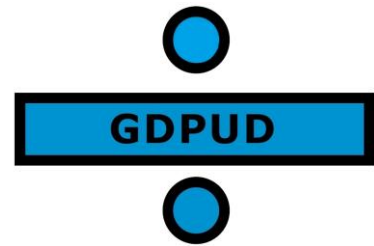


**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JULY 11, 2023  
AGENDA ITEM NO. 8.A.**



**AGENDA SECTION: ACTION ITEMS**

**SUBJECT: CONSIDER AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT FOR LEGAL COUNSEL**

**PREPARED BY:** Elizabeth Olson, Executive Assistant

**APPROVED BY:** Nicholas Schneider, General Manager

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**BACKGROUND**

During the regular meeting of The Board of Directors on August 9, 2022, the General Manager received authorization from the Board of Directors to issue a Request for Proposals (RFP) for legal representation services. The RFP was advertised on eBidboard and transmitted to prospective proposers on August 11, 2022, with a submittal deadline of September 12, 2022. During a November 15, 2022, regular meeting of the Board of Directors, a staff request to reissue the RFP was granted with a deadline of January 11, 2023.

**DISCUSSION**

The District received proposals from Richards Watson Gershon Law firm, Colantuono, Highsmith & Whatley PC, Best, Best & Krieger Law, and White and Brenner LLP. During a special meeting of the Board of Directors on March 6, 2023, The Board began interviewing the firms. The Board held a second round of interviews during an April 25, 2023, special board meeting. The last interview in the process occurred on June 13, 2023, at which point The Board made a decision on chosen representation. Best Best and Krieger LLP was chosen appointing Frank Splendorio as General Counsel. Direction was given to staff to develop and execute a professional services agreement (PSA) with the firm.

**FISCAL IMPACT**

The Professional Services Agreement with legal counsel will be based on an hourly rate for services rendered and will vary from year to year. Currently, in the proposed FY 23-24 budget staff has identified the need for \$80,000. This number may increase based on potential legal needs as the year progresses.

**CEQA ASSESSMENT**

This is not a CEQA Project.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District accept the Professional Services Agreement with Best Best and Krieger LLP.

**ALTERNATIVES**

Deny Staff's recommendation and provide alternative direction.

**ATTACHMENTS**

1. LSA Legal Services Agreement
2. Resolution 2023-XX Authorizing PSA for Legal Services

**AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES  
BETWEEN  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
AND  
BEST BEST & KRIEGER LLP**

**1. PARTIES AND DATE**

This Agreement is made and entered into as of the 13th day of June, 2023, by and between the Georgetown Divide Public Utility District, a California public utility district (“Client”) and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law (“BB&K”).

**2. RECITALS**

2.1 Client wishes to engage the services of BB&K as its General Counsel to perform all necessary legal services for the Client on the terms set forth below.

**3. TERMS.**

3.1 Term. The term of this Agreement shall commence on XXX, 2023 and shall continue in full force and effect until terminated in accordance with Section 3.12.

3.2 Scope of Services. BB&K shall serve as General Counsel and shall perform legal services (“Services”) as may be required from time to time by the Client as set forth by this Agreement, unless otherwise agreed to by the Client and BB&K. As part of the Services to be performed hereunder, BB&K shall be responsible for the following:

3.2.1 Preparation for, and attendance at, regular meetings of the Client;

3.2.2 Provision of legal counsel at such other meetings as directed by the Client;

3.2.3 Preparation or review of Client legislative materials, resolutions, together with such staff reports, orders, agreements, forms, notices, declarations, certificates, deeds, leases and other documents as requested by the Client;

3.2.4 Rendering to the officers and employees of the Client legal advice and opinions on all legal matters affecting the Client, including new legislation and court decisions, as directed by the Client;

3.2.5 Researching and interpreting laws, court decisions and other legal authorities in order to prepare legal opinions and to advise the Client on legal matters pertaining to Client operations, as directed by the Client;

3.2.6 Performing legal work pertaining to property acquisition, property disposal, public improvements, public rights-of-way and easements, as directed by the Client;

3.2.7 Responding to inquiries and review for legal sufficiency ordinances, resolutions, contracts, and administrative and personnel matters, as directed by the Client;

3.2.8 Representing and assisting on litigation matters, as directed by the Client. Such services shall include, but shall not be limited to, the preparation for and making of appearances, including preparing pleadings and petitions, making oral presentations, and preparing answers, briefs or other documents on behalf of the Client, and any officer or employee of the Client, in all federal and state courts of this State, and alternative dispute resolution officer, and before any governmental board or commission, including reviewing, defending or assisting any insurer of the Client or its agents or attorneys with respect to any lawsuit filed against the Client or any officer or employee thereof, for money or damages.

3.2.9 BB&K's Advanced Records Center Services. Through its new Advanced Records Center ("ARC"), BB&K combines its legal acumen and experience with cutting-edge technology to provide comprehensive and cost-effective support for non-routine records-related matters. Specifically, at the Client's option, the ARC team will assist Client with non-routine Public Records Act Processing and Policy Drafting, as detailed below. See Exhibit "A" for more details.

3.3 Designated General Counsel. Frank Splendorio shall be designated as General Counsel, and shall be responsible for the performance of all Services under this Agreement, including the supervision of Services performed by other members of BB&K. Joanna Gin shall be designated as Assistant General Counsel, and shall attend such meetings as may be requested by the General Counsel. No change in these assignments shall be made without the consent of the Client.

3.4 Time of Performance. The Services of BB&K shall be performed expeditiously in the time frames and as directed by the Client.

3.5 Assistance. The Client agrees to provide all information and documents necessary for the attorneys at BB&K to perform their obligations under this Agreement.

3.6 Independent Contractor. BB&K shall perform all legal services required under this Agreement as an independent contractor of the Client and shall remain, at all times as to the Client, a wholly independent contractor with only such obligations as are required under this Agreement. Neither the Client, nor any of its employees, shall have any control over the manner, mode or means by which BB&K, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. The Client shall have no voice in the selection, discharge, supervision or control of BB&K's employees, representatives or agents, or in fixing their number, compensation, or hours of service.

3.7 Fees and Costs. BB&K shall render and bill for legal services in the following categories and at rates set forth in Exhibit "A" and in accordance with the BB&K Billing Policies set forth in Exhibit "B", both of which are attached hereto and incorporated herein by reference. In addition, the Client shall reimburse BB&K for reasonable and necessary expenses incurred by

it in the performance of the Services under this Agreement. Authorized reimbursable expenses shall include, but are not limited to, printing and copying expenses, mileage expenses at the rate allowed by the Internal Revenue Service, toll road expenses, long distance telephone and facsimile tolls, computerized research time (e.g. Lexis or Westlaw), research services performed by BB&K's library staff, extraordinary mail or delivery costs (e.g. courier, overnight and express delivery), court fees and similar costs relating to the Services that are generally chargeable to a client. However, no separate charge shall be made by BB&K for secretarial or word processing services.

3.8 Billing. BB&K shall submit monthly to the Client a detailed statement of account for Services. The Client shall review BB&K's monthly statements and pay BB&K for Services rendered and costs incurred, as provided for in this Agreement, on a monthly basis.

3.9 Insurance. BB&K carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California. A declaration page containing information about BB&K's errors and omissions insurance policy is available upon Client's request.

3.10 Attorney-Client Privilege. Confidential communication between the Client and BB&K shall be covered by the attorney-client privilege. As used in this article, "confidential communication" means information transmitted between the Client and BB&K in the course of the relationship covered by this Agreement and in confidence by a means that, so far as the Client is aware, discloses the information to no third persons other than those who are present to further the interests of the Client in the consultation or those to whom disclosure is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which BB&K is consulted, and includes any legal opinion formed and advice given by BB&K in the course of this relationship.

3.11 Termination of Agreement and Legal Services. This Agreement and the Services rendered under it may be terminated at any time upon thirty (30) days' prior written notice from either party, with or without cause. In the event of such termination, BB&K shall be paid for all Services authorized by the Client and performed up through and including the effective date of termination. BB&K shall also be reimbursed for all costs associated with transitioning any files or other data or documents to a new law firm or returning them to the Client.

3.12 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.13 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Sacramento County.

3.14 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

3.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

3.16 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.17 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.18 Delivery of Notices. All notices permitted or required under this Agreement notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Client:  
Attention: General Manager  
6245 Main Street  
Georgetown, California 95634

BB&K:  
Attention: Frank Splendorio  
500 Capitol Mall, Suite 1700  
Sacramento, California 95814

3.19 Indemnification.

(A) BB&K agrees to indemnify Client its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising from the negligent acts or omissions of BB&K hereunder, or arising from BB&K's negligent performance of any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of Client, its officers, agents or employees.

(B) Client acknowledges BB&K is being appointed as General Counsel and has the authority of that office. Accordingly, the Client is responsible pursuant to Government Code Section 825 for providing a defense for the General Counsel for actions within the scope of its engagement hereunder. Therefore, Client agrees to undertake its statutory duty and indemnify BB&K, its officers, employees and agents against and will hold and save each of them harmless from, any and all claims or liabilities that may be asserted or claims by any person, firm or entity arising out of or in connection with the work, operations or activities of BB&K within the course and scope of its performance hereunder, but nothing herein shall require Client to indemnify BB&K for liability arising from its own negligence or alleged negligence. In connection herewith:

(i) Client will promptly provide a defense and pay any judgment rendered against the Client, its officers, agency or employees for any such claims or liabilities arising out of or in connection with such work, operations or activities of Client hereunder; and

(ii) In the event BB&K, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Client for such damages or other claims solely arising out of or in connection with the work operation or activities of Client hereunder, Client agrees to pay to BB&K, its officers, agents or employees any and all costs and expenses incurred by attorney, its officers, agents or employees in such action or proceeding, including, but not limited to, legal costs and attorneys' fees.

IN WITNESS WHEREOF, the Client and BB&K have executed this Agreement for General Counsel Legal Services as of the date first written above.

(signatures contained on following page)

**SIGNATURE PAGE TO  
AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES  
BETWEEN  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
AND  
BEST BEST & KRIEGER LLP**

**GDPUD:**

By: \_\_\_\_\_  
Name:

**ATTEST:**

By: \_\_\_\_\_  
Name:

**BEST BEST & KRIEGER LLP:**

By: \_\_\_\_\_  
Name: Frank Splendorio  
Title: Of Counsel

**EXHIBIT A**  
**TO**  
**AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES**  
**BETWEEN**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**AND**  
**BEST BEST & KRIEGER LLP**  
**BILLING ARRANGEMENTS**

1. Basic Legal Services - Description. Basic legal services shall include all services provided to Client that are not otherwise specifically identified below as either Special Legal Services, Third Party Reimbursable Legal Services, or Public Finance Legal Services (“Basic Legal Services”).

The Client shall pay for Basic Legal Services at the following rates:

Attorneys	<u>\$295</u>
Paralegals	<u>\$165</u>
Law Clerks	<u>\$165</u>
Analysts	<u>\$165</u>

PRA Processing tasks handled by the Advanced Records Center (ARC) will be billed at the following rates:

Attorneys	<u>\$195</u>
Paralegals	<u>\$195</u>
Law Clerks	<u>\$195</u>
Analysts	<u>\$195</u>

Other titles may be used in our legal services.

2. Special Legal Services - Description. Special Legal Services shall include the following types of services:

- A. Litigation and formal administrative or other adjudicatory hearing matters
- B. Labor relations and employment matters
- C. Non-routine Real estate matters (e.g. CC&R’s, deed or title work)



- D. Land acquisition and disposal matters (including pre-condemnation)
- E. Taxes, fees and charges matters (e.g. Prop. 218 & Mitigation Fee Act)
- F. Public construction disputes
- G. Non-routine contract negotiation matters (including non-BB&K model agreements and franchise agreements)
- H. Environmental matters (e.g. CEQA, NEPA, endangered species)
- I. Water law matters (e.g. water rights & quality)
- J. Tax and ERISA related matters
- K. Toxic substances matters (e.g. CERCLA, RCRA)
- L. Complex public utility matters (e.g. electric, natural gas, telecommunications, water, rail or transit that involve state or federal regulatory issues)
- M. Renewable energy and energy efficiency project contracts and power purchase agreements
- N. Intergovernmental Relations and Advocacy efforts (e.g. legislative and regulatory representation) at the federal and state level.
- O. Election law matters, including election law litigation.
- P. PRA Policy drafting including reviewing, assessing, and updating records-related policies to reflect current legal standards and best practices.
- Q. Other matters mutually agreed upon between BBK and the General Manager.

3. Special Legal Services – Rates. The Client shall pay for Special Legal Services at the following rates:

Partners & Of Counsel	<u>\$350</u>
Associates	<u>\$275</u>
Paralegals	<u>\$175</u>
Law Clerks	<u>\$175</u>
Analysts	<u>\$175</u>

Other titles may be used in our legal services.

4. Third Party Reimbursable Legal Services - Description. Third Party Reimbursable Legal Services shall include legal services provided to the Client for which the Client receives reimbursement from a third party.

5. Third Party Reimbursable Legal Services - Rates. The Client shall pay for Third Party Reimbursable Legal Services at BB&K's then current published standard private client rates. Upon execution of this Agreement, BB&K shall provide a copy of its published rate schedule to the Client. BB&K shall also provide annual written updates to the Client when changes are made to the published rate schedule.

6. Public Finance & Bond Rates. BB&K will provide bond counsel, special counsel or disclosure counsel services at the request of the Client. Such bond counsel and special counsel services include the preparation of all legislative approvals and legal documentation relating to the appropriate sale and delivery of the bonds, notes or other obligations. BB&K will also prepare such closing certificates and legal opinions necessary for the delivery of the bonds. As disclosure counsel, we will prepare the disclosure documents for the Client and conduct the necessary due diligence related to the transaction. Our fees will be determined based upon the type of financing and the expected involvement of the attorneys involved. We will provide the Client with a detailed description of our services and our fees and reimbursable costs upon the Client's request. Notwithstanding the foregoing, in those cases where the fees are reimbursable by a third party, at BB&K's option it may proceed on an hourly basis and utilize the Third Party Reimbursable Legal Services category provided for in this Amendment, as well as the negotiation and preparation of funding agreements and joint financing agreements. Legal services related to the Client's compliance with its continuing disclosure covenants and provide such necessary advice on the Client's compliance shall be billed as Special Legal Services, above.

7. Pension Rates. BB&K will provide pension counsel services at the request of the Client. We will provide the Client with a detailed description of our services and our fees and reimbursable costs upon the Client's request.

8. Annual Adjustments.

The above rates and retainer amounts will be adjusted annually using the cost of living index. At July 1, 2025 and every year thereafter during the term of this Agreement, rates and amounts shall be increased for the change in the cost of living for the most recently published twelve (12) month period, as shown by the U.S. Department of Labor in its All Urban Consumers Index set forth San Francisco-Oakland-Hayward, CA area (monthly) provided, however, that such adjustment shall never be lower than zero percent (0%) nor more than five percent (5%). In addition to the automatic rate increases, either BB&K or the Client may initiate consideration of a rate increase at any time.

**EXHIBIT B**  
**TO**  
**AGREEMENT FOR GENERAL COUNSEL LEGAL SERVICES**  
**BETWEEN**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**AND**  
**BEST BEST & KRIEGER LLP**

**BB&K BILLING POLICIES**

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to our Accounts Receivable Department (accounts.receivable@bbklaw.com). Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

**Invoice and Payment Options**

Best Best & Krieger strives to meet our clients' needs in terms of providing a wide variety of invoice types, delivery and payment options. Please indicate those needs including the preferred method of invoice delivery (Invoice via Email; or USPS). In addition, accounts.receivable@bbklaw.com can provide a W-9 upon request and discuss various accepted payment methods.

**Fees For Electronically Stored Information ("ESI") Support and Storage**

BBK provides Electronically Stored Information ("ESI") services for matters requiring ESI support – typically litigation or threatened litigation matters. BBK provides services for basic ESI processing and storage at the following rates per month based on the number of gigabytes of data ("GB") processed and stored:

1GB -250GB: \$10 per GB  
251GB - 550GB: \$8 per GB  
551GB - 750GB: \$6 per GB  
751GB - 1TB: \$4 per GB

The amount BBK charges for basic processing and storage of ESI allows BBK to recover the costs of providing such services, plus a net profit for BBK. BBK believes that the rates it charges for processing and storage are lower than comparable services available from third party vendors in the market. If you wish to contract separately with a third party vendor for processing and storage costs, please notify BBK in writing. BBK also provides advanced ESI processing services at hourly rates for personnel in its Litigation Support Group. A copy of BBK's current rates for such services will be provided upon request. BBK shall not incur costs for ESI support on a particular matter without first confirming by email or written correspondence with the client that the client agrees such services are necessary for the matter at hand.

### Fees for Professional Services

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. All legal services are billed in one-tenth of an hour (0.10/hour) or six-minute increments. Our attorneys are currently billed at rates from \$235 to \$895 per hour, and our administrative assistants, research assistants, municipal analysts, litigation analysts, paralegals, paraprofessionals and law clerks are billed at rates from \$175 to \$300 per hour for new work. These rates reflect the ranges in both our public and our private rates. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

Non-Attorney Personnel: BBK may employ the services of non-attorney personnel under the supervision of a BBK attorney in order to perform services called for in the legal services agreement. The most common non-attorney personnel utilized are paralegals. Other types of non-attorney personnel include, but are not limited to, case clerks, litigation analysts, and specialty consultants. The client agrees that BBK may use such non-attorney personnel to perform its services when it is reasonably necessary in the judgment of the responsible BBK attorney. Hourly fees for non-attorney personnel will be charged at the rate then in effect for such personnel. A copy of BBK's current rates and titles for non-attorney personnel will be provided upon request.

### Fees For Other Services, Costs and Expenses

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include but are not limited to, mileage at the current IRS approved rate per mile, extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court reporter and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

### Advance Deposit Toward Fees And Costs

Because new client matters involve both a substantial undertaking by our firm and the establishment of client credit with our accounting office, we require an advance payment from

clients. The amount of this advance deposit is determined on a case-by-case basis discussed first with the client, and is specified in our engagement letter.

Upon receipt, the advance deposit will be deposited into the firm's client trust account. Our monthly billings will reflect such applications of the advance deposit to costs and not to attorney's fees (unless otherwise noted in our accompanying engagement letter). At the end of engagement, we will apply any remaining balance first to costs and then to fees. We also reserve the right to require increases or renewals of these advanced deposits.

By signing the initial engagement letter, each client is agreeing that trust account balances may be withdrawn and applied to costs as they are incurred and to our billings, when we issue our invoice to the client. If we succeed in resolving your matter before the amounts deposited are used, any balance will be promptly refunded.

#### Monthly Invoices and Payment

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We reserve the right to terminate our engagement and withdraw as attorney of record whenever our invoices are not paid. If an invoice is 60 days late, however, we may advise the client by letter that the client must pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

#### Changes in Fee Arrangements and Budgets

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

**BEST BEST & KRIEGER LLP**



Frank A. Splendorio  
Of Counsel

[frank.splendorio@bbklaw.com](mailto:frank.splendorio@bbklaw.com)

June 29, 2023

Nicholas Schneider  
General Manager  
Georgetown Divide Public Utility District  
6425 Main Street  
Georgetown, CA, 95364

Re: Advance Conflict Waiver re Representation of Other Clients in Water Law  
Issues

Dear Mr. Schneider:

Georgetown Divide Public Utility District ("GDPUD") has requested Best Best & Krieger ("BBK") to represent GDPUD. Specifically, BBK will serve as General Counsel on a variety of matters, such as water rights, wastewater, litigation, employment/labor, real estate, and possibly other matters as needed (the "GDPUD Matters"). BBK also represents a broad range of clients involved in water law issues that may be adverse or potentially adverse to GDPUD in the future. It is possible that BBK may represent additional clients within or surrounding GDPUD on water issues in the future. BBK is not handling any matter adverse to GDPUD at this time, but such conflicts may arise due to BBK representing other clients on groundwater matters related to the same water basin used by GDPUD, or groundwater matters that may have an impact on the water basins used by GDPUD.

This letter is to request an advance waiver from GDPUD so that BBK may represent other clients in the future on water issues adverse or potentially adverse to GDPUD. If we are to represent other clients on water issues adverse to GDPUD, we must still obtain GDPUD's informed written consent to any potential or actual conflict of interest.

### **RULES OF PROFESSIONAL CONDUCT**

Rule 1.7 of the California Rules of Professional Conduct provides:

- (a) A lawyer shall not, without informed written consent from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.
- (b) A lawyer shall not, without informed written consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.

Best Best & Krieger LLP | 500 Capitol Mall, Suite 1700, Sacramento, California 95814  
Phone: (916) 325-4000 | Fax: (916) 325-4010 | [bbklaw.com](http://bbklaw.com)

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...

- (d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), . . . and:
  - (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
  - (2) the representation is not prohibited by law; and
  - (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.

#### **REPRESENTATION OF OTHER CLIENTS IN WATER LAW ISSUES – ADVANCE WAIVER OF CONFLICTS**

BBK represents many types of clients in a variety of matters. For many years, water law has been a large part of BBK's practice. BBK advises many of its clients regarding water law issues, such as surface water, ground water, imported water, water transfers, water quality, water rights, and various Delta related matters. These other BBK clients are routinely involved in water law issues which could directly or indirectly affect water supplies, rights and policies of GDPUD because our other clients may share the same water basins as GDPUD or have an impact on the water basins used by GDPUD.

As far as we know, BBK is not currently representing any other client, on water issues adverse to GDPUD. If another current, or new BBK client has an interest in water issues affecting GDPUD, then BBK might be asked to provide advice and representation on that matter. Such work might include representation concerning groundwater sustainability agencies, transactions, negotiations, representation on CEQA or NEPA issues, administrative hearings before the State Water Resources Control Board or other state or federal agencies, regulatory permitting, disputes, or litigation ("Future Water Matters"), any of which could be adverse to GDPUD's interest in water issues.

If we are representing GDPUD on the GDPUD Matters or any other issues, and another client asks BBK to represent it against GDPUD on Future Water Matters, then we would otherwise first need to obtain consent from GDPUD to represent the other client. Because of our lengthy relationship with many of our water purveyor clients, and because such a large part of our practice involves clients with a variety of water issues, we cannot risk refusal of such consent. Therefore, we ask that GDPUD sign this letter giving GDPUD's advanced consent now to any future representation of other current or future BBK clients in Future Water Matters adverse to GDPUD so that we do not need to ask GDPUD for such consent in the future.



As part of this advance consent, BBK shall promptly inform GDPUD in writing of any future representation of a client(s) against or adverse to GDPUD to provide GDPUD the opportunity to determine if it wishes to replace BBK in those circumstances. If GDPUD decides to continue to use BBK as counsel, and BBK agrees to continue representing GDPUD in those circumstances, then we will establish an ethical screen so that the lawyers representing GDPUD do not share any confidential information of GDPUD with other lawyers at BBK and vice versa. Regardless of the circumstances, BBK will not disclose any confidential information received from GDPUD to any other client of BBK. Likewise, by signing this letter, GDPUD agrees that it will not disclose any confidential GDPUD information to BBK on any issues involving water rights, interests, policy or strategy concerning water issues.

### **POTENTIAL ADVERSE CONSEQUENCES**

Because BBK is not currently representing a client adverse to GDPUD regarding water issues, it is impossible to predict exactly the facts related to any such future conflict, but we do believe it is possible to describe the reasonably foreseeable potential adverse consequences that would arise, which include the following:

- We may be tempted to favor the interests of one client over the other.
- Our exercise of independent judgment to GDPUD may be impaired or clouded by our relationship with other clients.
- There may be an appearance of impropriety in our representation of both clients simultaneously on unrelated matters.
- We may inadvertently disclose confidential information to a client that GDPUD would not like revealed.
- We may be restricted from forcefully advocating GDPUD's position for fear of alienating another client depending upon the circumstances.

### **GDPUD'S CONSENT**

If GDPUD agrees to the above, we need an authorized representative of GDPUD to sign this consent letter. This consent will not waive any protection that GDPUD may have with regard to attorney-client communications with us in GDPUD's matters. Those communications will remain confidential and will not be disclosed to any third party without GDPUD's consent.

Please consider this matter carefully, and do not hesitate to contact us if GDPUD has any questions or concerns. GDPUD may wish to confer with independent legal counsel regarding this disclosure and GDPUD's consent, and GDPUD should feel free to do so.

GDPUD's execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Rule 1.7 of the California Rules of Professional

Nicholas Schneider

June 29, 2023

Page 4

Conduct previously quoted in this letter, and GDPUD's consent to proceeding with our representation of GDPUD.

Sincerely,

Frank A. Splendorio  
for BEST BEST & KRIEGER LLP

**CONSENT**

By this letter, Best Best & Krieger LLP has explained the existing and/or reasonably foreseeable potential risks and conflict(s) of interest in the above referenced matter, and has informed me of the possible consequences of this representation and these conflicts. I understand that I have the right to and have been encouraged to consult with independent counsel before signing this consent, and I acknowledge that I have been given sufficient time to do so. Notwithstanding the foregoing, I hereby consent and agree to the above.

Georgetown Divide Public Utility District

By: \_\_\_\_\_

Dated: \_\_\_\_\_

**RESOLUTION NO. 2023-XX**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**AUTHORIZING THE PROFESSIONAL SERVICES**  
**AGREEMENT WITH BEST BEST AND KRIEGER LLP (LEGAL COUNSEL)**

**WHEREAS**, on August 11, 2022, the Georgetown Divide Public Utility District (“District”) issued a Request for Proposals for legal representation services, to serve as General Counsel; and

**WHEREAS**, four proposals were received from Richards Watson Gershon Law Firm, Colutuono, Highsmith and Whatley PC, Best Best and Krieger LLC, and White Brenner LLP.

**WHEREAS**, The proposals were evaluated by the Board and interviews conducted; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT** that Frank Splendorio of Best Best and Krieger LLP, Attorneys at Law provide general counsel services for the District.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 11th day of July 2023, by the following vote:

**AYES:**

**NOES:**

**ABSENT/ABSTAIN:**

---

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

*Attest:*

---

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

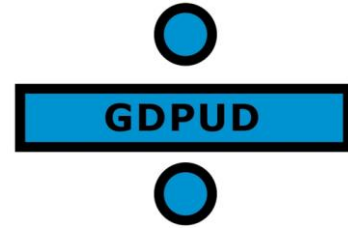
## CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Resolution 2023-XX duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this 11<sup>th</sup> day of July 2023.

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

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JULY 11, 2023  
AGENDA ITEM NO. 8.B.**



**AGENDA SECTION: ACTION ITEMS**

**SUBJECT: ACCEPTANCE OF RESIGNATION FROM FINANCE COMMITTEE AND CERTIFICATE OF RECOGNITION**

**PREPARED BY:** Elizabeth Olson, Executive Assistant

**APPROVED BY:** Nicholas Schneider, General Manager

---

**BACKGROUND**

The Board of Directors established the Finance Committee to advise the Board on matters relating to the finances of the District.

Charlotte Miller was appointed to the Finance Committee by Resolution 2023-24, on April 11, 2023.

**DISCUSSION**

Ms. Miller submitted a letter of resignation from the Finance Committee on May 21, 2023.

**FISCAL IMPACT**

None

**CEQA ASSESSMENT**

Not a CEQA Project

**RECOMMENDED ACTION**

Staff recommends the Board of Directors accept this resignation and acknowledge Charlotte Miller's contribution to the work of the Finance Committee.

**ATTACHMENTS:**

1. Resolution 2023-XX Accepting Resignation
2. Certificate of Recognition

**RESOLUTION NO. 2023-XX**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**ACCEPTING THE RESIGNATION OF CHARLOTTE MILLER**  
**FROM THE FINANCE COMMITTEE**

**WHEREAS**, the Georgetown Divide Public Utility District Board of Directors (“Board”) reestablished the Finance Committee (“Committee”) through Resolution 2021-16; and

**WHEREAS**, Charlotte Miller was appointed to the Finance Committee by Resolution 2023-24 on April 11, 2023; and

**WHEREAS**, Ms. Miller announced her resignation from the committee on May 21, 2023, and submitted her resignation by letter.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Board of Directors of the Georgetown Divide Public Utility District does hereby accept the resignation of Charlotte Miller from the Finance Committee and expresses appreciation for her willingness to serve the community.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 11th day of July 2023, by the following vote:

**AYES:**

**NOES:**

**ABSENT/ABSTAIN:**

---

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

*Attest:*

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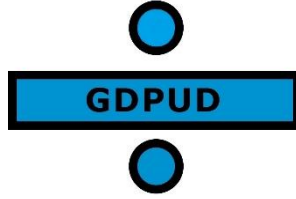
Nicholas Schneider, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

## CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Resolution 2023-XX duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this eleventh day of July 2023.

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



The Board of Directors  
of the  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
respectfully presents this

*Certificate of Recognition*

to

*Charlotte Miller*

in grateful acknowledgment of her outstanding  
contributions as a member of the Finance Committee of the  
Georgetown Divide Public Utility District  
and to extend, on behalf of the community, very best wishes upon her resignation.

Presented by  
the Board of Directors of the Georgetown Divide Public Utility District  
on the 11<sup>th</sup> day of July 2023.

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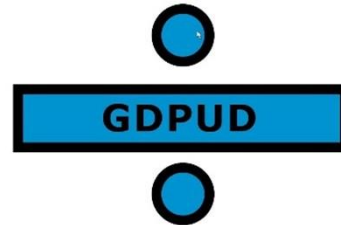
Mitch MacDonald, President, Board of Directors



**REPORT TO THE BOARD OF DIRECTORS**

**Board Meeting of JULY 11, 2023**

**Agenda Item No. 8.C.**



**AGENDA SECTION: ACTION ITEMS**

**SUBJECT: POLICY 5310 WATER TRANSFER**

**PREPARED BY:** Elizabeth Olson, Executive Assistant

**Approved By:** Nicholas Schneider, General Manager

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**BACKGROUND**

A water transfer is “a voluntary sale of water proposed and initiated by willing sellers who have legal rights to a supply of water to an interested buyer.” The Division of Water Rights of the State Department of Water Resources manages the Water Transfers Program covered by Water Code Sections 1725, temporary transfers. The ability of the District to engage in the water transfer market is a way to generate additional revenue. This revenue can be used to maintain and upgrade District infrastructure. All transfers must be reviewed and approved by the Board of Directors.

The Board acknowledged public comments received about flaws in the process of approving the water transfer refill agreement adopted by the Board on May 12<sup>th</sup>, 2020. In response to those public comments, on December 13<sup>th</sup>, 2022, the Board directed Staff to initiate the process for seeking consulting services to develop a water transfer policy, to help guide future water transfer opportunities. On February 14<sup>th</sup>, 2023 the General Manager was authorized to develop a Public Service Agreement (PSA) with Zanjero Inc.

**DISCUSSION**

The Policy Committee reviewed the draft policy prepared by the consultant on June 22<sup>nd</sup>, 2023 (Attachment 1). Policy 5310 Water Transfer Policy (Attachment 3) is being submitted for the Board’s approval.

The development of a Water Transfer Policy is in no way a guarantee of any future transfers of District Water. This policy will guide the staff and the Board and will help to determine if it is appropriate to engage in a water transfer.

**FISCAL IMPACT**

The future fiscal impact of this policy will allow for a net gain of revenue in the District.

**CEQA ASSESSMENT**

This is not a CEQA Project. However, due to the nature of water transfers, an environmental review will be done with all future associated water transfers.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) approve the attached Resolution adopting 5310 Water Transfer Policy.

**ALTERNATIVES**

Request substantive changes to the Resolution for staff to implement or reject the Resolution.

**ATTACHMENTS**

1. Policy 5310 red-lined
2. Resolution 2023-XX
3. Policy 5030 – Exhibit A of Resolution 2023-XX



## GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT Policy and Procedures Manual

Policy Title: WATER TRANSFER POLICY

Policy Number: 5030

Date Approved: XXXXXX XX, 2023

### 5030.01XXX.X – PURPOSEPolicy:

The Georgetown Divide Public Utility District Board of Directors seeks to voluntarily transfer water to interested ~~b~~Buyers when such opportunities to transfer water occur in a manner that appropriately protects customers and other fiduciary responsibilities of the District (see Attachment for ~~more~~ information). This policy provides guidance for evaluating when to pursue water transfer opportunities.

### 5030.02 XXXX.X – DEFINITIONSDefinitions

For the purposes of this policy, unless otherwise apparent from the context, certain words and phrases used in this policy are defined as follows:

~~Transfer Water~~ – shall refer to water provided to a Buyer pursuant to an Purchase Agreement between the Buyer and the District whereby the water provided is derived from water rights or water supply entitlements the District controls.

~~Board / District~~ – shall refer to the Board of Directors of the Georgetown Divide Public Utility District.

~~Seller~~ – shall refer to the Georgetown Divide Public Utility District.

**Buyer** – shall refer to the legal entity purchasing the Transfer Water.

~~Transfer Period~~ – shall mean when Seller will make Transfer Water available to Buyers at the Point of Transfer.

Normal Water Availability – shall refer to annual declaration of the projected water season based on the District's supply and demand assessment.

**Point of Transfer** – refers to the location where Seller delivers the Transfer Water to the Buyers.

~~Transfer Amount~~ – means the total maximum amount of Transfer Water provided before any losses.

**Purchase Agreement** – means the agreement signed by both Seller and Buyers for the purchase of Transfer Water.

**Reclamation** – means the United States Department of the Interior Bureau of Reclamation.

**Reservoir Refill Agreement** – means the agreement signed by the Seller, Reclamation, and Department of Water Resources defining the refill criteria and refill impacts accounting procedure that pertain to full refill of the Vacated Storage in a Stumpy Meadows storage-based transfer, when the Transfer Water is derived from water stored in Stumpy Meadows.

Seller – shall refer to the Georgetown Divide Public Utility District.

Transfer Amount – means the total maximum amount of Transfer Water provided before any losses.

Transfer Period – shall mean when Seller will make Transfer Water available to Buyers at the Point of Transfer.

## GDPUD POLICIES AND PROCEDURES

**Transfer Water** – shall refer to water provided to a Buyer pursuant to a Purchase Agreement between the Buyer and the District whereby the water provided is derived from water rights or water supply entitlements the District controls.

**Vacated Storage** – means the reduction in water storage of Stumpy Meadows Reservoir resulting from making Transfer Water available in a storage-based transfer.

### **5030.03 ~~XXXX.X~~ — GUIDING PRINCIPLES**

Guiding principles to support the District's evaluation and implementation of water transfer opportunities are as follows:

- 1) **Protect Customer Water Supply:** assure a water transfer does not increase customer water shortage risks.
- 2) **Optimize Water Resources:** utilize water resources assets to benefit the District and the community.
- 3) **Facilitate Economic Stability:** optimize economic benefits of water transfers to the district.
- 4) **Strive for Certainty:** support long-term planning and business decisions by minimizing the potential for significant changes to policies and procedures.
- 5) **Allow for Adaptability:** allow for periodic adjustments to reflect changing conditions and improved understanding, while minimizing disruptions to certainty.
- 6) **Target Simplicity:** create policies that are easy to understand and implement.
- 7) **Assure Transparency:** provide a full and straightforward accounting of all facts, information, and context to the Board and customers to ensure an informed and equitable decision-making process.
- 8) **Encourage Engagement:** Support and encourage interested participants working together with ongoing discussions where differences are explored, and a shared vision of water transfers can emerge.

### **5030.04 ~~XXXX.X~~ – WATER TRANSFER DETERMINATION PROCESS**

When considering a Water Transfer, the first priority for the District is to ensure adequate water availability for the customers. The following additional provisions apply:

- 1) Prior to January 31 of each potential water transfer year, file with the State Water Resources Control Board a notice of Potential Temporary Transfer pursuant to Water Code Section 1727.
- 2) At the January Board meeting, Board decides whether to direct General Manager to hold initial discussions that water might be available.
- 3) At the March Board meeting the General Manager and staff shall:
  - a) present information regarding the risk to customer shortfalls at various potential Transfer Water quantities based upon current and projected supply conditions, including Stumpy Meadows storage forecast, and projected customer demand by customer classification.
  - b) Update the Board regarding any discussions with potential buyers
- 4) At the April Board meeting:
  - a) The General Manger and staff shall present information to allow the Board to make a decision whether or not to transfer water that year. Information could include a draft

## GDPUD POLICIES AND PROCEDURES

Purchase Agreement, petition to the State Water Resources Control Board for temporary transfer, and a draft Reservoir Refill Agreement with Reclamation.

- b) If it is determined that water will seek to be transferred through the normal water availability process held by the District, schedule a public workshop targeted to occur during April. The objective of the workshop is to inform the public of the possible water transfer and be available to communicate the water transfer process with the public.
  - c) Direct General Manager to pay the required State Water Resources Control Board Water Transfer processing fee and the California Fish and Wildlife fee.
  - d) Authorize General Manager to execute a final Purchase Agreement when such is finalized.
- 5) The General Manager will provide an update on the Water Transfer at all future meetings until the Water Transfer is complete including any Reservoir Refill Agreement criteria that might exist.

### ~~5030.05XXXX.X~~ – ENVIRONMENTAL PROTECTION

The District shall comply with all applicable laws and regulations including but not limited to the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA) and the federal ~~and state e-Endangered and threatened sSpecies guidelines. Act (ESA)~~. The District shall secure any required consents, permits, reports, and orders prior to transferring water under this Policy.

### ~~5030.06XXXX.X~~ – REVENUE RECEIVED

Revenue received from the Water Transfer will be directed by the Board to best serve the needs of the District in meeting operating and maintenance expenses. This could include providing funding for the District's capital improvement program or other District expenses helping water rate stabilization.

### ~~5030.07XXXX.X~~ – VOLUNTARY SETTLEMENT AGREEMENT (VSA):

Voluntary Settlement Agreements (VSA) are agreements that the State Water Resources Control Board (SWRCB) could consider in its Water Quality Control Plan update for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and Watershed in ~~leulieu~~ of its "unimpaired flow" approach to achieve multiple water quality, water supply, and sustainable water management objectives. The District is currently in VSA discussions that could include modification to Stumpy Meadows operation. The District will assure that all VSA terms protect the District's water supply availability and do not interfere with this Water Transfer Policy.

## CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Policy ~~5030.XXXX~~ adopted by the Board of Directors of the Georgetown Divide Public Utility District on the \_\_\_\_\_.

\_\_\_\_\_  
Nicholas Schneider, Clerk and Ex-Officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY D

## GDPUD POLICIES AND PROCEDURES

### WATER TRANSFER POLICY

Policy Title:

Policy Number: XXXX

Date Approved: XXXXXX XX, 2023

### ATTACHMENT

#### Water Transfer Year Types:

Water transfers can occur in all hydrologic year types, with the ability to transfer water more available during wetter years. Year types are based on the forecasted runoff into Stumpy Meadows Reservoir. Generally, anticipated water transfers for different water year types are as follows:

**Critically Dry Years:** A Water Transfer is unlikely to occur during a critically dry year as the District water supply is needed to meet its water supply demands. This is especially the case if the critical year includes a Reservoir Refill requirement from a previous year Water Transfer.

**Dry Years:** A Water Transfer could occur in a dry year type if water is available in an amount greater than that required to meet District water demands. This would be unlikely if the dry year includes a Reservoir Refill requirement from a previous year Water Transfer.

**Below Normal, Above Normal Year:** A Water Transfer could occur in below normal and above normal year types. In these water year ~~types, types~~: the District likely has water supply greater than needed to meet its water supply requirements. This may be the case even if the year includes a Reservoir Refill requirement from a previous year Water Transfer.

**Wet Years:** A Water Transfer could occur as the District has plenty of water supply. However, there may be a limited transfer market during wet years not allowing for a Water Transfer.

**RESOLUTION NO. 2023-XX  
OF THE BOARD OF DIRECTORS OF THE  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
ADOPTING POLICY 5030, WATER TRANSFER POLICY**

**WHEREAS**, a water transfer is a voluntary sale of water proposed and initiated by willing sellers who have legal rights to a supply of water to an interested buyer; and

**WHEREAS**, The Division of Water Rights of the State Department of Water Resources manages the Water Transfers Program covered by Water Code Sections 1725, temporary transfers. The ability of the District to engage in the water transfer market is a way to generate additional revenue. This revenue can be used to maintain and upgrade District infrastructure. All transfers must be reviewed and approved by the Board of Directors; and

**WHEREAS**, on February 14<sup>th</sup> 2023, the Board authorized the General Manager to execute a Professional Services Agreement with Zanjero, Inc., to develop a water transfer policy to help guide future water transfer opportunities; and

**WHEREAS**, the Policy Committee reviewed the draft policy prepared by the consultant and is presenting Policy 5030, Water Transfer Policy (Exhibit A), for adoption by the Board of Directors.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT** Policy 5030, Water Transfer Policy, be adopted, and the General Manager shall be authorized to certify the policy and include it in the District's Policy and Procedures Manual.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 11<sup>th</sup> day of July by the following vote:

**AYES:**

**NOES:**

**ABSENT/ABSTAIN:**

---

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

*Attest:*

---

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

## CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Resolution 2023-XX duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this 11<sup>th</sup> day of July 2023.

---

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

**ATTACHMENT:**

**Exhibit A** – Policy 5030 – Water Transfer Policy

DRAFT





# GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

## Policy and Procedures Manual

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**Policy Title:** WATER TRANSFER POLICY

**Policy Number:** 5030

**Date Approved:** XXXXXX XX, 2023

### 5030.01 — PURPOSE:

The Georgetown Divide Public Utility District Board of Directors seeks to voluntarily transfer water to interested buyers when such opportunities to transfer water occur in a manner that appropriately protects customers and other fiduciary responsibilities of the District (see Attachment for more information). This policy provides guidance for evaluating when to pursue water transfer opportunities.

### 5030.02 – DEFINITIONS

For the purposes of this policy, unless otherwise apparent from the context, certain words and phrases used in this policy are defined as follows:

**Buyer** – shall refer to the legal entity purchasing the Transfer Water.

**Normal Water Availability** – shall refer to the annual declaration of the projected water season based on the District’s supply and demand assessment.

**Point of Transfer** – refers to the location where Seller delivers the Transfer Water to the Buyers.

**Purchase Agreement** – means the agreement signed by both Seller and Buyers for the purchase of Transfer Water.

**Reclamation** – means the United States Department of the Interior Bureau of Reclamation.

**Reservoir Refill Agreement** – means the agreement signed by the Seller, Reclamation, and Department of Water Resources defining the refill criteria and refill impacts accounting procedure that pertain to full refill of the Vacated Storage in a Stumpy Meadows storage-based transfer, when the Transfer Water is derived from water stored in Stumpy Meadows.

**Seller** – shall refer to the Georgetown Divide Public Utility District.

**Transfer Amount** – means the total maximum amount of Transfer Water provided before any losses.

**Transfer Period** – shall mean when Seller will make Transfer Water available to Buyers at the Point of Transfer.

**Transfer Water** – shall refer to water provided to a Buyer pursuant to a Purchase Agreement between the Buyer and the District whereby the water provided is derived from water rights or water supply entitlements the District controls.

**Vacated Storage** – means the reduction in water storage of Stumpy Meadows Reservoir resulting from making Transfer Water available in a storage-based transfer.

### 5030.03 — GUIDING PRINCIPLES

Guiding principles to support the District's evaluation and implementation of water transfer opportunities are as follows:

- 1) **Protect Customer Water Supply:** assure a water transfer does not increase customer water shortage risks.
- 2) **Optimize Water Resources:** utilize water resources assets to benefit the District and the community.
- 3) **Facilitate Economic Stability:** optimize economic benefits of water transfers to the district.
- 4) **Strive for Certainty:** support long-term planning and business decisions by minimizing the potential for significant changes to policies and procedures.
- 5) **Allow for Adaptability:** allow for periodic adjustments to reflect changing conditions and improved understanding, while minimizing disruptions to certainty.
- 6) **Target Simplicity:** create policies that are easy to understand and implement.
- 7) **Assure Transparency:** provide a full and straightforward accounting of all facts, information, and context to the Board and customers to ensure an informed and equitable decision-making process.
- 8) **Encourage Engagement:** Support and encourage interested participants working together with ongoing discussions where differences are explored, and a shared vision of water transfers can emerge.

### 5030.04 – WATER TRANSFER DETERMINATION PROCESS

When considering a Water Transfer, the first priority for the District is to ensure adequate water availability for the customers. The following additional provisions apply:

- 1) Prior to January 31 of each potential water transfer year, file with the State Water Resources Control Board a notice of Potential Temporary Transfer pursuant to Water Code Section 1727.
- 2) At the January Board meeting, Board decides whether to direct General Manager to hold initial discussions that water might be available.
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  - a) Present information regarding the risk to customer shortfalls at various potential Transfer Water quantities based upon current and projected supply conditions, including Stumpy Meadows storage forecast, and projected customer demand by customer classification.
  - b) Update the Board regarding any discussions with potential buyers.
- 4) At the April Board meeting:
  - a) The General Manger and staff shall present information to allow the Board to decide whether to transfer water that year. Information could include a draft Purchase Agreement, a petition to the State Water Resources Control Board for temporary transfer, and a draft Reservoir Refill Agreement with Reclamation.
  - b) If it is determined that water will seek to be transferred through the normal water availability process held by the District, schedule a public workshop targeted to occur during April. The objective of the workshop is to inform the public of the possible water transfer and be available to communicate the water transfer process with the public.

## GDPUD POLICIES AND PROCEDURES

- c) Direct General Manager to pay the required State Water Resources Control Board Water Transfer processing fee and the California Fish and Wildlife fee.
- d) Authorize the General Manager to execute a final Purchase Agreement when such is finalized.
- 5) The General Manager will provide an update on the Water Transfer at all future meetings until the Water Transfer is complete including any Reservoir Refill Agreement criteria that might exist.

### 5030.05 – ENVIRONMENTAL PROTECTION

The District shall comply with all applicable laws and regulations including but not limited to the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), and the federal and state endangered and threatened species guidelines. The District shall secure any required consents, permits, reports, and orders prior to transferring water under this Policy.

### 5030.06 – REVENUE RECEIVED

Revenue received from the Water Transfer will be directed by the Board to best serve the needs of the District in meeting operating and maintenance expenses. This could include providing funding for the District’s capital improvement program or other District expenses helping water rate stabilization.

### 5030.07 – VOLUNTARY SETTLEMENT AGREEMENT (VSA):

Voluntary Settlement Agreements (VSA) are agreements that the State Water Resources Control Board (SWRCB) could consider in its Water Quality Control Plan update for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and Watershed in lieu of its “unimpaired flow” approach to achieve multiple water quality, water supply, and sustainable water management objectives. The District is currently in VSA discussions that could include modification to the Stumpy Meadows operation. The District will assure that all VSA terms protect the District’s water supply availability and do not interfere with this Water Transfer Policy.

### CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Policy 5030 adopted by the Board of Directors of the Georgetown Divide Public Utility District on the July 11th, 2023,

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

### WATER TRANSFER POLICY

Policy Title:

Policy Number: **XXXX**

Date Approved: **XXXXXX XX, 2023**

**ATTACHMENT**

**Water Transfer Year Types:**

Water transfers can occur in all hydrologic year types, with the ability to transfer water more available during wetter years. Year types are based on the forecasted runoff into Stumpy Meadows Reservoir. Generally, anticipated water transfers for different water year types are as follows:

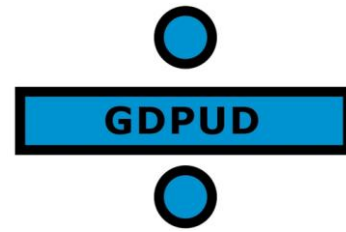
**Critically Dry Years:** A Water Transfer is unlikely to occur during a critically dry year as the District water supply is needed to meet its water supply demands. This is especially the case if the critical year includes a Reservoir Refill requirement from a previous year's Water Transfer.

**Dry Years:** A Water Transfer could occur in a dry year type if water is available in an amount greater than that required to meet District water demands. This would be unlikely if the dry year includes a Reservoir Refill requirement from a previous year's Water Transfer.

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**Wet Years:** A Water Transfer could occur as the District has plenty of water supply. However, there may be a limited transfer market during wet years not allowing for a Water Transfer.

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JULY 11, 2023  
AGENDA ITEM NO. 8. D.**



**AGENDA SECTION: ACTION ITEMS**

**SUBJECT: ANNUAL REVIEW OF DIRECTOR STIPEND AS REQUIRED BY DISTRICT POLICY 4030-2**

**PREPARED BY:** Jessica Buckle, Office Finance Manager

**APPROVED BY:** Nicholas Schneider, General Manager

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**BACKGROUND**

Ordinances 1997-1 (adopted 1/14/1997), 2004-03 (adopted 9/14/2004), and 2005-05 (adopted 1/8/2008) established remuneration (stipend) of \$200 per month for members of the Board of Directors for expenses incurred in attending meetings of the Board.

The Board of Directors adopted Ordinance 2008-1 on January 8, 2008, establishing a stipend amount of \$400 per month, not to exceed \$4,800 a year, pursuant to Public Utilities Code Section 16002(a). On February 8, 2011, the Board adopted Ordinance 2011-01, which superseded Ordinance 2008-01, and maintained the stipend amount at the same level of \$400 per month, not to exceed \$4,800 a year pursuant to the law.

On June 25, 2013, the Board of Directors approved District Policy 4030-2 (Attachment 1) providing a Director's stipend in the amount of \$400 per month, an amount established by Public Utilities Code Section 16002(a). The policy requires the Board to annually establish the amount of the stipend at its regular meeting in July and references Ordinance 2011-01 (Attachment 2).

**DISCUSSION**

A regular annual review of Director Compensation is required, this typically happens at the July Board meeting. The Board has in place currently to be compensated \$400 for every Board meeting they attend. The public utility code offers multiple compensation options for members to be paid in a variety of ways. From section 16002 of the code:

Three options exist:

1. Each member of the board may receive the compensation that the board by ordinance provides, not exceeding four thousand eight hundred dollars (\$4,800) a year.
2. As an alternative to subdivision (a), the board may provide, by ordinance or resolution, that each of its members receive compensation in an amount not to exceed one hundred dollars (\$100) for each day of service. A member of the board shall not receive compensation for more than 10 days of service in a month.

Currently, the District utilizes option number 1. The District can continue employing this methodology or convert to option 2. Option 2 allows Board members to be compensated as they work for the District in the community. The options for this are below:

- A. A meeting conducted pursuant to the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code).
- B. Representation of the District at a public event, if that representation has been previously approved at a meeting of the Board and the member delivers a written report regarding the member's representation to the Board at the Board meeting immediately following the public event.
- C. Representation of the District at a public meeting or a public hearing conducted by another public agency, if that representation has been previously approved at a meeting of the Board and the member delivers a written report regarding the member's representation to the Board at the Board meeting immediately following the public meeting or public hearing.
- D. Representation of the District at a meeting of a public benefit nonprofit corporation on whose board the district has membership if that representation has been previously approved at a meeting of the District's board and the member delivers a written report regarding the member's representation to the Board at the Board meeting immediately following the corporation's meeting.
- E. Participation in a training program on a topic that is directly related to the District if that representation has been previously approved at a meeting of the Board and the member delivers a written report regarding the member's participation to the Board at the Board meeting immediately following the training program.

Because GDPUD is a water-providing district there is a third option. The Board can set the compensation level they wish, below are the subdivisions that allow this:

- 3. Pursuant to Public Utilities Code 1602(c), the Board of Directors of a water district, as defined in Section 20200 of the Water Code, may increase the amount of compensation that may be received by members of the Board consistent with the method set forth in Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code. This charge can only increase by 5% per year so this would increase the payments under option 1 to \$420.

### **FISCAL IMPACT**

Director stipends are included in the FY 2023-2024 Operating Budget under option 1 standard. The budget is currently set at \$24,000. If a different option is selected, below is the Fiscal impact.

Option 1 – Same as now, \$24,000 per year.

Option 2 – Potentially up to \$60,000 per year. This number will likely not be the final spent on this as it would require all Board members to attend 10 meetings every month to achieve this impact. This option would require documentation provided to District staff to approve the meetings that are being used to receive monthly payments.

Option 3 – The Fiscal impact of this is \$25,200. This would also require an ordinance process to be accepted and posted for review.

**CEQA ASSESSMENT**

This is not a CEQA Project.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) conduct the required annual review of the Directors' stipend and provide staff direction.

If option 1 is selected nothing more needs to be done.

If option 2 is selected Staff will implement the change into practice and develop the documentation required to submit the meetings that are being claimed for compensation.

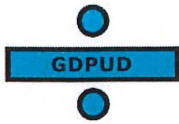
If option 3 is selected, the Board compensation will increase to \$420 per month. This will account for a total of \$25,200. Staff will begin the public hearing process. This will require a 90-day process to implement.

**ALTERNATIVES**

(a) Request substantive changes to the Resolution for staff to implement; (b) Reject the Resolution.

**ATTACHMENTS**

1. Policy 4030, Remunerations and Reimbursements
2. Ordinance 2011-01



# GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

## Policy and Procedures Manual

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**POLICY TITLE:** Board Compensation, Expense Reimbursements and Travel Allowance

**POLICY NUMBER:** 4030      **Adopted:** 06/25/2013      **Amended:** 06/13/2023

### **SECTION 4030.01 PURPOSE**

The purpose of this policy is to establish the procedures governing the payment of monthly compensation and expense reimbursement for members of the Board of Directors of the Georgetown Divide Public Utility District pursuant to Public Utilities Code Section 16002(a) and Ordinance 2011-01.

### **SECTION 4030.02 DEFINITIONS AND REFERENCES**

For the purposes of this policy, unless otherwise apparent from the context, certain words and phrases used in this policy are defined as follows:

**Internal Revenue Service Publication 463** shall reference the explanation contained in this IRS tax document that explains what records are needed to prove expenses incurred.

**Internal Revenue Service Publication 535** shall reference the mileage rate that is provided in this IRS tax document.

### **SECTION 4030.03 DIRECTOR'S COMPENSATION**

Members of the Board of Directors shall receive monthly compensation, the amount of which shall be established annually by the Board at its regular meeting in July and be consistent with applicable state law and GDPUD Ordinance 2011-01.

#### **Section 4030.03.01 Ordinance 2011-01**

Ordinance 2011-0, adopted by the Board of Directors on February 8, 2011, sets forth the compensation and benefits to be provided to the District's Board of Directors.

Section 2 of this Ordinance establishes a monthly stipend of Four Hundred Dollars (\$400.00) for an annual amount not to exceed Four Thousand Eight Hundred Dollars (\$4,800.00), pursuant to Public Utility Code Section 16002(a). A Director must attend the regular meeting of the Board to receive the monthly stipend.

#### **Section 4030.03.02 Public Utilities Code Section 16002**

A compensation for Directors is established pursuant to Public Utilities Code § 16002, which states: Each member of the Board may receive the compensation that the Board by Ordinance provides, not exceeding four thousand eight hundred dollars (\$4,800) a year.



## **SECTION 4030.04 ANNUAL ALLOWANCE FOR DISTRICT-RELATED TRAVEL EXPENSES**

The Board of Directors shall include an annual travel allowance for each Director, based on the approved District budget, while on official District business as described in Public Utilities Code § 16002(b)(2), which states: Representation of the District at a public event, if that representation has been previously approved at a meeting of the Board and the member delivers a written report regarding the member's representation to the Board at the Board meeting immediately following the public event.

Official District business shall include federal, state, regional, and local meetings, and training sessions, conferences, and events. The annual allowance shall cover the following travel expenses which are subject to the requirements of Government Code §§ 53232.2 and 53232.3, as well as the requirements of Ordinance 2011-01.

The District shall calculate the reimbursement amount according to the following provisions:

### **Section 4030.04.01 Mileage**

Mileage incurred by Directors in their own vehicle shall be set at the rate of reimbursement allowed under Publication 535 of the Internal Revenue Service. Mileage shall not be reimbursed for attendance at regular or special board meetings held at the District office or other similar locations within the District.

### **Section 4030.04.02 Lodging, Travel by Public Transportation**

Expenses for lodging, travel by public transportation, and incidental expenses incurred for attendance at meetings or conferences outside of the County are subject to prior approval by the Board of Directors. However, the Board in its discretion may approve reimbursement after a Director has attended the meeting or conference in circumstances where the meeting schedule of the Board did not permit prior approval of the request.

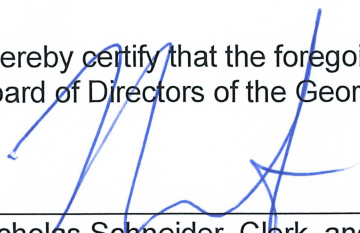
- A. The State per diem rate, based on per diem rates established annually by the Administration of General Services, will be used for expense limitations. This rate chart is included with this policy as Appendix A.
- B. **Internal Revenue Rates** – IRS Publication 463 shall be followed and the use of California per diem rates shall be used as stated in this publication for travel, lodging, and other actual and necessary expenses.
- C. **Meals and Incidentals** – Expenses for meals and incidentals shall be based on the California State per diem rate.

## **SECTION 4030.05 CONFERENCE AND TRAINING REGISTRATION FEES, AND TRAVEL EXPENSES**

Upon Board approval of a Director's attendance of meetings, conferences, and training sessions, the District shall make registration payments for lodging, and travel expenses. The District shall make efforts to obtain reduced rates through early registration or other opportunities for rate reductions.

Certification

I hereby certify that the foregoing is a full, true, and correct copy of Policy 4030 amended by the Board of Directors of the Georgetown Divide Public Utility District on June 13, 2023.



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

**ORDINANCE 2011- 01**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
REVISING THE BOARD OF DIRECTORS' COMPENSATION RATES**

BE IT ENACTED by the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT ("District"), El Dorado County, State of California, as follows:

1. This Ordinance shall supersede in its entirety Ordinance 2008-01, pertaining to the compensation and benefits of the District's Board of Directors and sets forth all compensation and benefits to be provided henceforth.
2. **COMPENSATION.** Pursuant to Public Utilities Code § 16002(a), each Director shall receive a stipend in the amount of Four Hundred Dollars (\$400.00) per month. A Director must attend the regular meeting of the Board to receive the monthly stipend. The annual amount of the stipend shall not to exceed four thousand eight hundred dollars (\$4,800).
3. **REIMBURSEMENT.** In addition to the compensation provided in Paragraph 2 above, Directors shall be entitled to receive their actual and necessary expenses incurred while on official District business as provided below. Official District business shall include attendance at meetings described in Public Utilities Code § 16002 (b)(2), local or regional meetings of water purveyors, and training sessions and conferences for public officials. Reimbursement for such expenses is subject to the requirements of Government Code §§ 53232.2 and 53232.3. All expense reports shall document that expenses meet the requirements of this Ordinance.

A. **MILEAGE.** Reimbursement for mileage expenses incurred by Directors in their own vehicles shall be set at the rate of reimbursement allowed under Publication 535 of the Internal Revenue Service. Mileage shall not be reimbursed for attendance at regular or special board meetings of GDPUD held at the District office or other similar locations in the District. Requests for mileage reimbursement shall state the distance traveled, the date, the meeting attended and the amount of reimbursement sought.

B. **LODGING AND TRAVEL.** Reimbursement for lodging, travel and incidental expenses incurred for attendance at meetings or conferences outside of the County is subject to prior approval by the Board of Directors. However, the Board in its discretion may approve reimbursement after a Director has attended the meeting or conference in circumstances where the meeting schedule of the Board did not permit prior approval of the request. Requests for reimbursement of lodging, travel, meals and incidental expenses shall include copies of all receipts for the expense with the request for reimbursement.

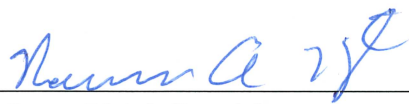
C. IRS RATES. Unless the reimbursement rates for travel, meals, lodging and other actual and necessary expenses are otherwise approved by the Board, the District shall use the Internal Revenue Service rates for reimbursement of travel, meals, lodging, and other actual and necessary expenses as established in Publication 463, or any successor publication.

4. EFFECTIVE DATE. Upon adoption, this Ordinance shall be posted in three (3) public places within the District's boundaries at least seven (7) days prior to thirty (30) days from the date of its adoption, and shall be published in the Georgetown Gazette, a newspaper of general circulation published in the District, one (1) time at least seven (7) days prior to thirty (30) days from the date of its adoption and shall be effective thirty (30) days after the date of its adoption.

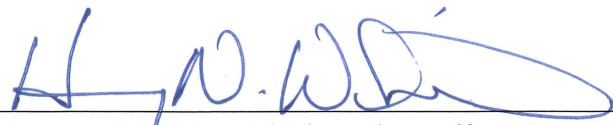
5. IMPLEMENTATION. Upon adoption of this Ordinance, staff is directed to provide all Directors with information on COBRA coverage that may be available to extend any benefits previously provided to Directors by the District. Upon the effective date of this Ordinance, staff is directed to cancel all existing District-provided coverage affording vision, dental, health and life insurance benefits to Directors.

PASSED AND ADOPTED by the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT at its duly held regular meeting on the eighth day of February, 2011, by the following vote:

AYES: Griffiths, Krizl, McLane, Neeley and Otermat  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
\_\_\_\_\_  
Norm Krizl, President  
Board of Directors  
GEORGETOWN DIVIDE  
PUBLIC UTILITY DISTRICT

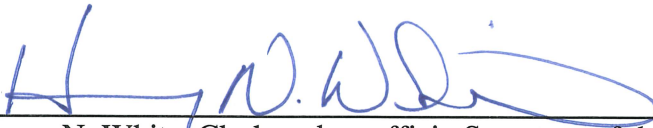
ATTEST:

  
\_\_\_\_\_  
Henry N. White, Clerk and ex officio Secretary of the  
Georgetown Divide Public Utility District

\* \* \* \* \*

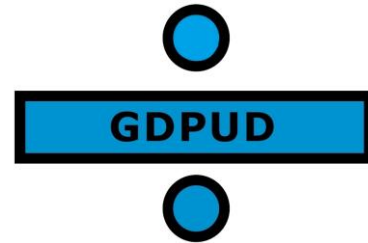
CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of Ordinance 2011-01, 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 eighth day of February 2011.



Henry N. White, Clerk and ex officio Secretary of the  
Georgetown Divide Public Utility District

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JULY 11, 2023  
AGENDA ITEM NO. 9.A.**



**AGENDA SECTION: PUBLIC HEARING**

**SUBJECT: FIRST READING OF ORDINANCE 2023-03 CERTIFYING ANNUAL DIRECT CHARGES - FEES AND ASSESSMENTS**

**PREPARED BY:** Elizabeth Olson, Executive Assistant

**APPROVED BY:** Nicholas Schneider, General Manager

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**BACKGROUND**

The El Dorado County Auditor-Controller notified the District that the deadline for submitting the required documents to place District-related charges on the County’s secured property tax bills is August 10, 2023. The notice (**Attachment 1**) from the Auditor-Controller provides a checklist of items to be delivered to the Auditor’s Office by the deadline.

The adoption of an ordinance is part of this process. This is the first reading of Ordinance 2023-03 (Attachment 2) to allow the District to place a lien on the property of customers with delinquent balances as of June 30, 2023, and to place the annual charges for the District’s assessment districts.

A preliminary list of delinquent customers as of July 11, 2023 is included in the Ordinance, which will be finalized for the Board meeting on July 11, 2023. The list will be updated up to the date of submission to the County with the removal of customers who have made payments on the balances. The other amounts to be placed on certain property owners’ tax bills relate to previously implemented water facility assessment districts. These annual assessments typically continue until the related assessment district debt is retired.

Following the First Reading of Ordinance 2023-03, a legal notice will be published in the newspaper with an updated list of delinquent accounts. The Second Reading of the Ordinance and potential adoption will be held at the next regular Board meeting on August 8, 2023.

**DISCUSSION**

The following chart is a summary of the Certification Submission Forms delivered by the District to the County in 2019, 2020, 2021 and 2022.

<b>Year</b>	<b>Date Submitted</b>	<b>Number of Accounts</b>	<b>Total Amount</b>
2019	8/28/2019	23	\$12,510.10
2020	8/31/2020	54	\$16,305.16
2021	8/10/2021	122	\$58,442.40
2022	8/10/2022	140	\$44,636.00

The District's efforts to notify customers; are outlined below.

1. During the first week of June WaterSmart notifications were sent out to customers with past-due balances. The WaterSmart system allowed for notification methods including email, phone calls, and text messaging to be implemented. Hard copies were mailed to customers that could not be reached through WaterSmart. (**Attachment 3** is a copy of this notice).
2. On June 15<sup>th</sup> hardcopy letters were mailed again to all remaining past-due account customers. A second round of WaterSmart communications were sent out as well.

### **FISCAL IMPACT**

This action is required for the District to collect the annual assessments and any unpaid charges. There are currently 106 delinquent water customer accounts with a total outstanding balance of \$29,478.30.

### **CEQA ASSESSMENT**

This is not a CEQA Project.

### **RECOMMENDED ACTION**

Staff recommends the Board of Directors introduce Ordinance 2023-03 and receive public comment regarding a proposed Ordinance stating the purpose for adding to and making assessments levied upon the land upon which water service was used and charges unpaid and for annual assessment district levies. Additionally, Staff will make necessary modifications and submit the required documents to the El Dorado County Auditor-Controller by the deadline of August 10, 2023 (5 PM) by Annual Certification of Levy and Data Submission Form (**Attachment 4**).

### **ALTERNATIVES**

The Board may request substantive changes to the Ordinance for staff to implement.

### **ATTACHMENTS**

1. Notice from the County Auditor-Controller's Office
2. Ordinance 2023-03 (will be posted after 10am on July 11, 2023)
3. Notice sent to past due customers June 15, 2023.
4. Annual Certification of Levy and Data Submission Form



# County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE  
PLACERVILLE, CALIFORNIA 95667  
Phone: (530) 621-5487 FAX: (530) 295-2535

JOE HARN, CPA  
Auditor-Controller

TSUNG-KUEI HSU  
Assistant Auditor-Controller

Date: May 23, 2023  
To: All Districts Placing Direct Charges on the 2023/24 Secured Tax Roll  
From: Property Tax Division  
RE: **2023/24 Direct Charge Information/Instructions/Checklist**

## **\*\*\* AUGUST 10 (5PM) DEADLINE \*\*\***

The Assessor is expected to deliver his 2023/24 assessment roll on July 1, 2023, thereby opening the timeframe for districts to add direct charge levies to the 2023/24 tax bills. Any additions/changes/deletions subsequent to the deadline may occur if authorized by state statute (\$15 cost recovery per parcel).

This courtesy letter provides a checklist of items necessary for districts to place direct charge levies on the tax bills. Forms, links, lookups, and the Direct Charges Manual are available online at:

[https://www.edcgov.us/Government/Auditor-Controller/PropTax/Pages/direct\\_charge\\_information\\_for\\_districts.aspx](https://www.edcgov.us/Government/Auditor-Controller/PropTax/Pages/direct_charge_information_for_districts.aspx)

The district may deliver (email/fax/mail/hand deliver) the necessary items, in their entirety, to the Auditor's Office beginning July 1 (the data file can't be faxed). Early submission following July 1 is suggested because no additional time is allotted beyond August 10, regardless of reason.

## **\*\*\* DISTRICT DELIVERABLES TO AUDITOR BY AUGUST 10 \*\*\***

<sup>1</sup>Districts should review each form's Background and Instructions page

### **Checklist of items to be prepared and delivered to the Auditor's office:**

1. **Governing Authorization Certification** fillable PDF form<sup>1</sup>.
2. **Proposition 218 Certification** fillable PDF form<sup>1</sup>.
3. **Local Agency Special Tax and Bond Accountability Act – Response** fillable PDF form<sup>1</sup>.
4. **Secured/Unsecured Tax Roll Certification** fillable PDF form<sup>1</sup>.
5. **Direct Charge Information Sheet** fillable PDF form<sup>1</sup>.
6. **Annual Certification of Levy and Data Submission** fillable PDF form<sup>1</sup>.
7. **Electronic Data File.** Use one of the four format options as shown in the online Exhibits ("tab delimited" option is generally the easiest).
  - Since procedures and calculations vary from district to district, the Auditor's office is unavailable to assist the district with this process.
  - For districts using ParcelQuest's software, information from the Auditor's purchased copy is available by calling (530) 621-5470 ext. 4.

After compiling the entire package (all 7 items above), submit it directly to the staff member shown on the Direct Charge Information Sheet form. The Auditor's office will process once the entire compiled package is received.

The Auditor's office will load the district's direct charge levies to the property tax system. If the district has more than one tax code, the levies may either be placed on one large file or broken into separate files for each tax code; however, all levies with the same tax code must be on the same file. The auditor will notify the district of the results via email. Any updated submissions overwrite the previous submission and may be made as late as August 10 (5pm).

For questions, please contact the specific direct charge tax code's assigned "contact person" in the Auditor's office via email or phone as noted on the Direct Charge Information Sheet.



Date: May 23, 2023  
RE: 2023/24 Direct Charge Information/Instructions/Checklist  
Page: 2

**\*\*\* Additional DIRECT CHARGE INFORMATION \*\*\***

Districts should review the information contained in the online Direct Charges Manual. This document details the entire life cycle of direct charges on the tax roll, information regarding the 12-digit AN, and various responsibilities.

“Parcel split/combine” reports are available online that will greatly assist many districts:

- Compares the most recent actual direct charge levies to determine if the ANs remain valid for the upcoming tax roll year. This report is updated monthly and is applicable as of its run date.
- Particularly helpful for those districts that have a “set list” of ANs levied (e.g., a 1915 bond or Mello-Roos district).
- If ParcelQuest is used to determine a fresh set of ANs each year, the reports’ value is more limited.

There is a cost recovery for placing the Direct Charges levies on the tax roll. Information regarding the cost recovery can be located online at the website address noted above and in the Direct Charges Manual section *Cost Recovery Amounts*. The amount will be deducted from the district’s general ledger account after the December 10 posting of property tax collections to ensure that the district’s fund doesn’t earn negative interest.

**ORDINANCE 2023-03**

**AN ORDINANCE OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT STATING THE PURPOSE FOR ADDING TO AND MAKING ASSESSMENTS LEVIED UPON THE LAND UPON WHICH WATER SERVICE WAS USED AND CHARGES UNPAID AND FOR ANNUAL ASSESSMENT DISTRICT LEVIES**

**BE IT ENACTED** by the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, County of El Dorado, State of California, as follows:

1. The Board of Directors of GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT hereby declares that for Fiscal Year 2022-23 the Georgetown Divide Public Utility District water service and related water quality services were furnished to and used on certain parcels of land upon which the annual assessment is, by this said ordinance levied for unpaid charges thereof as of June 30, 2023. Said parcels are set forth in Exhibit A attached hereto and made a part hereof. It is further declared said certain parcels of land are owned, controlled, or in the possession of the same person who owned, controlled, or was in possession of it during the time such service charges were incurred, or if transfers were made of the property since the date such charges were incurred, such transfers have been made by gift, descent, bequest, or devise. It is further declared that said unpaid charges are to be added to and made a part of the annual assessment levied upon said certain parcels of land, shall become a lien upon said parcels of land, and the Board of Directors shall include in its statement to be transmitted to the County Auditor, the amount of said charges upon said certain parcels of land.

2. The Board of Directors hereby orders the Clerk of said GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT to transmit to the County-Auditor a statement of the unpaid charges to be levied which may be added to and become a part of the first installment of the assessment.

3. The Board of Directors hereby orders the Clerk of said GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT to transmit to the County Auditor the forms required to levy the annual assessments for the assessment districts within the Georgetown Divide Public Utility District with outstanding debt. For fiscal year 2023-24, outstanding debt remains for the following assessment districts:

Stewart Mine Water Assessment District  
Kelsey North Water Assessment District

4. A certified copy of this Ordinance shall be transmitted to the County-Auditor of the County of El Dorado, State of California, upon its adoption.

**PASSED AND ADOPTED** at a regular meeting of the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT held on the eighth day of August 2023, by the following vote:

**AYES:**

**NAYS:**

**ABSENT/ABSTAIN:**

**ATTEST:**

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

---

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

**\*\*EXHIBIT A\*\***

Georgetown Divide Public Utility District  
2023 Tax Roll Delinquencies

*This list is the preliminary list and will be posted after 10AM on July 11, 2023, this list could be reduced before publishing in the paper and before forwarding to the County.*

Tax Parcel Number	Contact Name	Balance
060-060-015-000	JAMES EMERSON	\$425.72
060-090-026-000	ERIK GREND AHL	\$101.34
060-140-028-000	SUSAN LAFRANCE	\$230.51
060-180-006-000	RODNEY BROWN	\$119.83
060-180-016-000	AMBER HARPER	\$25.98
060-180-030-000	SUSAN A. MARTIN	\$6,400.16
060-180-031-000	NICK GERONDAKIS	\$322.12
060-220-020-000	WILLIAM/JOSEPH MURPHY	\$146.72
060-230-009-000	PAUL/LISA PATTERSON	\$124.82
060-240-007-000	DELLA MANZINALI	\$222.12
060-320-033-000	MICHAEL RYAN LOWRY & ANALISE LOWRY	\$86.20
060-351-019-000	COLLEEN STEVENS	\$131.42
060-351-030-000	GARY/LUISA HEINZ	\$501.68
060-361-002-000	ROBERT DIPIERTO	\$639.21
060-361-050-000	JOHN EDMUNDS	\$717.93
060-401-008-000	RYAN PROPERTY RESCUE LLC	\$419.32
060-700-013-000	CALIF DEPT OF FORESTRY	\$34.92
060-700-049-000	TOBIN & SARAH MALLERY	\$129.71
061-042-058-000	KIMBERLY RASMUSSEN	\$100.00
061-220-013-000	WESLEY SHUSTER	\$730.52
061-231-003-000	HOLLY PLICHTA	\$132.48
061-231-031-000	AGUSTIN AGUIRRE	\$280.97
061-252-012-000	CHELSEA PEDERSEN	\$146.19
061-261-018-000	YVONNE PARKS	\$144.18
061-310-006-000	CODY PIERSON	\$37.46
061-311-004-000	ROBERT JOHNSTON	\$104.12
061-381-023-000	RICHARD G BEAUPRE	\$77.46
061-381-029-000	JOHN/CHARLENE WAID	\$34.78
061-480-010-000	GARY TRACHT/MONICA MARTINEZ	\$72.34
061-511-010-000	ADRIENE/JOHNATHAN RICHARDS	\$155.83
061-511-038-000	TUG COLE KELLER	\$121.03
061-511-039-000	KIRBEE LONG	\$168.36
061-511-045-000	HEIDI FINLEY	\$481.66
061-520-017-000	AMANDA SABALSA'ARENAS/JACKSON COOK	\$129.65

Tax Parcel Number	Contact Name	Balance
061-530-026-000	ETHAN HOFF	\$139.94
061-560-026-000	JARED AND DANIELLE JACQUES	\$14.74
061-560-049-000	JARETT & ERICA HILL	\$697.92
061-600-011-000	LANCE/CHERYL RICKARD	\$5.50
061-611-013-000	SHARON HEISEY	\$136.05
061-720-015-000	PAMELA GIBSON	\$198.42
062-230-013-000	PEGGY BARNARD	\$190.73
071-141-004-000	WALTER/ETTA SHULTZ	\$9.19
071-142-005-000	MARC STANLEY	\$101.11
071-142-006-000	LENOND/ROSE LEWIS	\$1,230.35
071-171-005-000	CRAIG TERRELL	\$184.57
071-271-016-000	RACHEL DEFAZIO	\$177.29
071-280-024-000	JEFFREY/LORI LASHER	\$219.38
071-490-010-000	DOUGLAS OLSEN	\$149.46
071-500-001-000	JOHN HANSER	\$13.07
072-062-011-000	CAMERON AND COURT HANSON	\$251.31
072-072-011-000	JOSEPH/JOYCE WEISS & BARRY DAVID FILICE	\$288.84
072-072-015-000	DOUGLAS SEE	\$246.24
072-132-003-000	JAMES PATRICK MURRAY	\$343.48
072-152-001-000	MARK & NANETTE GREINER	\$12.60
072-202-007-000	STEVEN LEE	\$506.33
072-272-010-000	BRENT EIKANAS SR	\$125.55
072-301-015-000	KEITH/DORIS FAULKNER	\$149.67
072-352-002-000	MARCELINO I/ANITA VIRAY	\$113.88
072-441-012-000	LESLIE MILLER	\$121.89
073-072-014-000	DANIEL/SUSAN AMARAL	\$96.75
073-074-013-000	SHEILA KUMAR	\$25.21
073-112-005-000	NATALIE FREIBERG	\$19.35
073-201-002-000	TERESA ENTZ/GUSTAVO MACIAS	\$96.75
073-312-015-000	JASON PRATTE	\$236.37
073-321-011-000	NICHOLAS DELGADO	\$113.88
073-351-018-000	LARRY STREIF	\$141.50
073-441-005-000	LANCE/JENELLE BERTILSON	\$161.46
073-452-006-000	NATALIE FREIBERG	\$19.35
073-461-007-000	GLORIA L JONES	\$146.42

Tax Parcel Number	Contact Name	Balance
073-492-005-000	JOE and LILLIAN MIRANDA	\$753.61
074-060-007-000	ROBERT M BROCKMAN	\$1,334.33
074-110-002-000	FREDENE ANDERSON	\$100.34
074-110-015-000	CHRISTIE WEINMEISTER	\$995.62
074-230-012-000	SHERRY GOLD	\$60.84
074-230-034-000	LLANA, GIORGIAN and NARCIS CLONTOS	\$425.68
088-021-057-000	MAXINE HURLEY	\$371.31
088-031-010-000	RON CAUDILLO	\$153.53
088-050-017-000	PATRICIA HOLBROOK	\$101.79
088-060-040-000	CHRISTINA BISHOP	\$174.68
088-080-011-000	KATHY CARLSEN	\$18.49
088-110-025-000	DAVID HILLMAN	\$138.26
088-110-037-000	PENELOPE CARPENTER	\$177.95
088-120-014-000	MONA DAVIS	\$10.30
088-160-008-000	ANDY J ALESSI	\$425.72
088-200-017-000	WENDELL SMITH	\$61.14
088-223-006-000	AYRON TROST/KRYSTEN MURPHY	\$238.70
088-223-022-000	COLBY BROWN	\$13.00
088-241-020-000	DAVE & SHERYL LARSEN	\$165.46
088-241-021-000	DAVE AND SHERYL LARSEN	\$67.94
088-241-022-000	DAVE & SHERYL LARSEN	\$67.94
088-261-005-000	DON KOLSTRUP	\$641.55
088-263-016-000	CHRISTINA/ASHLEY AZBILL	\$175.67
088-272-010-000	MICHAEL PACHECO	\$703.87
088-284-005-000	KASEY HAWK & ALLYSON BENDELL	\$124.91
088-284-006-000	CHARLES & SIERRA NEELEY	\$141.05
088-320-027-000	DAREL RICHARDSON	\$218.48
088-340-003-000	WILLIAM SHEPNER	\$25.92
088-390-025-000	ROGER WILSON	\$203.78
104-250-032-000	RUBIN BURKETT	\$144.18
		<b>\$28,617.33</b>

### CERTIFICATION

I hereby certify that the foregoing is a full, true, and correct copy of **Ordinance 2023-03** 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 eighth day of August 2023.

\_\_\_\_\_  
Nicholas Schneider, Clerk, and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

## REQUIRED NOTICE

**Please read this notice carefully.**

Georgetown Divide Public Utility District is required to provide this notice to allow the District to place any unpaid, past due amounts **as of June 30, 2023** on the County Tax Roll as a lien against the property. We are required to send this notice to **ALL GD-PUD customers** regardless of account standing. Please call the District office if you have any questions or concerns regarding your account status. If you have a past due balance, we want to work with you to get our records up to date.

Unless full payment is **received by July 1, 2023**, it will be necessary to place a lien against the property for any unpaid amount.

**Direct Charge Levy Process**  
**Direct Charge Information Sheet as of May 24, 2013**

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The information on this form is used to ensure accuracy related to the direct charge levy, contact information, revenue distribution, etc. Review, Validation, and Submission of this information is necessary each year by **August 10**. The district may also update this information throughout the year by submitting an updated form.

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- 291. Review and validate the information below related only to the specific district's direct charges.
- 292. Notate any necessary changes. Use a colored pen OR highlight typed changes.
- 293. Sign and date the form(s) related only to the specific district's direct charges.
- 294. Retain a copy for your records.
- 295. Submit the signed form of the appropriate page(s) (via mail, fax, or email) to the Auditor-Controller, Property Tax Division by **August 10**.

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*DIRECT CHARGE #:* **486**  
*DISTRICT NAME:* **Georgetown Public Utility District**  
*DESCRIPTION:* **1915 Bond - Stewart Mine Road W.A.D., 98-1**  
*CONTACT:* **Henry White, General Manager**  
**PO Box 4240**  
**Georgetown, CA 95634**

*DISTRICT EMAIL ADDRESS:* **mpfrick@gd-pud.org**  
*DISTRICT CONTACT -DAY NUMBER:* **530/333-4356**  
*DISTRICT CONTACT - ALTERNATE #:*  
*DISTRICT FAX NUMBER:* **530/333-9442**

*CONSULTANT NAME:* **NBS Government Finance Group, Attn: Adina Vazquez**  
*CONSULTANT ADDRESS:* **32605 Highway 79 South, Suite 100**  
*CONSULTANT CITY/STATE/ZIP:* **Temecula, CA 92592**  
*CONSULTANT PHONE:* **800/676-7516**  
*CONSULTANT FAX:* **951/296-1998**  
*CONSULTANT EMAIL ADDRESS:* **avazquez@nbsgov.com**

*PHONE NUMBER ON TAX BILL:* **800-676-7516**  
*DESCRIPTION ON TAX BILL (22 Digits max):* **STEWART MINE RD WAD**

*FEE:* **30¢ per parcel, up to a maximum of 1% of the direct charge amount, with a \$50 minimum**  
*FAMIS G/L INDEX CODE:* **8971623**  
*FAMIS REVENUE SUBOBJECT:* **1310**  
*ALTERNATE (10) OR NON-ALTERNATE (20) PLAN:* **20**  
*1915/MELLO-ROOS JUDICIAL FORECLOSURE:* **Y**  
*STATUS:* **Active**

*PROPERTY TAX DIVISION STAFF ASSIGNMENT:* **Marsha**  
*PROPERTY TAX DIVISION STAFF EMAIL:* **marsha.tover@edcgov.us**  
*PROPERTY TAX DIVISION STAFF PHONE:* **530/621-5472**

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By placing the district's direct charges on the current year secured tax roll, the district hereby agrees that it has read and understood the requirements and fees for direct charges and agrees to the terms stated therein for all direct charges submitted.

\_\_\_\_\_  
Print Name of Authorized Person Certifying this Form

\_\_\_\_\_  
Title of Authorized Person Certifying this Form

\_\_\_\_\_  
Signature of Authorized Person Certifying this Form

\_\_\_\_\_  
Date Form Certified