obligations of the benefited property owners of the Kelsey North, Kelsey South, Pilot Hill North, Pilot Hill South, and Stewart Mine Water Assessment Districts. El Dorado County collects the special assessments semi-annually in order to pay the related projects' Department of Water Resources or United States Department of Agriculture construction debts as they mature. The assessments receivable balances at June 30, 2016, were as follows:

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
Water Restricted Assessments Receivable	\$ 55,616	\$ 221,898	\$ 277,514
Fiduciary Assessments Receivable	5,063	158,464	163,527
Total Assessments Receivable	<u>\$ 60,679</u>	<u>\$ 380,362</u>	<u>\$ 441,041</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 4: Capital Assets

Purchased capital assets are recorded at cost when purchased. Donated capital assets are recorded at fair value at the date of donation. Capital assets are depreciated over estimated useful lives ranging from one hundred years (Stumpy Meadows Dam) to three years (small office equipment) using the straight-line method. Capital assets at June 30, 2016, consisted of the following:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Nondepreciable Capital Assets:				
Land and land right	\$ 770,975	\$	\$	\$ 770,975
Construction in progress	941,748	145,405	40,670	1,046,483
Total nondepreciable capital assets	<u>1,712,723</u>	<u>145,405</u>	<u>40,670</u>	<u>1,817,458</u>
Depreciable Capital Assets:				
General plant equipment and facilities	1,353,790	84,891	165,612	1,273,069
Water treatment	5,612,185	2,175	12,519	5,601,841
Transmission and distribution	13,445,211	99,728	242,464	13,302,475
Auburn Lake Trails septic facilities	847,372		232	847,140
Source of supply	6,758,452	40,670	14,726	6,784,396
Total depreciable capital assets	<u>28,017,010</u>	<u>227,464</u>	<u>435,553</u>	<u>27,808,921</u>
Less: accumulated depreciation	<u>(16,975,572)</u>	<u>(816,291)</u>	<u>(435,553)</u>	<u>(17,356,310)</u>
Net depreciable capital assets	<u>11,041,438</u>	<u>(588,827)</u>		<u>10,456,611</u>
Net capital assets	<u>\$ 12,754,161</u>	<u>\$ (443,422)</u>	<u>\$ 40,670</u>	<u>\$ 12,270,069</u>

Depreciation Allocations

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

Business-type Activities:

Water	\$ 788,421
Wastewater Disposal	<u>27,870</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 816,291</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 5: Long-Term Debt

A. Compensated Absences

District employees accumulate earned but unused vacation benefits which can be converted to cash at termination of employment. It is estimated that up to two weeks per employee might be liquidated with expendable currently available financial resources in the next year. These vested benefits are reported as part of the noncurrent liabilities on the Statement of Net Position and totaled \$70,602 at June 30, 2016. It is anticipated that \$35,195 of these benefits will be used during the fiscal year ending June 30, 2017.

B. Notes Payable

Balance
June 30, 2016

Department of Water Resources

Three long-term contracts have been entered into with the State of California Department of Water Resources (DWR) to finance the construction of various water projects.

The Kelsey North Water Assessment District 1989-1 contract of \$630,000 is to be repaid by seventy semi-annual payments of \$15,398. These payments, due April 1 and October 1, beginning April of 1993 and ending October 1, 2027, include interest on the outstanding note balance at 3.3712%. Payments are made from assessments collected from the Assessment District. \$ 291,576

The Kelsey South Water Assessment District 1989-4 contract of \$666,750 is to be repaid by sixty semi-annual payments of \$17,836. These payments, due April 1 and October 1, beginning April of 1993 and ending October 1, 2022, includes interest on the outstanding note balance at 3.41%. Payments are made from assessments collected from the Assessment District. 206,409

The Walton Lake Water Treatment Plant Filter Replacement contract of \$400,511 is to be repaid by forty semi-annual payments of \$12,529. These payments, due April 1 and October 1, beginning October of 2010 and ending April 1, 2030, include interest on the outstanding note balance at 2.2836%. 298,812
Total Department of Water Resources Notes Payable 796,797

United States Bureau of Reclamation

A non-interest bearing contract was entered into with the U.S. bureau of Reclamation in 1977 to construct the Otter Creek Project. Annual principal payments of \$4,538 are due through January 1, 2018.

Total Notes Payable \$ 9,077
805,874

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 5: Long-Term Debt – continued

B. Notes Payable - continued

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 72,929	\$ 23,134	\$ 96,063
2018	75,029	21,034	96,063
2019	72,692	18,833	91,525
2020	74,942	16,583	91,525
2021	77,327	14,198	91,525
2022-2026	293,006	39,767	332,773
2027-2031	139,948	6,476	146,424
	<u>\$ 805,874</u>	<u>\$ 140,025</u>	<u>\$ 945,899</u>

C. Capital Leases

On November 27, 2006, the District entered into a long-term capital lease agreement with Verizon for the purpose of constructing a permanent cell tower. The first ten years of uncollected lease payments represent the cost of constructing the tower, which is owned by the District. If the lease is terminated within the first ten years, the District will owe Verizon the remaining construction cost. The first ten year period commenced November 1, 2008. The capital lease totaled \$155,731 based on discounting at 3% the monthly lease amount of \$1,500. The capital lease liability is being retired using a 3% interest rate as well. The balance of the capital lease at June 30, 2016, was \$23,506.

On May 22, 2016, the district entered into a long-term capital lease agreement with Santander Financing for a 2016 Ram 5500 truck costing \$54,406. The payments are \$1,231 per month including interest at 4.1% for 48 months. The balance of the lease at June 30, 2016, was \$51,261. The accumulated depreciation and related depreciation expense on the truck for the year ended June 30, 2016 was \$2,720.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 29,357	\$ 2,183	\$ 31,540
2018	19,366	1,404	20,770
2019	13,963	808	14,771
2020	12,081	228	12,309
	<u>\$ 74,767</u>	<u>\$ 4,623</u>	<u>\$ 79,390</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 5: Long-Term Debt – continued

D. Change in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Repayments	Balance June 30, 2016	Due Within One Year
Notes payable	\$ 876,667		\$ (70,793)	\$ 805,874	\$ 72,929
Post-employment benefits	417,018	135,841	(57,659)	495,200	
Capital lease	40,540	54,406	(20,179)	74,767	29,357
Compensated absences	51,505	19,097		70,602	35,195
Net pension liability	4,014,865	773,865		4,788,730	
Total	<u>\$ 5,400,595</u>	<u>\$ 983,209</u>	<u>\$ (148,631)</u>	<u>\$ 6,235,173</u>	<u>\$ 137,481</u>

Note 6: Agency: Special Assessment Debt

The District acts as an agent for the Stewart Mine Road Water Assessment District 98-1 Bonds, issued on August 24, 1999. This debt was not included in the District's accounting records because the District had no obligation for the payment of these bonds other than in a fiduciary capacity. The principal amount outstanding at June 30, 2016, and June 30, 2015, was \$189,204 and \$194,270, respectively.

Construction relating to various improvement districts has been financed in part by assessment of benefited property owners in the form of special assessment bonds authorized under the Improvement Bond Act of 1915. Bonds in the amount of \$774,002 have been issued for the benefit of Greenwood, Cool-Cherry Acres, Spanish Dry Diggins, and Line Extensions 77-5 water improvement districts. These bonds were originally issued through Farmers Home Administration, later transferred to General Electric Capital Corporation and subsequently acquired by CapMark. During 2009 CapMark was acquired by Berkadia. The principal amount outstanding at June 30, 2016, and June 30, 2015 was \$7,000 and \$34,000, respectively.

Note 7: On-Site Wastewater Disposal Zone (O.S.W.D.Z.)

During the early part of 1984, it became apparent that a proposed sewer assessment district was not going to be approved and that the assimilation alternative of combining certain lots in the Auburn Lake Trails (A.L.T.) subdivision was a possibility. By letter dated April 24, 1984, Trans America Development Corporation (TADCO) and A.L.T. property owners jointly requested the formation of an on-site wastewater disposal zone which would be monitored by the District. The O.S.W.D.Z. was formed pursuant to the authority granted under Sections 6950 et seq. of the Health and Safety Code of the State of California and became operative by board resolution on March 19, 1985. The effective date for accounting for revenues and expenses was April 1, 1985.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 7: On-Site Wastewater Disposal Zone (O.S.W.D.Z.) - continued

The purpose of the O.S.W.D.Z. is to protect the ground and surface water within the Disposal Zone boundaries in compliance with Regional Water Quality Control Board requirements. The District's responsibility is to design and inspect new on-site disposal systems and to monitor the surface and ground water quality and system performance of existing systems.

The O.S.W.D.Z. assessment revenues charged will be restricted to pay the operating costs of the O.S.W.D.Z. No unrestricted District funds can be used to pay expenses of the O.S.W.D.Z.

Effective for the fiscal year ended June 30, 1998, the O.S.W.D.Z. Capital Expenditure Reserve was established. The O.S.W.D.Z. Capital Expenditure Reserve fund has had little activity over the years. The fund was inactivated May 13, 2008.

In addition to the O.S.W.D.Z., the District, by contract, has taken over operation of the Community Disposal System (C.D.S.) of 139 lots within the A.L.T. subdivision. These property owners pay additional assessments for operation and maintenance of the C.D.S. The C.D.S. Expansion Benefit Reserve was established July 1, 2000, and currently receives annual transfers in an effort to achieve the reserve level approved by the District in May 2005.

Note 8: Restricted Benefit Charges

This non-operating revenue is comprised of various benefit charges and interest earned on the corresponding deposits. The implementation of the Capital Facility Charges on July 1, 2008, replaced the previous treatment plant, pipeline, and storage benefit charges. Pursuant to District ordinance, this revenue is restricted in special accounts which are to be used exclusively as follows:

Water development charge funds: To develop alternate sources of raw water to meet long-term District requirements.

Capital Facility Charge Fund: For maintenance and/or improvements of the treatment plants, pipeline facilities, and storage facilities.

O.S.W.D.Z./C.D.S. replacement and expansion benefit charge funds: For maintenance, improvement, and/or expansion of the community disposal system as well as facilitating improvements in the O.S.W.D.Z.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 9: Net Position

Net Position is the excess of all the District's assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 63. These captions apply only to net position, which are determined only at the government-wide level, proprietary funds, and fiduciary funds (trust funds only), and are described below.

Net Investment in Capital Assets

Investment in capital assets describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Net Position Restrictions

Restricted net position consists of constraints placed on net position use through external creditors (such as through debt covenants), grants, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. Net position restricted for new facilities represent the net assets accumulated from restricted benefit charges imposed by District ordinances for the maintenance and expansion of facilities. Net position restricted for debt service is required by the debt agreements.

Unrestricted Net Position

The term "unrestricted" describes the portion of net position which is not restricted as to use.

The Board has designated portions of the unrestricted net position for specific operating purposes in an effort to provide for the prudent operations of the District.

Retiree: To provide for the estimated future retiree health insurance benefits of existing retirees and current employees who have bargained for the benefit.

Georgetown/Buckeye and Garden Valley: For use in activities specific to the designated area.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 9: Net Position - continued

Unrestricted Net Position - continued

Restricted and unrestricted net position is identified by use as follows as of June 30, 2016:

	<u>Water</u>	<u>Wastewater Disposal</u>	<u>Total</u>
Restricted Net Position:			
New Facilities:			
Water Development	\$ 398,544	\$	\$ 398,544
Capital Facility Charges	1,641,897		1,641,897
C.D.S. Replacement		44,149	44,149
C.D.S. Expansion		181,290	181,290
Total New Facilities Net Position	<u>2,040,441</u>	<u>225,439</u>	<u>2,265,880</u>
Debt Service:			
Kelsey North	\$ 123,660	\$	\$ 123,660
Kelsey South	224,546		224,546
Pilot Hill South	49,746		49,746
Total Debt Service Net Position	<u>397,952</u>		<u>397,952</u>
Total Restricted Net Position	<u>\$ 2,438,393</u>	<u>\$ 225,439</u>	<u>\$ 2,663,832</u>
Unrestricted Net Position:			
Unrestricted Designated Net Position:			
Retiree	\$ 84,579	\$	\$ 84,579
Stumpy Meadows Emergency Reserve	1,033,957		1,033,957
Short-lived Asset Replacement	764,357		764,357
Capital Reserve	1,161,000		1,161,000
Georgetown/Buckeye	3		3
Garden Valley	107,462		107,462
Hydroelectric	557,415		557,415
Total Unrestricted Designated Net Position	<u>3,708,773</u>		<u>3,708,773</u>
Unrestricted Undesignated Net Position	<u>(2,240,474)</u>	<u>725,466</u>	<u>(1,515,008)</u>
Total Unrestricted Net Position	<u>\$ 1,468,299</u>	<u>\$ 725,466</u>	<u>\$ 2,193,765</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 10: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWAJPIA), a public entity risk pool currently operating as a common risk carrier management and insurance program for member agencies. The purpose of ACWAJPIA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expenses. The District pays annual premiums to the ACWAJPIA for its general liability, automobile, property, fidelity coverage, and workers' compensation. The agreement for formation of the ACWAJPIA provides that the ACWAJPIA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$50,000 (property), \$100,000 (fidelity), and \$2,000,000 (general, automobile and public officials liability) for each insured event, except for workers compensation which will reinsure for claims in excess of \$2,000,000. The deductibles for the ACWAJPIA do not exceed \$2,500. Total premiums paid for fiscal year 2016 were \$131,536.

The District continues to carry commercial insurance for employee health and life insurance. The District also carries commercial insurance for dental and optical insurance for the employees represented by Stationary Engineers, Local 39 and all new employees hired after July 11, 2006.

Note 11: Defined Benefit Pension Plan

A. General Information about the Pension Plans

Plan Description—All qualified permanent and probationary employees are eligible to participate in the Local Government's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provision under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provision, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided—CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total services are eligible to retire at age 50 with statutorily reduces benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 11: Defined Benefit Pension Plan - continued

A. General Information about the Pension Plans – continued

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous		
	Prior to June 19, 2006	On or after June 19, 2006 to December 28, 2012	On or after December 28, 2012
Hire Date			
Benefit formula	2.7% @ 55	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	55	55
Monthly benefits, as a % of eligible compensation	2.7%	2.7%	2%
Required employee contribution rates	8%	8%	6.25%
Required employer contributions rates	12.209%+\$369,459	10.298%+\$8,664	6.237%

Contributions – Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contribution for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Local Government is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

	Tier I	Tier II	PEPRA
Contributions -- employer	\$409,464	\$62,252	\$13,013
Contributions -- employee (paid by employer)	26,216	41,608	13,040

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 11: Defined Benefit Pension Plan – continued

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

As of June 30, 2016, the Local Government reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	<u>\$4,788,730</u>

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation of June 30, 2013, rolled forward to June 30, 2014, using standard update procedures. The Local Government's proportion of the net pension liability was based on a projection of the Local Government's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Local Government's proportionate share of the net pension liability for each Plan as of June 30, 2015, and 2016, was as follows:

	<u>Tier I</u>	<u>Tier II</u>	<u>PERPRA</u>
Proportion -- June 30, 2014	\$3,823,194	\$191,637	\$34
Proportion -- June 30, 2015	4,557,232	230,815	683
Change -- Increase (Decrease)	734,038	39,178	649

For the year ended June 30, 2016, the Local Government recognized pension expenses of \$40,008, \$53,588, and \$13,013 for Tier I, Tier II, and PERPRA. At June 30, 2016, the Local Government reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 484,729	\$
Net difference between projected and actual earnings of pension plan investments		<u>(198,878)</u>
Total	<u>\$ 484,729</u>	<u>\$ (198,878)</u>

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 11: Defined Benefit Pension Plan – continued

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

\$484,729 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period June 30,	Deferred Outflows/(Inflows) of Resources
2016	\$ (99,765)
2017	(99,765)
2018	(90,663)
2019	91,315

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3%-14.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the Cal PERS website.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 11: Defined Benefit Pension Plan – continued

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

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.5 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.5 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down the nearest one quarter of one percent.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 11: Defined Benefit Pension Plan – continued

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

Discount Rate – continued

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Global equity	47.0%	5.25%	5.71%
Global fixed income	19.0%	0.99%	2.43%
Inflation sensitive	6.0%	0.45%	3.36%
Private equity	12.0%	6.83%	6.95%
Real estate	11.0%	4.50%	5.13%
Infrastructure and forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	(.55%)	(1.05%)
	<u>100.0%</u>		

⁽¹⁾ An expected inflation of 2.5% used for this period.

⁽²⁾ An expected inflation of 3.0% used for this period.

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

	<u>Tier I</u>	<u>Tier II</u>	<u>PEPRA</u>
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$7,642,796	\$387,093	\$1,145
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$4,557,232	\$230,815	\$683
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$2,009,740	\$101,789	\$301

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

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 12: Description of Deferred Compensation Pension Plans

The District has two deferred compensation plans. All amounts of compensation deferred under the plans, all property and rights purchased with these amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees and their beneficiaries. No part of the corpus or income of the trust shall revert to employer or be used for or diverted for purposes other than for the exclusive benefit of participants and their beneficiaries.

Only employee contributions were made to the Internal Revenue Code Section 457 deferred compensation plan or the Internal Revenue Code Section 401(a) defined contribution money purchase plan for the fiscal year ended June 30, 2016. The District does not make contributions on behalf of the employees.

The District is the administrator of the plans. The International City Management Association (ICMA) Retirement Corporation holds the funds in a trust and also advises as to legality, files appropriate plan documentation, and reports the quarterly activities to each plan participant.

Note 13: Post-Employment Benefits Other Than Pensions

A. Plan Description

The District provides certain health insurance benefits to retired employees in accordance with a memorandum of understanding with International Union of Operating Engineers, Stationary Engineers, Local No. 39 (Union) and Ordinance 2006-01.

For employees who retire from the District after at least twenty (20) years of service with the District and who continue health insurance through a District-sponsored health insurance plan until the age of 65, the District will contribute up to \$435 per month of the health insurance premium for the retiree and/or the retiree's spouse. At the age of 65, the retiree is required to enroll in Medicare and the District will continue to contribute up to \$435 per month to a Medicare supplemental plan of the retiree's or retiree spouse's choice.

Effective February 7, 2006, the District extended the benefit described above to all new employees, as well as the employees who are part of the Union. However, the District administers a wide variety of other retirement benefits based on the plans in place when various long-term employees' retired and in conjunction with Ordinance 2006-01. The benefits for the few unrepresented and management employees as of April 11, 2006, are dictated by Ordinance 2006-01 as well. None of the previous arrangements are being extended to any new employees of the District.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

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

B. Funding Policy

The District's policy is to contribute an amount sufficient to pay the estimated amount required to cover benefits for the existing employees who may retire with 20 years of service. For fiscal year 2015-16, the District paid \$102,288 for retiree benefits and received retiree contributions of \$44,629, for a net cost of \$57,659. Currently, there are 16 retirees who are receiving benefits. The District administers the plan described above and has accumulated \$566,606 in cash and investments for these benefits as of June 30, 2016. However, as the plan is not administered with an irrevocable trust, this amount cannot be considered for prefunding.

C. Annual OPEB and Net OPEB Obligation

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

Annual required contribution	\$ 135,841
Annual OPEB cost (expense)	<u>135,841</u>
Contributions made	<u>(57,659)</u>
Increase in net OPEB obligation	78,182
Net OPEB obligation - beginning of fiscal year	<u>417,018</u>
Net OPEB obligation - end of fiscal year	<u>\$ 495,200</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016, 2015, and 2014 were as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of Annual OPEB Costs Contribution	Net OPEB Obligation (Asset)
June 30, 2014	\$ 161,204	41%	\$ 340,478
June 30, 2015	135,779	44%	417,018
June 30, 2016	135,841	42%	495,200

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

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

D. Funded Status and Funding Progress

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

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

E. Actuarial Methods and Assumptions

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

In the June 30, 2015, valuation, the attained age cost method was used. The valuation assumptions included a 0.5 percent investment rate of return, which is the expected long-term investment returns on plan assets, a projected salary increase assumption rate of 1.6 percent, and an annual healthcare cost trend rate of 3.6 percent. There are no assets designated for the plan as of June 30, 2016. The UAAL is being amortized over the average number of years remaining to be worked to reach the average retirement age of the active employees. The remaining amortization period at June 30, 2016, was eleven years.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Notes to Basic Financial Statements
June 30, 2016

Note 14: Revenue Limitation Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new, increase, or extended taxes and assessments subject to the provisions of Proposition 218 requires the voters' approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative process and may be rescinded in the future years by the voters.

The proposition also provides for a customer protest process when fees for services benefiting a property are proposed to be increased. The District follows this process when changes are contemplated for water sales and waste disposal zone charges.

Note 15: Commitments and Contingencies

The District has received State and Federal funds for specific purposes that are subject to review and audit by the grantor Agencies. Although such audits could generate expenditure disallowances under the term of the grants, it is believed that any required reimbursements will be immaterial.

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

At June 30, 2016, the District had commitments related to the design of the Auburn Lake Trails Water Treatment Plant and for future maintenance/updates for the mapping of District facilities in the amounts of \$16,638 and \$1,857, respectively.

Compliance Order #01-09-04CO-002 was issued by the CA Dept. of Public Health on February 23, 2004, which required the District to provide surface water treatment that effectively reduces giardia cysts and viruses by 3 and 4 logs respectively, through filtration and disinfection at its Auburn Lake Trails Water Treatment Plant. Since then, regulations have added the requirement for the ALTWTP to effectively reduce cryptosporidium cysts by 2 logs. This later requirement is considered achieved when treatment requirements for giardia and viruses are being met. As of the date of these financial statements, the District is not in compliance with the Compliance Order. The ramifications of this non-compliance have not been determined, but may include possible fines and penalties.

Note 16: Subsequent Events

In preparing the accompanying financial statement, the District management has reviewed all known events that have occurred after June 30, 2016, and through January 20, 2017, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

REQUIRED SUPPLEMENTARY INFORMATION

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFITS
 JUNE 30, 2016**

Other Post-Employment Benefits

Schedule of Funding Progress

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

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2016**

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

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

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
JUNE 30, 2016**

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

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

SUPPLEMENTARY INFORMATION

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
SCHEDULE OF OPERATING EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(With Comparative Totals for the Fiscal Year Ended June 30, 2015)**

Source of	Transmission and		Transmission and		Customer Service	Administrative and Hydroelectric	Site Wastewater Disposal Zone	Totals	
	Water Supply	Distribution - Raw Water	Water Treatment	Distribution - Treated Water				2016	2015
Salaries and part-time labor	\$ 125,052	\$ 264,657	\$157,492	\$ 320,957	\$162,346	\$ 258,323	\$ 51,187	\$1,340,014	\$ 1,160,596
CalPERS benefits	42,128	68,094	55,038	112,014	24,783	123,862	12,261	438,180	274,285
Payroll taxes	9,391	15,837	11,897	24,008	6,232	19,329	3,996	90,690	83,644
Insurance - health and life plans	35,594	52,927	39,898	84,039	19,774	26,581	18,302	277,115	225,725
Insurance - workers' compensation	14,259	18,600	6,214	16,489	3,276	5,470	3,579	67,887	76,130
Accounting and audit fees	-	-	-	-	-	13,800	1,200	15,000	15,000
Building maintenance and repairs	-	-	-	40	-	6,281	-	6,321	4,439
Director stipends	-	-	-	-	-	23,200	-	23,200	23,600
Engineering fees	25,858	-	-	-	-	-	-	25,858	40,114
Insurance - general	3,356	14,147	11,214	13,359	8,364	7,935	3,542	61,917	58,146
Legal - general	-	36,191	-	-	-	79,692	9,768	125,651	91,862
Supplies, rentals and durable goods	13,266	87,148	70,619	113,278	286	6,176	7,237	298,010	189,083
Office supplies	-	125	1,276	295	15,769	30,791	2,059	50,315	27,862
Outside services	21,094	6,012	8,796	7,195	-	123,259	18,298	184,654	158,135
Retiree benefits	-	-	-	-	-	135,841	-	135,841	156,439
Development and travel	-	90	90	670	18	17,703	-	18,571	2,884
Utilities	2,160	1,380	133,006	10,515	3,239	23,192	10,236	183,728	180,120
Equipment and vehicle maint.	4,131	12,110	5,131	8,392	4,895	9,009	3,045	46,713	49,803
Vehicle operations	4,104	14,658	5,508	10,272	-	530	4,297	39,369	48,778
Regulatory requirements and fees	51,254	1,408	39,834	6,510	656	5,600	34,574	139,836	105,588
Other - County election admin.	-	-	-	-	-	-	-	-	6,466
Other - County property tax admin.	-	-	-	-	-	30,646	-	30,646	19,065
Other - Memberships	-	-	-	163	-	11,949	-	12,112	16,076
Depreciation	116,486	80,293	173,640	381,924	18,039	18,039	27,870	816,291	672,901
Other	214	428	106	114	385	7,336	215	8,798	20,783
Total	\$468,347	\$ 674,105	\$719,759	\$ 1,110,234	\$268,062	\$ 984,544	\$ 211,666	\$4,436,717	\$ 3,707,524

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RESTRICTED PLANT BENEFIT CHARGES AND DISCLOSURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Water Development</u>	<u>Capital Facility Charges</u>	<u>Short-lived Asset Replacement</u>	<u>Community Disp. System Rep. Benefit</u>	<u>Comm. Disp. System Expan. Benefit</u>	<u>Total</u>
Balance at June 30, 2015	\$ 397,001	\$ 1,616,675	\$ 761,371	\$ 43,976	\$ 180,582	\$2,999,605
Activity for fiscal year ended June 30, 2016:						
Sources:						
Interest earned	1,542	6,120	2,986	172	708	11,528
Restricted benefit charges	-	19,103	-	-	-	19,103
Total sources	<u>1,542</u>	<u>25,223</u>	<u>2,986</u>	<u>172</u>	<u>708</u>	<u>30,631</u>
Balance at June 30, 2016	<u>\$ 398,543</u>	<u>\$ 1,641,898</u>	<u>\$ 764,357</u>	<u>\$ 44,148</u>	<u>\$ 181,290</u>	<u>\$3,030,236</u>

Memo



TO: Board of Directors
FROM: Darrell Creeks, Interim General Manager
DATE: February 14, 2017
SUBJECT: PROFESSIONAL SERVICES AGREEMENT – SIREN & ASSOCIATES
Board Meeting of February 14, 2017; Agenda Item #12

DISCUSSION / BACKGROUND

The District has contracted with *Siren & Associates* since 2006 to assist the District with regulatory compliance for the Public Water and Onsite Wastewater Management Zone reporting, and other environmental consulting services.

The District has received a proposal from *Siren & Associates* to continue to provide the necessary monitoring and reporting for both the Public Water System and Onsite Wastewater Management Zone and other duties as provided in the scope of work for the 12-month period of February 12, 2017, through February 12, 2018. The total cost shall not exceed \$34,906. The funding for this Agreement would come from Fund Account 5080, Outside Service/Consultants.

The Professional Services Agreement is included with this Staff Report as **Attachment A**.

It should be noted that the Professional Services Agreement template recently provided by Legal Counsel includes the requirement that the Consultant carry errors and omissions liability insurance. The Consultant has indicated they will not continue to work with the District if this is a requirement. Because the nature of this Consultant's work poses minimal risk to the District, the E&O requirement has been deleted.

RECOMMENDATION

Staff recommends Board approval of a professional services agreement with *Siren & Associates* in an amount not to exceed \$34,906.

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 14th day of February 2017, (the “Effective Date”) by and between the Georgetown Divide Public Utilities District, a California Public Utilities District (“District”), and Siren & Associates, an environmental consultant, (“Consultant”). District and Consultant may herein be referred to individually as a “Party” and collectively as the “Parties”. There are no other parties to this Agreement.

RECITALS

A. District has determined that consultant services are required to assist the District in complying with regulatory agencies, drinking water and wastewater monitoring, and reporting requirements (“Services”); and

B. Consultant has submitted a proposal to District that includes a scope of proposed consultant services, attached hereto and described more fully in **Exhibit A** (“Services”).

C. Consultant represents that it is qualified, willing and able to provide the Services to District, and that it will perform Services according to the rate schedule included in the scope of proposed consultant services attached hereto as **Exhibit A** (the “Rates”).

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Recitals. The recitals set forth above (“Recitals”) are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 20 of this Agreement, Section 1 through 20 shall prevail.

2. Consulting Services. Consultant agrees, during the term of this Agreement, to perform the Services for District in connection with regulatory compliance and reporting. Any request for services in addition to the Services described in **Exhibit A** will be considered a request for additional consulting services and not compensated unless the Parties otherwise agree in writing. No subcontract shall be awarded or an outside consultant engaged by Consultant unless prior written approval is obtained from District.

3. Compensation. District shall pay Consultant according to the fee schedule set forth in **Exhibit A**, as full remuneration for the performance of the Services. Consultant agrees to maintain a log of time spent in connection with performing the Services. On a monthly basis, Consultant shall provide District, in reasonable and understandable detail, a description of the services rendered pursuant to the Services and in accordance with the Rates. If the work is satisfactorily completed, District shall pay such invoice within thirty (30) days of its receipt. If District disputes any portion of

any invoice, District shall pay the undisputed portion within the time stated above, and at the same time advise Consultant in writing of the disputed portion.

4. Reimbursement. District shall pay Consultant for reimbursable expenses related to travel, lodging, conference calls, reproduction and other costs incurred related to Consultant's performance of the Services. Such reimbursable costs shall be invoiced and billed to the District on a monthly basis, provided that in no event shall reimbursable expenses exceed \$551.00.

5. Term. This Agreement shall become effective on the Effective Date and will continue in effect until February 12, 2018, unless terminated earlier as provided in Section 6 or 7 below (the "Term").

6. Termination. District may terminate this Agreement prior to the expiration of the Term ("Termination"), without cause or reason, by notifying Consultant in writing of District's desire to terminate this Agreement (the "Termination Notice"). Upon receipt of a Termination Notice, Consultant shall immediately cease performing the Services. Consultant will be entitled to compensation, as of the date Consultant receives the Termination Notice, only for Services actually performed.

7. Termination for Cause. Notwithstanding Section 6 above, this Agreement may be terminated by District for cause based on the loss or suspension of any licenses, permits or registrations required for the continued provision of the Services, or Consultant's malfeasance. Termination of the Agreement for cause as set forth in this Section shall relieve District from compensating Consultant.

8. Confidential Information. Consultant understands and agrees that, in the performance of Services under this Agreement or in the contemplation thereof, Consultant may have access to private or confidential information that may be owned or controlled by District and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to District ("Confidential Information").

Consultant shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of District. If District gives Consultant written authorization to make any such disclosure, Consultant shall do so only within the limits and to the extent of that authorization. Such authorization does not guarantee that the District will grant any further disclosure of Confidential Information. Consultant may be directed or advised by the District's General Counsel on various matters relating to the performance of the Services on the Project or on other matters pertaining to the Project, and in such event, Consultant agrees that it will treat all communications between itself, its employees and its subcontractors as being communications which are within the attorney-client privilege.

9. Performance by Key Employee. Consultant has represented to District that Rebecca Siren will be the person primarily responsible for the performance of the Services and all communications related to the Services. District has entered into this Agreement in reliance on that representation by Consultant.

10. Property of District. The following will be considered and will remain the property of District:

A. Documents. All reports, drawings, graphics, working papers and Confidential Information furnished by District in connection with the Services (“Documents”). Nothing herein shall be interpreted as prohibiting or limiting District’s right to assign all or some of District’s interests in the Documents.

B. Data. All data collected by Consultant and produced in connection with the Services including, but not limited to, drawings, plans, specifications, models, flow diagrams, visual aids, calculations, and other materials (“Data”). Nothing herein shall be interpreted as prohibiting or limiting District’s right to assign all or some of District’s interests in the Data.

C. Delivery of Documents and Data. Consultant agrees, at its expense and in a timely manner, to return to District all Documents and Data upon the conclusion of the Term or in the event of Termination.

11. Duties of District. In order to permit Consultant to render the services required hereunder, District shall, at its expense and in a timely manner:

A. Provide such information as Consultant may reasonably require to undertake or perform the Services;

B. Promptly review any and all documents and materials submitted to District by Consultant in order to avoid unreasonable delays in Consultant’s performance of the Services; and

C. Promptly notify Consultant of any fault or defect in the performance of Consultant’s services hereunder.

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

A. Qualifications. Consultant represents that it is qualified to perform the Services and that it possesses the necessary licenses, permits and registrations required to perform the Services or will obtain such licenses or permits prior to the time such licenses or permits are required. Consultant represents and warrants to District that Consultant shall, at Consultant’s sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and registrations that are legally required for Consultant to practice Consultant’s profession at the time the Services are rendered.

B. Consultant Performance. Consultant represents and warrants that all Services under this Agreement shall be performed in a professional manner and shall conform to the customs and standards of practice observed on similar, successfully completed projects by specialists in the Services to be provided. Consultant shall adhere to accepted professional standards as set forth by relevant professional associations and shall perform all Services required under this Agreement in a manner consistent with generally accepted professional customs, procedures and standards for such

{CW021899.1}

Services. All work or products completed by Consultant shall be completed using the best practices available for the profession and shall be free from any defects. Consultant agrees that, if a Service is not so performed, in addition to all of its obligations under this Agreement and at law, Consultant shall re-perform or replace unsatisfactory Service at no additional expense to District.

13. Compliance with Laws and Standards. Consultant shall insure compliance with all applicable federal, state, and local laws, ordinances, regulations and permits, including but not limited to federal, state, and county safety and health regulations. Consultant shall perform all work according to generally accepted standards within the industry. Consultant shall comply with all ordinances, laws, orders, rules, and regulations, including the administrative policies and guidelines of District pertaining to the work.

14. Independent Contractor; Subcontracting. Consultant will employ, at its own expense, all personnel reasonably necessary to perform the Services. All acts of Consultant, its agents, officers, employees and all others acting on behalf of Consultant relating to this Agreement will be performed as independent contractors. Consultant, its agents and employees will represent and conduct themselves as independent contractors and not as employees of District. Consultant has no authority to bind or incur any obligation on behalf of District. Except as District may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of District in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind District to any obligation whatsoever. Consultant is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is expressly approved by District in writing.

15. Insurance. Consultant and all of Consultant's contractors and subcontractors shall obtain and maintain insurance of the types and in the amounts described in this paragraph and its subparagraphs with carriers reasonably satisfactory to District.

A. General Liability Insurance. Consultant shall maintain occurrence version commercial general liability insurance or an equivalent form with a limit of not less than Two Million Dollars (\$2,000,000) per claim and Two Million Dollars (\$2,000,000) for each occurrence.

B. Workers' Compensation Insurance. Consultant shall carry workers' compensation insurance as required by the State of California under the Labor Code. Consultant shall also carry employer's liability insurance in the amount of One Million Dollars (\$1,000,000.00) per accident, with a One Million Dollar (\$1,000,000.00) policy limit for bodily injury by disease, and a One Million Dollar (\$1,000,000.00) limit for each employee's bodily injury by disease.

C. Other Insurance Requirements. Within five (5) days of the Effective Date, Consultant shall provide District with certificates of insurance for all of the policies required under this Agreement ("Certificates"), excluding the required worker's compensation insurance. Such Certificates shall be kept current for the Term of the Agreement and Consultant shall be responsible for providing updated copies and notifying District if a policy is cancelled, suspended, reduced, or voided. With the exception of the worker's compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to District of such cancellation, expiration, or reduction and each policy shall be endorsed to state such; (b) name District,

{CW021899.1}

and District's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied, or used by the Consultant, or automobiles owned, leased, or hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the District; (c) be primary with respect to any insurance or self-insurance programs covering District or District's Agents and any insurance or self-insurance maintained by District or District's Agents shall be in excess of Consultant's insurance and shall not contribute to it; (d) contain standard separation of insured provisions; and (e) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to the District.

16. Indemnification. Consultant hereby agrees to indemnify and hold harmless District, its agents, officers, employees and volunteers, against all liability, obligations, claims, loss, and expense (a) caused or created by Consultant, its subcontractors, or the agents or employees of either, whether negligent or not, pertaining to or related to acts or omissions of Consultant in connection with the Services, or (b) arising out of injuries suffered or allegedly suffered by employees of Consultant or its subcontractors (i) in the course of their employment, (ii) in the performance of work hereunder, or (iii) upon premises owned or controlled by District. Consultant's obligation to defend, indemnify and hold District and its agents, officers, employees and volunteers harmless is not terminated by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

17. Consequential Damages. Notwithstanding any other provision of this Agreement, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

18. Litigation. In the event that either Party brings an action under this Agreement for the breach or enforcement hereof, or must incur any collection expenses for any amounts due hereunder the prevailing Party in such action shall be entitled to its costs including reasonable attorney's fees, whether or not such action is prosecuted to judgment.

19. Notices. Any notice or communication required hereunder between District or Consultant must be in writing, and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. Notices given by registered or certified mail shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, (b) on the date delivered as shown on a receipt issued by the courier, or (c) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at the addresses in this paragraph set forth below:

{CW021899.1}

If to District: Georgetown Divide Public Utility District
P.O. Box 4240
6425 Main Street
Georgetown, CA 95634
Attention: General Manager

With courtesy copies to: Churchwell White LLP
1414 K Street, 3rd Floor
Sacramento, California 95814
Attention: Barbara A. Brenner, Esq.

If to Consultant: Siren & Associates
P.O. Box 631
Cool, CA 95614
Attention: Rebecca Siren

20. General Provisions.

A. Modification. No alteration, modification, or termination of this Agreement shall be valid unless made in writing and executed by all Parties.

B. Waiver. The waiver by any Party of a breach of any provision hereof shall be in writing and shall not operate or be construed as a waiver of any other or subsequent breach hereof unless specifically stated in writing.

C. Assignment. No Party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties.

D. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of California.

E. Venue. Venue for all legal proceedings shall be in the Superior Court of California for the County of El Dorado.

F. Partial Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

G. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which shall be deemed a single agreement.

H. Severability. If any term, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

I. Audit. District shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Consultant's charges to District under this Agreement.

J. Entire Agreement. This Agreement sets forth the entire understanding between the Parties as to the subject matter of this Agreement and merges all prior discussions, negotiations, proposal letters or other promises, whether oral or in writing.

K. Headings Not Controlling. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

L. Time is of the Essence. Time is of the essence in this Agreement for each covenant and term of a condition herein.

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

DISTRICT:

CONSULTANT:

GEORGETOWN DIVIDE PUBLIC UTILITIES DISTRICT, a California Public Utilities District

SIREN & ASSOCIATES, an Environmental Consultant

By: _____
Darrell Creeks, Interim General Manager

By: _____
Rebecca Siren, Principal

Date: _____

Date: _____

Approved as to Form:

Barbara A. Brenner, General Counsel

EXHIBIT A
Services and Rates

SIREN & ASSOCIATES
ENVIRONMENTAL CONSULTANTS

January 30, 2017

Georgetown Divide Public Utility District
P.O. Box 4240
Georgetown, CA 95634

Dear Darrell,

In response to your request, I am happy to provide the following scope of services to continue to assist the District in regulatory compliance and other professional consulting services as needed for the next **12 months from February 12, 2017 to February 12, 2018.**

Project 1: Regulatory Compliance Scope of Services:

The Consultant will assist District management in the completion of the following reports and associated data spreadsheets from February 12, 2017 to February 12, 2018

Public Water: 228 hours (19 hours/month average)

- Maintain all associated spreadsheets used in completion of the EAR, CCR, UWMP and ASDR.
- Complete the State Electronic Annual Report (EAR usually due May 1) (estimated at 40 hours)
- Review the State's 2015 Guidance Document and complete the Consumer Confidence Report (CCR due July 1, 2016) for distribution by the District. (Estimated at 32 hours)
- Assist staff as necessary to complete the Annual Supply Demand Report (usually due to the County in March/April)
- Assist staff in the preparation of the required Annual Water Audit
- Assist staff as necessary to complete the State mandated monthly reports

Onsite Wastewater Zone: 120 hours (10 hours/per month average)

- Input data from monthly Zone report and monitoring data into the fourteen (14) spreadsheets required for Annual Zone report
- Quarterly CRWQCB Zone reports (February 1, May 1, August 1 and November 1)
- Quarterly CRWQCB Groundwater Report- complete the six spreadsheets for inclusion in the report and review H&K report (February 1, May 1, August 1 and November 1)
- Annual Zone Report (due February 1, 2017)
- Review of onsite septic testing and designs required for County building permit.

Costs for Professional Consulting Services:

Services will be billed on a time and material basis. My hourly rate is \$105.00 per hour plus mileage at \$0.575/mile or the Federal rate, whichever is higher. The estimated not to exceed cost is \$34,440 in labor and \$138 in mileage (estimated at two office visits per month) for a total of \$34,906.

Timeline:

Consulting services can be initiated immediately as directed by District management.

If you have any questions regarding this proposal, please feel free to contact me at 530-305-7399. I look forward to my continuing working relationship with the District.

Respectively submitted,

Rebecca Siren

Rebecca Siren
Registered Environmental Health Specialist #4303

Memo



TO: Board of Directors

FROM: Darrell Creeks, Interim General Manager

DATE: February 14, 2017

RE: **CalPERS NOTIFICATION REGARDING DISCOUNT RATE CHANGE**
Board Meeting of February 14, 2017; Agenda Item #13

DISCUSSION/BACKGROUND:

The District is in receipt of a Circular Letter from the CalPERS to inform of recent changes to the CalPERS discount rate assumption and the impact these changes are expected to have on required employer and PEPRA member contributions. The Letter is included with this report as **Attachment A**.

RECOMMENDED ACTION:

It is Staff's recommendation that the Board acknowledge receipt of this notification and direct Staff to provide the Board with analysis of this discount rate change, as well as financial impacts to the District.



Actuarial
Circular Letter

California Public Employees' Retirement System
P.O. Box 942715
Sacramento, CA 94229-2715
(888) CalPERS (or 888-225-7377)
TTY: (877) 249-7442
www.calpers.ca.gov

Distribution: VI

To: All Public Agency Employers

Subject: Discount Rate Change

The purpose of this Circular Letter is to inform you of recent changes to the CalPERS discount rate assumption and the impact these changes are expected to have on required employer and PEPRAs member contributions. This Circular Letter will assist you in calculating projected pension cost increases in future years. The June 30, 2016, annual valuations will provide updated projections of expected future year pension contributions. These reports will be available this summer.

At the December 21, 2016, meeting, the CalPERS Board of Administration approved lowering the CalPERS discount rate assumption, the long-term rate of return, from 7.50 percent to 7.00 percent over the next three years. This will increase public agency employer contribution costs beginning in Fiscal Year 2018-19.

The phase-in of the discount rate change approved by the Board for the next three Fiscal Years is as follows:

Valuation Date	Fiscal Year for Required Contribution	Discount Rate
June 30, 2016	2018-19	7.375%
June 30, 2017	2019-20	7.25%
June 30, 2018	2020-21	7.00%

Lowering the discount rate means plans will see increases in both the normal costs (the cost of pension benefits accruing in one year for active members) and the accrued liabilities. These increases will result in higher required employer contributions.

In addition, active members hired after January 1, 2013, under the Public Employees' Pension Reform Act (PEPRA) may also see their contribution rates rise.

The benefits of reducing the discount rate include:

- Strengthening long-term sustainability of the fund
- Reducing negative cash flows; additional contributions will help to offset the cost to pay pensions
- Reducing the long-term probability of funded ratios falling below undesirable levels
- Improving the likelihood of CalPERS investments earning our assumed rate of return
- Reducing the risk of contribution increases in the future from volatile investment markets

Results

Employer contribution increases as a result of the discount rate changes are estimated below by Normal Cost and required Unfunded Accrued Liability (UAL) payment. The Total Employer Contribution is the sum of the Normal Cost Rate applied to reported payroll plus the Unfunded Accrued Liability payment. The Normal Cost portion of the Employer Contribution is expected to increase by the listed percentages of payroll. Increases to the UAL payments are provided as relative increases to be applied to the projected UAL payments in the June 30, 2015, valuation report.

Valuation Date	Fiscal Year Impact	Normal Cost		UAL Payments	
		Misc. Plans	Safety Plans	Misc. Plans	Safety Plans
6/30/2016	2018-19	0.25% - 0.75%	0.5% - 1.25%	2% - 3%	2% - 3%
6/30/2017	2019-20	0.5% - 1.5%	1.0% - 2.5%	4% - 6%	4% - 6%
6/30/2018	2020-21	1.0% - 3.0%	2.0% - 5.0%	10% - 15%	10% - 15%
6/30/2019	2021-22	1.0% - 3.0%	2.0% - 5.0%	15% - 20%	15% - 20%
6/30/2020	2022-23	1.0% - 3.0%	2.0% - 5.0%	20% - 25%	20% - 25%
6/30/2021	2023-24	1.0% - 3.0%	2.0% - 5.0%	25% - 30%	25% - 30%
6/30/2022	2024-25	1.0% - 3.0%	2.0% - 5.0%	30% - 40%	30% - 40%

The changes to the Unfunded Accrued Liability (UAL) due to changes of actuarial assumptions are amortized over a fixed 20-year period with a 5-year ramp up at the beginning and a 5-year ramp down at the end of the amortization period. The 5-year ramp up means that the payments in the first four years of the amortization schedule are 20 percent, 40 percent, 60 percent and 80 percent of the ultimate payment, which begins in year five. The 5-year ramp down means that the reverse is true and the payments in the final four years are ramped down by the above percentages. A new ramp is established with each change to the discount rate. There will be three ramps established in the first three years. As a result of the 5-year ramp up and effective date of the increase, it will be seven years until the full impact of the discount rate change is completely phased in. The shaded rows above are the expected increases beyond the five year projection quoted in your June 30, 2015, valuation report.

To illustrate how this table can be used as a guide to include the change in the discount rate in the calculation of pension contributions, a Miscellaneous plan with a current normal cost of 15 percent of payroll can expect an increase to 15.25 percent to 15.75 percent of payroll in the first year (Fiscal Year 2018-19), and 16 percent to 18 percent in the fifth year (Fiscal Year 2022-23). For the UAL payment, a plan with a projected payment of \$500,000 in Fiscal Year 2018-19 and \$600,000 in Fiscal Year 2022-23 can expect the revised payment to be \$510,000 - \$515,000 ($\$500,000 \times 2.00\% / \$500,000 \times 3.00\%$) for Fiscal Year 2018-19, and \$720,000 - \$750,000 ($\$600,000 \times 20\% / \$600,000 \times 25\%$) for Fiscal Year 2022-23. These estimated increases incorporate both the impact of the discount rate change and the ramp up.

Please keep in mind the above table is a tool for you to calculate broad estimates and should only be used as a general guide. The annual valuation report that will be released this summer will provide updated projections for your specific plan. If you have any questions about the information provided or how to apply it to your current valuations, please call our CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**) and ask for your plan actuary.

Scott Terando,
Chief Actuary

Memo



TO: Board of Directors

FROM: Darrell Creeks, Interim General Manager

DATE: February 9, 2017

RE: **BOARD MEMBER TRAINING ON BEST PRACTICES IN PENSION AND BENEFITS ADMINISTRATION**

Board Meeting of February 14, 2017; Agenda Item #14

DISCUSSION / BACKGROUND

Director Wadle requested the Board's approval of his attendance at the Pension and Benefit Administration Best Practices training offered by the Government Finance Officers Association, on March 21-22, 2017, in Reno, Nevada.

Attachment A of this report provides an outline of the course. Director Wadle pointed out the relevance of this training given the pension challenges the District faces. Office Manager Diane Schroeder is also interested in this training.

Staff has learned that this class has been cancelled.

RECOMMENDATION

It is Staff's recommendation that the Board direct Staff to identify similar training opportunities on the subject of Pension and Benefit Administration for interested Board Members and Staff to attend.



Pension and Benefit Administration Best Practices

Time	Topic
Day 1	Defined Benefit, Defined Contribution, and Hybrid Plans
1.5 hours	Developing a Policy for Retirement Plan Design Options <ul style="list-style-type: none"> • What the plan is intended to do • Overview: the types of retirement plans • Overview: risk • Principal features of defined benefit plans • Principal features of defined contribution plans • Learn what a policy statement should include to guide the plan's on-going plan design decisions
2 hours	Responsible Management and Design Practices for DB Plans <ul style="list-style-type: none"> • Regular and sufficient contributions • Spiking, retroactive benefits increases, deferred retirement option plans, and ad hoc COLAs • Realistic investment assumptions • Contributory versus non-contributory plans • Prior service credits
1.5 hour	Design Elements of DB Plans <ul style="list-style-type: none"> • Key plan design considerations • Funding considerations • Board governance. • Risk management • The role of legal counsel and consultants
1 hour	More DB Administrative Elements <ul style="list-style-type: none"> • Preparing an effective summary plan description • Procuring actuarial services • Developing a policy for retirement plan design options
1 hour	Defined Contribution Plans <ul style="list-style-type: none"> • Monitoring and disclosing fees • Participant education
1 hour	Hybrid Plans <ul style="list-style-type: none"> • Plan structures • Hybrids and pension sustainability

Day 2	OPEB and Health-Care Plans
30 minutes	<p>OPEB Governance and Administration</p> <ul style="list-style-type: none"> • Fiduciary duties • Roles and responsibilities • Creating a clear, well documented structure <ul style="list-style-type: none"> • Quantifying your organization's OPEB exposure
1 hour	<p>Establishing and Administering an OPEB Trust</p> <ul style="list-style-type: none"> • Creating a qualified trust fund to prefund OPEB • IRS and GASB issues • Single versus multiple employer trusts
2 hours	<p>The Affordable Care Act</p> <ul style="list-style-type: none"> • Overview • Compliance policy and monitoring • What you need to know right now • How to adapt your strategy to comply and prosper • Consider cost-containment measures • Working with other departments to ensure that the long-term strategic design is taken into consideration during labor negotiations
1 hour	<p>Strategic Health Plan Design</p> <ul style="list-style-type: none"> • The plan's purpose • Cost objectives • Measuring the cost drivers and health risk factors of plan participants <ul style="list-style-type: none"> • How OPEB affects the costs and sustainability of the overall health-care benefit package
1.5 hours	<p>Health-Care Cost Containment</p> <ul style="list-style-type: none"> • Self-funded versus fully funded • Your employees' needs • Specific cost-containment strategies • Influencing consumer decisions
1 hour	<p>Wellness Plan ROI</p> <ul style="list-style-type: none"> • The ACA and Wellness • What works and what doesn't • Legal issues
1 hour	<p>Communicating Health-Care Benefits to Employees and Retirees</p> <ul style="list-style-type: none"> • Strategies for educating elected officials, employees, retirees, labor groups, and the public • Explaining changes • Sharing information on the impact of rising health-care costs • Creating an atmosphere of responsible health-care consumerism

Memo



TO: Board of Directors
FROM: Darrell Creeks, Interim General Manager
DATE: February 14, 2017
SUBJECT: WATER RIGHTS

Board Meeting of February 14, 2017; **Agenda Item #15**

BACKGROUND / DISCUSSION

During the meeting of January 10, 2017, the Board directed Staff to include an item relating to Water Rights on this month's agenda for discussion.

The following table is a summary of the current water rights, as provided by the Water Board, as of September 2015. The water rights of greatest significance are those within the Pilot Creek watershed that feed Stumpy Meadows Reservoir together with that section of Pilot Creek, approximately two miles in length, between the dam and the diversion structure. Staff is prepared to provide additional information on each of these rights during the course of the meeting.

A005644A	215	Pilot Creek
A005644A	216	Pilot Creek
A016212	289	Branch of Third Canyon Otter Creek
A016212	290	Branch of Third Canyon Otter Creek
A016212	291	Branch of Third Canyon Otter Creek
A016212	292	Branch of Third Canyon Otter Creek
A016212	11946	Deep Canyon
A016212	17516	Bacon Canyon
A016212	17517	UNXX (2)
A016212	17518	UNXX
A016212	17519	UNXX
A016212	17520	UNXX
A016212	23140	Pilot Creek
A016212	28905	Branch of Second Canyon Otter Creek
A016212	28906	Branch of Second Canyon Otter Creek
A016212	34732	Mutton Canyon
A01688	17593	Onion Creek
A027174	21289	Pilot Creek

Documents on file with the District relating to this topic are significant. A presentation, relating to the History of Water Rights and Pre-1914 Entitlements, was made at the regular board meeting of August 2015. A copy of the same is attached for reference.

Due to the volume of materials on file and the overall importance of Water Rights, this topic might be best served under a workshop. The workshop would provide a venue for open discussion amongst Staff, the Board and members of the Public on this topic.

RECOMMENDATION

It is Staff's recommendation that the Board direct Staff to schedule a Workshop centered around the topic of Water Rights.

Georgetown Divide Public Utility District (GDPUD)

History of Water Rights Permits and Pre-1914 Entitlements

Wendell Wall

Aug 2015





GDPUD Water Rights Permits and Pre-1914 Entitlements

AGENDA

- ❑ Pre-1914 Entitlements
- ❑ GDPUD Formation
- ❑ Stumpy Meadows Project
- ❑ Assignment of State Filings
- ❑ Backup
 - Excerpt from Sierra Hydrotech Report (Sept 1997)
 - Table 1 - GDPUD Water Rights Applications and Permits
 - Table 2 – Pre-1914 Entitlements
 - Regional Watershed Detail from ECORP Consulting, Inc (Oct 2010)



GDPUD Water Rights Permits and Pre-1914 Entitlements

Pre-GDPUD Water Rights

- The Georgetown Water Company and numerous predecessors held certain rights to waters of the South Rubicon River and Pilot Creek
 - Pilot Creek is a tributary of the Rubicon River which in turn is a tributary to the Middle Fork of the American River
 - Use of portions of this water was established as early as 1852
 - Owners of the Georgetown Water Company claimed pre-1914 rights by acquisition and use to waters of those streams and several other minor watersheds.
- The company claimed and held titles to facilities and properties related to providing water to the Georgetown Divide, including
 - A storage reservoir at Loon Lake (completed in 1883)
 - A conveyance system bringing water from Loon Lake, diverting it from South Fork Rubicon River into Pilot Creek Drainage and re-diverting it at the old headwork's in Stumpy Meadows (a meadow at the time and not a reservoir)
 - Water primarily used for mining and agriculture along the Georgetown Divide; also used for domestic purposes

Georgetown Water Company held pre-1914 rights to Pilot Creek, certain tributaries and Onion Creek which are pertinent to the current GDPUD operations of today



GDPUD Water Rights Permits and Pre-1914 Entitlements Georgetown Divide Public Utility District Formation

- GDPUD formation in 1946
 - **Application 12421** filed in 1948 to formalize
 - Rights required to provide for and protect a future water supply for the divide
 - **Diversion and storage rights pertinent to Loon Lake** (Georgetown Water Company and the district's major sources of water)
 - Request for **Diversion right of 50 cfs and storage rights of 20,000 acre – feet per year in Pilot Creek watershed, as well as Greenwood site in the service area**
 - Facilities and entitlements acquired by GDPUD in 1959



GDPUD Water Rights Permits and Pre-1914 Entitlements The Stumpy Meadows Project

- In 1950, SMUD expresses desire to acquire rights and facilities in the upper Rubicon basin for the construction of the Upper American River Hydroelectric Project. SMUD Project
 - Includes Loon Lake and the future water supply from the Rubicon River
 - Conflicts with GDPUD Application 12421
- Highlights of SMUD and GDPUD agreement
 - **SMUD provides financial assistance for planning and construction** to assist in acquiring the necessary additional water supply in Pilot Creek, including 20,000 acre foot reservoir proposed by GDPUD
 - **GDPUD withdraws application for rights in the upper Rubicon watersheds** under A12421 in favor of SMUD but *keeps portion of the application related to the reservoir and diversions on Pilot creek.*
- During the period of negotiation, **GDPUD files A1612** requesting additional necessary diversion rights for the alternative replacement water supply



GDPUD Water Rights Permits and Pre-1914 Entitlements The Stumpy Meadows Project (cont'd)

- ❑ Original proposal under A12421 - Storage reservoir at Stumpy Meadows Reservoir with direct diversions from Pilot Creek at Stumpy Meadows Reservoir
- ❑ Revised Project
 - Water to be released from Stumpy Meadows Reservoir for redirection from Pilot Creek
 - Old Georgetown Divide Ditch between Stumpy Meadows and Tunnel Hill abandoned
 - New conveyance system, the El Dorado Conduit, constructed
 - District files A16688 to divert water from Onion Creek (as had their predecessors who held Pre - 1914 Entitlements for direct diversion)
 - Application required since some of the Onion Creek water was to be diverted for off stream storage in Stumpy Meadows Reservoir
- ❑ **Decision 893** (March 18, 1958) Allocated the various waters of the American River watershed including the waters of interest to GDPUD and SMUD
 - Agreement to the exchange of water facilities in the Rubicon River and Pilot Creek
 - Results in permits P11304, P11305, and P11306
 - Approves GDPUD direct diversion and storage as listed in Table 1



GDPUD Water Rights Permits and Pre-1914 Entitlements Assignment of State Filing

- **June 25, 1958** - GDPUD files for assignment of **State filing A5644** (to obtain an earlier filing date for certain portions of the Stumpy Meadows Project) requesting
 - 100 cfs direct diversion from Pilot Creek
 - 20,000 acre – feet storage on Pilot Creek (as described in the Stumpy Meadows Project feasibility report prepared by consultant Clair Hill)
- **June 30, 1961** - **Permit No. P12827** approves *both the 100 cfs diversion and 20,000 acre – feet storage*
 - This permit was issued in compliance with terms of Decision 1013
- **Application A5644A/Permit P12827**
 - Replaces older A12421/P11305
 - Gives GDPUD more senior rights
 - Increases the Pilot Creek Direct Diversion flow from 50 to 100 CFS



BACKUP

Georgetown Divide Public Utility District Sept 1997, Sierra Hydrotech Report Excerpt – Table 1

TABLE 1
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
WATER RIGHTS APPLICATIONS AND PERMITS

	A16212 P11304	A12421 P11305	A16688 P11306	A5644A P12827
1	Stumpy Meadows Reservoir Storage	20,000 afa ^{1/}		20,000 afa ^{1/2/}
2	Pilot Creek Direct Diversion	50 cfs		100 cfs ^{2/}
3	Enroute Diversion (Including Otter Creek)	25 cfs		
4	Onion Creek Diversion to Off stream Storage		30 cfs 4,000 afa ^{2/}	

- 1/ To be rediverted at Pilot Creek Diversion Dam.
- 2/ Same as amounts under P11304 and P11305
- 3/ To be stored at Stumpy Meadows Reservoir (or other GDPUD storage to be developed later) and rediverted at Stumpy Meadows Dam and Pilot Creek Diversion dam.

Georgetown Divide Public Utility District
 Sept 1997, Sierra Hydrotech Report Excerpt – Table 2

TABLE 2
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
PRE-1914 ENTITLEMENTS

	Capacity	Comments
1. Pilot Creek	30 cfs	Point of diversion moved from Old Stumpy Meadows Headworks to Pilot Creek Diversion Dam
2. Bacon Canyon	5 cfs	
3. Control Structure #1	3 cfs	
4. Control Structure #2 (Deep Canyon)	3 cfs	
5. Mutton Canyon	4 cfs	Presently used to help meet fish release requirements at Pilot Creek below Mutton Canyon
6. Onion Creek	15 cfs	Not currently operating

TABLE 1
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
WATER RIGHTS APPLICATIONS AND PERMITS

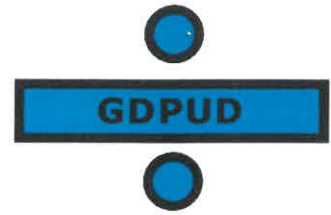
		A16212 P11304	A12421 P11305	A16688 P11306	A5644A P12827
1	Stumpy Meadows Reservoir Storage		20,000 afa ^{1/}		20,000 afa ^{1/2/}
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6. Onion Creek	15 cfs	Not currently operating

Memo



TO: Board of Directors
FROM: Darrell Creeks, Interim General Manager
DATE: February 14, 2017
SUBJECT: CONSIDER REQUEST TO SPLIT IRRIGATION WATER SERVICE
Board Meeting of February 14, 2017; **Agenda Item #16**

BACKGROUND/DISCUSSION:

At the regular meeting of January 10, 2017, the Board deferred action on the request from Dean Lacey, an irrigation customer, for approval to split water service on his parcel at 5200 Andy Wolf Road, to allow for a review of the current Ordinance.

In separate emails, each Board member was provided with a copy of the Irrigation Ordinance (**Attachment A** of this report).

POSSIBLE BOARD ACTION:

District Staff is neutral on this matter and awaits further direction from the Board.

ORDINANCE 2005-01

AN ORDINANCE ESTABLISHING RULES AND REGULATIONS
FOR IRRIGATION SERVICE IN THE GEORGETOWN DIVIDE
PUBLIC UTILITY DISTRICT

BE IT ENACTED by the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, County of El Dorado, State of California, as follows:

The rules and regulations for irrigation service within the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT ("District") are adopted by the Board of Directors of said District as hereinafter set forth.

SECTION 1. General Conditions:

(a) Control of System: District Works shall be under exclusive control and management of District personnel duly appointed by the Board of Directors.

(b) The District shall not be liable for interruption, shortage or insufficiency of irrigation water supply, or for any loss or damage occasioned thereby.

(c) The District shall not be liable for damage to person or property resulting directly or indirectly from privately owned conduits, meters or measuring devices.

(d) Irrigation water is used at the customer's own risk and the customer agrees to hold the District, its officers and employees free and harmless from liability and damages that may occur as the result of defective water quality, shortages, fluctuation in flow or pressure, interruptions in service or for failure to deliver water.

(e) Pumping of water by the customer is done at the customer's risk. The District assumes no liability for damage to pumping equipment or other damages as a result of turbulent water, shortages, excess of water or other causes.

(f) No purchaser of water from the District acquires a proprietary or vested right by reason of use. No purchaser acquires a right to resell water or to use for a purpose other than that for which it

was applied nor to use it on premises other than indicated on the application. The terms, conditions, priorities and allocation of irrigation service may be altered and amended by the Board of Directors. The District does not guarantee irrigation service customers the right to future service.

(g) The District expressly asserts the right to recapture, reuse and resell all waters originating from District Works.

(h) Ditchtenders and other agents of the District shall have access to all lands irrigated from its water system and to all conduits for the purpose of inspection, examination, measurements, surveys or other necessary purposes of the District with the right of installation, maintenance, control and regulation of all meters and other measuring devices, gates, turnouts and other structures necessary or proper for the measurement and distribution of water.

(i) No bridges, crossing, pipe or other structures shall be placed in or over a canal without written permission of the District. Maintenance of the canal crossings shall not be the District's responsibility but shall rest with the owner of the crossing. Where the owner fails to maintain the crossing, the District may perform the necessary repairs or removal at the expense of the owner. Notice of the District's intent will be given, if possible, to the owner prior to the work commencing.

(j) No rubbish, garbage, refuse, chemicals or animal matter from any source may be placed in or allowed to be emptied into any ditch, canal or reservoir of the District.

(k) District canals or reservoirs shall not be used for swimming or bathing.

(l) Livestock shall not be permitted to contaminate the water supply nor destroy or damage the canal system or use thereof. Property owners are liable for any damage due to livestock.

(m) No conveyance system shall cause a cross connection with the District's water system with any other source of water.

(n) No buildings, corrals or other structures, fences, trees, lines or bushes shall be permitted upon rights-of-way or use thereof be made in any way except by written authority of the District. Construction of

fences and/or gates is not permitted without written approval of the specifications by the General Manager.

(o) Violation of Rules and Regulations: Failure to comply with rules and regulations of the District shall be sufficient cause for terminating irrigation service as determined by the Board of Directors.

(p) Any person dissatisfied with any determination of the District management shall have the right to appeal to the Board of Directors.

(q) Amendments: The Board of Directors of the District may at their discretion alter, amend or add to these rules and regulations. The Board of Directors will follow applicable laws during this process.

SECTION 2. Application for an Irrigation Service Account:

(a) No irrigation service will be rendered until a complete application for an Irrigation Service Account has been approved and is on file at the office of the District. Applications will be accepted between January 1st and March 1st for the impending irrigation season. The application for service shall state that the customer agrees to abide by the terms and conditions for service as established in the Irrigation Ordinance.

(b) Applications will be approved where the District Works have sufficient capacity to meet service requested. Applications will be considered for approval utilizing the following priority system:

- Priority 1. Applications for Irrigation Service to parcels that received irrigation service during the immediate past irrigation season.
- Priority 2. Applications for Irrigation Service to parcels with the most recent active Irrigation Service Account during the previous ten (10) irrigation seasons
- Priority 3. New applications for irrigation service to parcels that have been made after the 2003 irrigation season with priority established by the earliest season applied for. Applications and priority are specific to the section of ditch the parcel is located near.

Competing applications within the same priority level, will be determined by public lottery.

(c) Applications for an increase to service will receive Priority 3 status for the requested increase.

(d) Applications must in all cases be signed by the holder of title to the property requesting irrigation service. If the property requesting irrigation service is leased, two months of charges must be paid in advance. The landowner of leased property shall be responsible for all charges or assessments.

(e) Applications for an Irrigation Service Account to benefit a parcel of land that is not adjacent to the District Works must be accompanied by a legally recorded easement that allows the conveyance of water to the parcel requesting irrigation service. The easement shall grant the District the right of ingress and egress for inspection, installation and maintenance purposes.

(f) New applications for Out-of-District Irrigation Service Accounts will not be approved by the Board of Directors. An existing Out-of-District Irrigation Service Account that is inactive for two or more years will be deleted from the District's accounts and the service will be permanently removed.

SECTION 3. Distribution of Water:

(a) The irrigation season shall generally be from May 1 through October 1 of each year. The Board of Directors shall consider changes to the irrigation season to respond to climactic conditions and may implement such changes by a majority vote.

(b) The District does not guarantee irrigation water under pressure from the District Works. Pressure requirements of the customer are the sole responsibility of the customer and the District shall not be liable for any damage to equipment used to provide pressure to the customer.

(c) Water is distributed under continuous flow. Water must be used continuously during all days and nights including holidays and Sundays and no allowances shall be made for failure to use water when it is made available. Failure to use water on schedule shall not entitle the customer to any rebate.

(d) Irrigation service is provided for the entire irrigation season. Customers shall pay for irrigation service for the entire irrigation season regardless of their interest or ability to use water.

(e) When interruptions to irrigation service due to failure of the District Works extend beyond five (5) days, proportionate adjustments for such water loss will be made.

(f) Irrigation customers shall pay a proportionate amount for irrigation service when the irrigation season is extended or shortened by the Board of Directors.

(g) Unauthorized connections or the taking of water in an amount greater than applied and paid for, by any means, is a misdemeanor under California Penal Code Section 498 and shall be subject to criminal prosecution under Section 498 and any other applicable laws. In addition, the District may bring a civil action for damages and may refuse future service to the parcel.

(h) Irrigation customers shall prevent any unnecessary or wasteful use of water. Should a customer permit wasteful use of water, the District may discontinue service if such condition is not corrected within five (5) days after giving the parcel owner written notice of intention to terminate service.

(i) No more than one parcel shall be served through each Irrigation Service Account except with the prior written approval of the Board of Directors. Any such approval shall be recorded against each parcel with the caveat that the agreement expires upon any change of ownership. Each Irrigation Service Account shall have independent service lines and sumps.

(j) The minimum irrigation service for each Irrigation Service Account shall be one miner's inch, from the open ditch system, and one-half miner's inch from the irrigation pipeline system. In the future, the District may consider reducing the minimum irrigation service to one-half miner's inch from the open ditch system and one-quarter miner's inch from the irrigation pipeline system.

(k) All pumped services shall utilize a sump provided by the customer and acceptable to the District.

(l) All Irrigation Service Accounts must have an appropriate measuring device which shall be installed by the District. The customer shall pay the cost thereof including costs of installation. The District shall approve the location of the measuring device.

(m) Customers receiving irrigation service who request a change in flow rate during the season shall be charged a fee set by the Board of Directors for the adjustment.

(n) Replacement of measuring devices shall be at the expense of the customer if the replacement is necessary due to abnormal wear or abuse.

(o) Alternate Boxes -The Board of Directors shall not approve any new applications for Alternate Boxes.

(p) Unusual costs incurred by the District to provide irrigation service shall be paid in full by the applicant or customer. An estimate of the expense shall be approved by the property owner prior to work commencing.

SECTION 4. Charges, Rates and Billings:

(a) The District will maintain a uniform rate schedule which may be changed from time to time upon action of the Board of Directors. The rate schedule, by reference, is attached hereto and made a part of these rules and regulations.

(b) Irrigation billings are made bi-monthly (every two months) in advance.

(c) All penalties shall be charged as outlined on the billings

(d) Disconnected irrigation service accounts shall pay a fee to re-establish service

(e) Irrigation service accounts requesting verification of flow will pay a fee if the delivered flow is within 10% of the contracted amount

SECTION 5. REPEAL

(a) Upon the effective date of this Ordinance 2005-__ all previously adopted Ordinances pertinent to the Rules and Regulations for

Irrigation Service will be superceded and repealed, including, but not limited to, Ordinance 79-2, 79-8, 87-1, and 04-01.

PASSED AND ADOPTED at a regularly held meeting of the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT this tenth day of May, 2005.

AYES: Bob Diekon, Norman Krizl, Doug Pickell, JoAnn Shepherd and Hy Vitcov

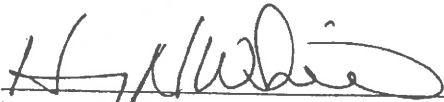
NOES: None

ABSENT: None



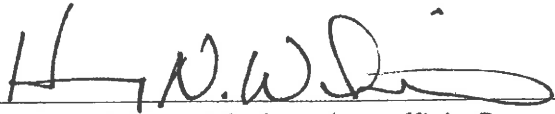
Bob Diekon, President
Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:



Henry M. White, Clerk and ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

I hereby certify that the foregoing is a full, true, and correct copy of Ordinance 2005-01 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, El Dorado County, California, at a meeting duly held on the tenth day of May, 2005.


Henry N. White, Clerk and ex officio Secretary of the
Georgetown Divide Public Utility District

Memo



TO: Board of Directors
FROM: Darrell Creeks, Interim General Manager
DATE: February 7, 2017
SUBJECT: ACWA SPRING CONFERENCES

Board Meeting of February 14, 2017; Agenda Item #17

BACKGROUND / DISCUSSION

Directors and Staff have traditionally attended the ACWA Spring Conferences. This year is set for May 9-12, 2017, at the Monterey Marriott and Portola Hotel & Spa in Monterey, California.

Registration begins on February 27 and the deadline to register is April 14, 2017, at 4:30 PM. The cost for a full registration packet, which includes several of the meals, is \$699. Registration without meal tickets is \$555. The Conference Flyer is included as **Attachment A**.

The required Ethics Training will be offered on Thursday, May 11, at 9:30 until 11:45 AM, with limited seating. A listing of classes will be available prior to the conference.

The funding for expenses related to this conference will come from Fund Account 5042 Travel – Conference.

RECOMMENDATION

It is Staff's recommendation that the Board determine who will be attending the Spring Conference and direct Staff to make necessary arrangements.

Click [here](#) if you are having trouble viewing this message.

**ACWA 2017 SPRING
CONFERENCE & EXHIBITION**
MAY 9-12, 2017
MONTEREY, CALIFORNIA



Dear Londres Uso,

Join us for ACWA's 2017 Spring Conference & Exhibition!

This event is set to take place May 9-12 at the Monterey Marriott and Portola Hotel in Monterey, California.

Why Attend?

- > Connect with the California water community all in one place!
- > Hear from top officials and industry experts on increasing regulatory, environmental, and economic challenges.
- > Join fellow water leaders to show the importance of California water issues.
- > Learn about new products and services to better manage your water agency.
- > Continuing education credits offered in the legal, financial, energy, and drinking water areas for professionals seeking contact hours.

What Can You Expect?

- > Important discussions on water conservation, storage, and drinking water.
- > Programs impacting the Agriculture community and Bay-Delta solutions along with GSA formation and new financing options.
- > Over 70 meeting and program sessions to help you stay informed and updated on a variety of local, statewide, and federal issues and policies - important and critical information that you can take back to your agencies and organizations.

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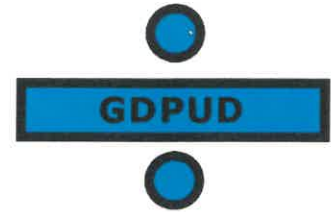
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**IMPORTANT
CONFERENCE
INFORMATION**

- [Pricing Reference Sheet](#)
- [Registration Terms and Conditions](#)
- [Sponsorship Information](#)
- [Preliminary Agenda](#)

Memo



TO: Board of Directors
FROM: Darrell Creeks, Interim General Manager
DATE: February 14, 2017
SUBJECT: ASSISTANCE FOR CUSTOMERS WITH FINANCIAL HARDSHIP
Board Meeting of February 14, 2017; **Agenda Item #18**

DISCUSSION/BACKGROUND:

During the regular Board Meeting of January 10, 2017, the Board directed Staff to add this item to the agenda.

Staff is researching options for the District to create a program to assist customers who are unable to pay their water bill due to financial hardships.

One option is to create a Fund through the El Dorado County Community Foundation (EDCCF), a local public charity that helps the community with charitable giving. (**Attachment A** is a schematic drawing from the Foundation's Annual Report that describes the partnership between EDCCF and the community's philanthropic goals.)

The El Dorado Irrigation District (EID) has established a program to assist customers in hardship cases through a partnership with the El Dorado County Community Foundation (EDCCF), a local public charity that helps the community with charitable giving.

EID utilizes the EDCCF "Helping Hands" Program, a designated fund whereby the donor specifies fund beneficiaries, to assist in financial hardship cases.

Staff has been in direct contact with Bill Roby, ECCF Executive Director, and is awaiting additional information.

RECOMMENDED ACTION:

Direct Staff to identify other options for assisting customers in financial hardship cases.

Any Donor can Gift

Individuals, Corporations,
Charitable Organizations

Gifts Come in Different Forms

Cash, Appreciated Securities,
Real Estate, Closely-held Securities,
Personal Property, Life Insurance,
Retirement Assets, Wills and Bequests,
Businesses/Corporations

Donors Choose or Create a Fund

Unrestricted, Donor Advised,
Field of Interest, Designated,
Scholarship, Agency,
Operating

Investments

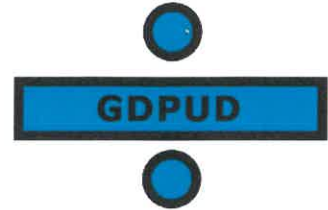
Gifts become Endowed
Funds and are Invested.

Payouts & Distributions

Grants for charitable activities
are made to fulfill
donor wishes.

Through this activity, the Community Foundation gains connections, visibility, knowledge, credibility, influence and resources to share with community leaders

Memo



TO: Board of Directors
FROM: George Sanders, Engineering Consultant
DATE: February 9, 2017
SUBJECT: UPDATE ON ALT WATER TREATMENT PLANT
Board Meeting of February 14, 2017; **Agenda Item #19**

DISCUSSION/BACKGROUND:

With the elevated rainfall, field construction activities on the ALT Project continue to be delayed. Based on current field conditions, it is likely construction at the site will begin on or around March 1.

30" Diameter Raw Water Siphon (TECHITE material): The first item of work will address the replacement of the 30" diameter raw water siphon that provides raw water to the holding pond/plant as well as irrigation customers for the period of 5 months beginning in May. This was an item of discussion in the meeting of January. At that time, the District was waiting for a proposal from Myers & Sons Construction (Myers) that included a change in material type as well as added work to replace the entire line, not just a portion as identified on the plans. On Feb 3, the District received the Myers proposal which identified an added cost of \$156,746. That proposal was rejected and the current plan is to replace a portion of the 30" diameter raw water siphon per the plan.

Engineering Support Services during Construction: This work activity was identified in the project update of last month. As identified in the January meeting, these services are normally provided by the project design firm, *PSOMAS*. At that time the District shared a proposal from *PSOMAS* to provide the services at an estimated cost of \$398,148. Staff has worked with *PSOMAS* and is in receipt of a revised proposal in the amount of \$276,226. This is the topic of another agenda item within this meeting.

Construction Management Services: Staff has an active Request for Proposals (RFP) for construction management services that will close on Feb. 10. The results of that solicitation are currently not available, but elements will be shared at this meeting on Feb 14. Staff continues to manage this role until a consulting firm is under contract.

Other Support Services during Construction: Foothill Associates will continue to assist the District with the raptor study, worker awareness training and implementation of the storm water pollution prevention plan. Youngdahl Consulting will perform the material testing (soils and concrete) for the project.

STAFF RECOMMENDATION:

Receive and File.

Memo



TO: Board of Directors

FROM: George Sanders, Engineering Consultant

DATE: February 14, 2017

SUBJECT: AUBURN LAKE TRAILS WATER TREATMENT PLANT PROJECT – CHANGE ORDER AUTHORITY

Board Meeting of February 14, 2017; **Agenda Item #20**

DISCUSSION/BACKGROUND:

Construction activities are about to begin (March) on the Auburn Lake Trails Water Treatment Plant Project (“ALT”). This project will be constructed by Myers & Sons Construction (“Myers”) for an award amount of \$10,249,000. A project of this magnitude will result in Change Orders. From a financial standpoint, individual Change Orders will fit one of three categories. They can result in (1) no cost, (2) and increase or (3) a decrease in the total contract dollar amount. The District has monies on reserve, identified as contingencies, to fund increases in cost.

This Board conducts regular meetings on a monthly basis. Elements of the project are expected to move rapidly during construction. District staff, as well as consultants, will function as a team to address anticipated changes during construction. In an effort to reduce delays, there is a benefit to the District in allowing staff (General Manager) to approve changes orders, during construction, that have financial implications to the District. This is a common practice within the construction industry.

RECOMMENDATION:

Authorize the General Manager to approve and process Change Orders on the ALT Project, with Meyers & Sons Construction, for a total amount not to exceed \$10,000. This change order authority shall be limited to a time span (approximately 30 days) between regular meetings of the Board. All Change Orders, regardless of the amount, will be shared with the Board during regular meetings. Any Change Orders exceeding this amount will require Board Approval.

Memo



TO: Board of Directors
FROM: George Sanders, Engineering Consultant
DATE: February 9, 2017
SUBJECT: PSOMAS CONTRACT – ENGINEERING SUPPORT DURING CONSTRUCTION FOR ALT WATER TREATMENT PLANT

Board Meeting of February 14, 2017; **Agenda Item #21**

DISCUSSION/BACKGROUND:

The construction phase of the ALT Water Treatment Plant Project will include support services, to be provided by outside consultants. The two most significant contracts will be for Engineering Support Services during construction and Construction Management. The subject of this agenda item is limited to Engineering Support Services during construction.

Engineering Support is normally provided by the firm that designed the facility. In the case of this project, that would be *PSOMAS*. Often times design contracts include an item for Engineering Support during construction. The contract, plus 4 amendments, between the District and *PSOMAS*, entered into in October 2010, did not include an item for this support during construction. With construction about to begin, there is a need to address this task now.

This item was a topic of discussion, under the ALT Update, at the regular Board Meeting of January 10. A cost proposal prepared by *PSOMAS*, dated 12/23/16, was shared at the meeting which identified an estimated cost at \$ 398,148. Staff identified the need to work with *PSOMAS* in an effort to reduce costs. This effort yielded a revised proposal, dated February 9, 2017, with an estimated cost at \$ 276,226. Services of this nature normally range from 2-3% of the construction cost. The bid amount for the project, as submitted by *Myers & Sons Construction*, is in the amount of \$10,249,000. The revised proposal from *PSOMAS* is 2.7% of the construction cost. A copy of the two proposals are included with this agenda item for reference.

The District has an existing contract with *PSOMAS* for the first and second designs of the facility improvements. This added task, of Engineering Support during construction, is work of a similar nature and would warrant an Amendment to the existing contract, rather than a new contract.

The funds for this item of work are on reserve within Funds 24, 35 and 39.

STAFF RECOMMENDATION:

Authorize Staff to enter into a Contract Amendment with *PSOMAS*, in an amount not to exceed \$276,226, for Engineering Support Services during construction for the ALT Water Treatment Plant Project.

February 9, 2017

George Sanders
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
P. O. Box 4240
Georgetown, CA 95634

**SUBJECT: Proposal to Provide Engineering Services During Construction
Auburn Lake Trails WTP Project**

Dear George:

As requested, enclosed is Psomas' fee estimate for providing engineering services during construction of the Auburn Lake Trails WTP project. Ernie Leporini, PE, will serve as our local point of contact for this project. However, we also anticipate providing engineering assistance from our Santa Ana office as required. Our same subconsultants responsible for the project design will be utilized for construction phase assistance, including ATEEM Electrical Engineering for electrical/controls, Anderson Structural Group for structural and Nece Landscape Architecture for landscape.

Our proposed scope of services includes the following tasks:

1. **Project Meetings:** Attend meetings, site visits, startup and testing, including:
 - Attendance at pre-construction conference.
 - Attendance at weekly construction meetings as requested. For purposes of this proposal, we have included attendance at a maximum of 14 meetings (20% of 71 estimated meetings) by Ernie Leporini and 4 meetings by ATEEM. Attendance at additional meetings can be provided on a T&M basis upon prior authorization by District.
 - Startup testing; assumed attendance of 4 days by Ernie Leporini and 2 days by ATEEM. Attendance at additional startup testing meetings can be provided on a T&M basis upon prior authorization by District.
 - Electrical/Control Equipment Factory and Field tests; assumed attendance by ATEEM of 2 days for factory tests and 2 days for field tests for electrical and control equipment testing. If attendance at additional factory/field testing meetings is required, this service will be provided on a T&M basis upon prior authorization by District.

1075 Creekside Ridge Drive
Suite 200
Roseville, CA 95678-3502
916.788.8122
Fax 916.788.0600

www.psomas.com

- Electrical/Control Inspection and Punch-list; 4 days have been included for final inspection and punch-list visits by ATEEM. Attendance at additional site meetings/inspections can be provided on a T&M basis upon prior authorization by District.
 - Maximum of 6 site visits by Anderson Structural. Additional site visits can be provided on a T&M basis upon prior authorization by District.
 - Landscape walk-through (assume one day)
2. **Material Submittals and Shop Drawing Review:** Review of material, equipment, and supply submittals, including shop drawings. For purposes of this proposal we have budgeted for review of 120 submittals/shop drawings, assuming 20% (24) are re-submittals. In addition, ATEEM will review up to 30 electrical submittals. Please note that the number of submittals/shop drawings and re-submittals is highly variable and depends largely on the contractor. If more submittals and/or re-submittals are received than anticipated, we will inform the District and after receiving authorization will proceed on a time and materials basis. This proposal does not include review of construction management submittals, such as project schedules, coordination of work, partial pay requests, etc.
 3. **Operation and Maintenance Submittals:** Review of operation and maintenance submittals, as required by the contract documents. This proposal does not include organizing the individual O&M submittals into one package, nor does it include preparation of an O&M manual.
 4. **Requests for Information (RFI):** Provide response to contractor requests for information. Note that the number of RFI's received for a project is highly variable and is dependent on the type of project and the contractor working on the project. For purposes of this proposal we have assumed 30 RFI's.
 5. **As-Builts:** As-built drawings will be prepared based on redline markups as provided by the contractor and/or construction manager.
 6. **Change Order Support:** Provide assistance the District in implementing up to 3 change orders. This is another item that is highly variable, depending on the nature and scope of the change.

Table 1, attached, summarizes our estimate of labor hours/fees by task to provide engineering services during the construction phase. These services do not include construction management or inspection (except for electrical as noted). Travel time and expenses related to meetings are included in the hourly rates.

Please do not hesitate to contact me if you have questions about this proposal at (714) 481-8060 or at joeboyle@psomas.com.

Very truly yours,

P S O M A S



Joseph L. Boyle, PE
Senior Project Manager/Vice President

Enclosures:

Psomas Fee Estimate

ATEEM Scope of Work and Fee

ASG Scope of Work and Fee

**Georgetown Divide Public Utility District
Auburn Lake Trails WTP Project
Table 1 Fee Estimate - Engineering Services During Construction**

	PM	Project Engineer	Ast Proj Engineer	CE Designer	Admin	Electrical	Structural	Landscaping	Other Costs	Task Total
1 Project Meetings										
Attend Pre-Construction Conference		5								\$750.00
Attend Weekly Meetings as Required (Assume 20% of 71 meetings or 14)		70								\$10,500.00
Landscaping Walkthrough		7						\$1,650		\$2,700.00
Startup Testing (Assume 4 days)		36								\$5,400.00
Attend Pre-Final Site Visit		8								\$1,200.00
Attend Final Inspection		6								\$900.00
									Total Meetings	\$21,450.00
2 Material Submittals and Shop Drawings										
Submittals (100 standard items @ 3 hrs/item)	16		300					\$1,100		\$45,280.00
Major Submittals (15 major items @ 8 hours/item)	8	120								\$19,840.00
Shop Drawings (5 shop drawings @ 4 hours/item)	5	20								\$4,150.00
Coordinate Electrical Submittals	2	10	8							\$3,040.00
Coordinate Structural Submittals	2	2	4							\$1,300.00
									Total Submittals	\$73,610.00
3 O&M Submittals										
O&M Submittals	2	64	8						\$200	\$10,260.00
									Total O&M	\$10,260.00
4 Requests for Information										
Respond to RFI (30 @ 3 hours/RFI)	8	90	30							\$19,390.00
Coordinate Electrical RFI (30 @ 0.5 hr/RFI)		15	8							\$3,330.00
Coordinate Structural RFI (10 @ 0.5 hr/RFI)		5	2							\$1,020.00
									Total Requests for Information	\$23,740.00
5 As-Builts										
As-builts (74 sheets @ 2 hour/sheet)	4	20	148	8						\$20,920.00
Coordinate Structural As-builts	1	10	4							\$2,170.00
Coordinate Electrical As-builts	1	10	4							\$2,170.00
Plan Sets of As-builts (4 @ \$400 per set)								\$1,600		\$1,600.00
									Total As-builts	\$26,860.00
6 Change Order Support (3 Change Orders)										
Initial Review of Change Order Request (Assume 3 CO)	4	12								\$2,720.00
Research and Proposed Solution		48	8							\$8,280.00
Drawing modifications		10	8	40				\$100		\$7,800.00
Coordination	2	9	4							\$2,350.00
									Total Change Order Support	\$21,150.00
7 Sub-Consultants										
Electrical Subconsultant (cost plus 10 percent)						\$77,264				\$77,264.00
Structural Subconsultant (cost plus 10 percent)						\$15,400				\$15,400.00
(Landscaping sub included above)										\$0.00
									Total Subconsultants	\$92,664.00

Total Hours	55	577	380	196	16				
Rates	\$230	\$150	\$135	\$110	\$90				
Cost	\$12,650	\$86,550	\$51,300	\$21,560	\$1,440	\$82,676	\$15,400	\$2,750	\$1,900
Total Fee Estimate =									\$276,226



February 8, 2017

Joe Boyle, P.E.
Psomas
3 Hutton Centre Drive, Suite 200
Santa Ana, CA 92707
E-mail: JoeBoyle@psomas.com
ernie.leporini@gmail.com

Location: Georgetown Divide Public Utility District
Subject: Electrical Engineering Construction Services Quotation & Scope of Work
Project: Auburn Lake Trails Water Treatment Plant Improvements – Revised 2

The following lists the revised *A T.E.E.M.* Electrical Engineering Construction Services for the project.

A. Construction Services

1. Attend four (4) project meetings.
2. Review electrical, instrumentation and control shop drawings and submittals/ resubmittals. (~30 combined total).
3. Answer construction questions and provide clarifications.
4. Respond to “Request for Information” regarding electrical and instrumentation items.
5. Witness and Verify:
 - a. Factory Tests (2 Days)
 - b. Field Tests (2 Days)
 - c. Start-up (2 Days)
6. Provide electrical inspection and generate punch-list. (4 Days)
7. Prepare as-built Contract drawings.

A T.E.E.M. Electrical Engineering Construction Services fee proposal is on the attached spreadsheet.

Note:

1. Budget from one task may be used at our discretion to cover the overage of another task that has exceeded its estimated budget. ATEEM will stop work when our total not-to-exceed cost has been met, regardless of if a task has been completed or started. Any additional time, outside our total not-to-exceed cost, requested of us, will be billed on a Time and Material basis.

2. We do not believe that two days are enough for the factory test. For a factory test that includes the switchboard, two MCCs and two PLC control panels with the program and screen checks, a four day factory test is typically budgeted. Extra time spent at the factory test will be deducted from effort on other tasks.

All prices include overhead, profit, insurance, and travel expenses for site visits to the jobsite. Currently *A T.E.E.M.* has \$2,000,000 general liability and \$2,000,000 professional liability insurance in force.

A T.E.E.M. is dedicated to meet your needs by providing specialized design, consultant and management services. Please give us a call if you have any questions or require further information.

Sincerely,

Erik Burns, P.E.

A T.E.E.M. Electrical Engineering

A T.E.E.M. Electrical Engineering
2/8/2017

Type of Service: Electrical Construction Services
 Customer Name: Psomas
 Location: GD PUD
 Project Name: Auburn Lake Trails Water Treatment Plant Improvements - Revised 2

Project No.: _____ Work Order No.: _____ Task No.: _____

		Field Eng = FE	Office Eng = OE	Technical = TA			
		Hourly Rate:			\$190	\$180	\$110
Task	Description	FE	OE	TA			
Construction Services							
1	Attend project meetings (4)	24	6	4	=	6,080	
2	Review submittals/resubmittals (~30 total)	0	120	60	=	28,200	
3	Answer questions and issue clarifications	0	30	16	=	7,160	
4	Respond to RFIs	0	20	16	=	5,360	
5	Factory test (2 Days)	16	5	5	=	4,490	
6	Field tests (2 Days)	16	5	5	=	4,490	
7	Start-up (2 Days)	16	5	2	=	4,160	
8	Inspection and punch-list (4 Days)	32	4	2	=	7,020	
9	As-built drawings	8	20	28	=	8,200	
		112	215	138		\$75,160	
Total not-to-exceed cost:						\$75,160	

Notes: Budget from one task may be used at our discretion to cover the overage of another task that has exceeded its estimated budget. ATEEM will stop work when our total not-to-exceed cost has been met, regardless of if a task has been completed or started. Any additional time, outside our total not-to-exceed cost, requested of us, will be billed on a Time and Material basis

Signature : Sharon M. Kimizuka, P.E. _____ Date _____

Approval _____ Date _____
 Signature _____
 CHARGE NO.:

**A|nderson
S|tructural
G|roup**

Terms and Conditions

Anderson Structural Group, Inc. shall perform the services outlined in this Agreement for the stated fee arrangement.

Dispute Resolution:

Any claims or disputes between the Client and Anderson Structural Group, Inc. shall be submitted to non-binding mediation.

Billings/Payments:

Invoices will be submitted either upon completion of services or on a monthly basis. If the invoice is not paid within 30 days, Anderson Structural Group, Inc. may terminate the performance of the service.

Late Payments:

Invoices unpaid 60 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the unpaid balance. Client agrees to pay all costs of collection, including reasonable attorney's fees.

Indemnification:

The Client agrees, to the fullest extent permitted by law, indemnify and hold harmless Anderson Structural Group, Inc., its officers, employees and subconsultants from all damage, liability and cost, including reasonable attorney's fees, arising out of the performance of the services under this Agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of Anderson Structural Group, Inc.

Limitation of Liability:

In recognition of the relative risks, rewards and benefits of the project to both parties, the Client agrees that Anderson Structural Group, Inc. total liability for all injuries, claims, losses, expenses, damages or claim expenses arising out of this Agreement shall not exceed the Limitation of Liability amount indicated in the Agreement. Such causes include, Anderson Structural Group, Inc. negligence, errors, omissions, strict liability, breach of contract or warranty.

Termination of Services:

Either party may terminate this Agreement should the other fail to perform its obligations. In the event of termination, the Client agrees to pay Anderson Structural Group, Inc. for all services rendered to the date of termination.

Field Representatives

Anderson Structural Group, Inc. field personnel are for the purpose of providing project administration, construction observation and investigation of specific aspects of the project. Observation of the work by Anderson Structural Group, Inc. personnel does not relieve the Client of the responsibility for performing the work in accordance with the plans and specifications. Anderson Structural Group, Inc. responsibilities do not include supervision or direction of the means, methods or actual work of the Client or responsibility for jobsite safety.

Hourly Rates:

Principal Engineer	\$170 per hour	Associate Engineer	\$140 per hour
Design Engineer	\$110 per hour	Drafter	\$ 85 per hour

JA

initial

initial

December 23, 2016

George Sanders
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
P. O. Box 4240
Georgetown, CA 95634

Re: Proposal to Provide Engineering Services During Construction
Auburn Lake Trails WTP Project

Dear George:

As requested, enclosed is Psomas' fee estimate for providing engineering services during construction of the Auburn Lake Trails WTP project. Ernie Leporini, PE, will serve as our local point of contact for this project. However, we also anticipate providing engineering assistance from our Santa Ana office as required.

Our proposed scope of services includes the following tasks:

1. **Project Meetings:** Site visits and meetings during construction phase, including pre-construction conference, weekly meetings as necessary (we have included attendance at 18 meetings), walk-throughs and startup meetings, and final inspection site visits. This proposal does not include daily inspection or construction management activities. Note that witnessing factory tests and project startup is included for electrical and control equipment.
2. **Material Submittals and Shop Drawing Review:** Review of all material, equipment, and supply submittals, including shop drawings. This proposal does not include review of construction management submittals, such as project schedules, coordination of work, partial pay requests, etc.
3. **Operation and Maintenance Submittals:** Review of operation and maintenance submittals, as required by the contract documents. This proposal does not include organizing the individual O&M submittals into one package, nor does it include preparation of an O&M manual.
4. **Requests for Information:** Provide response to contractor requests for information. Note that the number of RFI's received for a project is

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Roseville, CA 95678-3502
916.788.8122
Fax 916.788.0600

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highly variable – depending on the type of project and the contractor that is working on the project.

- 5. **As-Builts:** Preparation of as-built drawings based on redline markups from the contractor and/or construction manager.

- 6. **Change Order Support:** Provide assistance the District in implementing three change orders. This is another item that is highly variable, depending on the nature and scope of the change.

Table 1, attached, summarizes our estimate of labor hours/fees by task to provide engineering services during the construction phase. Please review the attached information and let me know if it meets your requirements for Psomas' role during construction of the improvements to the Auburn Lake Trails Water Treatment Plant. Please do not hesitate to contact me if you have questions about this proposal at (714) 481-8060 or at joeboyle@psomas.com.

Very truly yours,

PSOMAS



Joseph L. Boyle, PE
Senior Project Manager/Vice President

Enclosures:

- Psomas Fee Estimate
- ATEEM Scope of Work and Fee
- ASG Scope of Work and Fee



**A T.E.E.M. ELECTRICAL
ENGINEERING Inc.**
INDUSTRIAL & COMMERCIAL DESIGN

3841 NORTH FREEWAY BOULEVARD, SUITE 145
SACRAMENTO, CA 95834

TEL: (916) 457-8144
FAX: (916) 457-7876

December 19, 2016

Joe Boyle, P.E.
Psomas
3 Hutton Centre Drive, Suite 200
Santa Ana, CA 92707
E-mail: JoeBoyle@psomas.com
ernie.leporini@gmail.com

Location: Georgetown Divide Public Utility District
Subject: Electrical Engineering Construction Services Quotation & Scope of Work
Project: Auburn Lake Trails Water Treatment Plant Improvements - Revised

The following lists the revised *A T.E.E.M.* Electrical Engineering Construction Services for the project.

A. Construction Services

1. Attend ten (10) project meetings.
2. Review electrical, instrumentation and control shop drawings and submittals. (~60).
3. Answer construction questions and provide clarifications.
4. Respond to "Request for Information" regarding electrical and instrumentation items.
5. Witness and Verify:
 - a. Factory Tests (4 Days)
 - b. Field Tests (5 Days)
 - c. Start-up (10 Days)
6. Provide electrical inspection and generate punch-list. (5 Days)
7. Prepare as-built Contract drawings.

A T.E.E.M. Electrical Engineering Construction Services fee proposal is on the attached spreadsheet.

All prices include overhead, profit, insurance, and travel expenses for site visits to the jobsite. Currently *A T.E.E.M.* has \$2,000,000 general liability and \$2,000,000 professional liability insurance in force.

A T.E.E.M. is dedicated to meet your needs by providing specialized design, consultant and management services. Please give us a call if you have any questions or require further information.

Sincerely,

Erik Burns, P.E.

A T.E.E.M. Electrical Engineering

A T.E.E.M. Electrical Engineering
12/19/2016

Type of Service: Electrical Construction Services
 Customer Name: Psomas
 Location: GD PUD
 Project Name: Auburn Lake Trails Water Treatment Plant Improvements - Revised

Project No.: _____ Work Order No.: _____ Task No.: _____

		Field Eng = FE	Office Eng = OE	Technical = TA			
		Hourly Rate:			\$190	\$180	\$110
Task	Description	FE	OE	TA			
Construction Services							
1	Attend project meetings (10)	60	16	8	=		15,160
2	Review submittals (~60)	0	240	120	=		56,400
3	Answer questions and issue clarifications	0	45	20	=		10,300
4	Respond to RFIs	0	30	20	=		7,600
5	Factory test (4 Days)	32	10	10	=		8,980
6	Field tests (5 Days)	40	10	8	=		10,280
7	Start-up (10 Days)	80	8	4	=		17,080
8	Inspection and punch-list (5 Days)	40	8	4	=		9,480
9	As-built drawings	8	20	28	=		8,200
		260	387	222			\$143,480
Total not-to-exceed cost:							\$143,480

Signature : Sharon M. Kimizuka, P.E.

Approval _____

Date _____

Signature

CHARGE NO.:

**A|nderson
S|tructural
G|roup**

Terms and Conditions

Anderson Structural Group, Inc. shall perform the services outlined in this Agreement for the stated fee arrangement.

Dispute Resolution:

Any claims or disputes between the Client and Anderson Structural Group, Inc. shall be submitted to non-binding mediation.

Billings/Payments:

Invoices will be submitted either upon completion of services or on a monthly basis. If the invoice is not paid within 30 days, Anderson Structural Group, Inc. may terminate the performance of the service.

Late Payments:

Invoices unpaid 60 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the unpaid balance. Client agrees to pay all costs of collection, including reasonable attorney's fees.

Indemnification:

The Client agrees, to the fullest extent permitted by law, indemnify and hold harmless Anderson Structural Group, Inc., its officers, employees and subconsultants from all damage, liability and cost, including reasonable attorney's fees, arising out of the performance of the services under this Agreement, excepting only those damages, liabilities or costs attributable to the sole negligence or willful misconduct of Anderson Structural Group, Inc.

Limitation of Liability:

In recognition of the relative risks, rewards and benefits of the project to both parties, the Client agrees that Anderson Structural Group, Inc. total liability for all injuries, claims, loses, expenses, damages or claim expenses arising out of this Agreement shall not exceed the Limitation of Liability amount indicated in the Agreement. Such causes include, Anderson Structural Group, Inc. negligence, errors, omissions, strict liability, breach of contract or warranty.

Termination of Services:

Either party may terminate this Agreement should the other fail to perform its obligations. In the event of termination, the Client agrees to pay Anderson Structural Group, Inc. for all services rendered to the date of termination.

Field Representatives

Anderson Structural Group, Inc. field personnel are for the purpose of providing project administration, construction observation and investigation of specific aspects of the project. Observation of the work by Anderson Structural Group, Inc. personnel does not relieve the Client of the responsibility for performing the work in accordance with the plans and specifications. Anderson Structural Group, Inc. responsibilities do not include supervision or direction of the means, methods or actual work of the Client or responsibility for jobsite safety.

Hourly Rates:

Principal Engineer	\$170 per hour	Associate Engineer	\$140 per hour
Design Engineer	\$110 per hour	Drafter	\$ 85 per hour

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