

ITEM 3A - MINUTES

Georgetown Divide Public Utility District Finance Committee

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

20 Dec 2019 Draft FINANCE COMMITTEE MEETING MINUTES

Meeting Date & Time: December 18, 2019, at 2:00 PM

Location: GDPUD Boardroom

Committee Members Present: Steve Miller (Chair), Thomas Crawford (Vice Chair), Mitch MacDonald, Sierra Nyokka, Ken Pauley, Don Waltz (Secretary)

Committee Member(s) Absent: None

Board Member Present: Michael Saunders (Treasurer, Finance Committee Liaison)

Staff Present: Steven Palmer (General Manager), Adam Brown (Water Resources Manager),

Consultant Present: George Sanders (Consulting Engineer)

1. Call to Order, Pledge of Allegiance

Meeting called to order at 2:00 PM.

2. Public Forum

Public comment was made regarding the need to include in the development of the FY2020-2021 budget certain monetary obligations involving the District’s personnel.

3. Consent Calendar - Approval of Minutes November 13, 2019

Motion was made and seconded to approve the minutes for the Committee meeting of November 13, 2019. Motion was unanimously approved.

4. New Business

A. Review Update to Capital Improvement Plan and Impact to Fiscal Year 2019/2020 Budget

The General Manager, Steven Palmer, presented the Committee with an update to the District’s FY2019-2020 Capital Improvement Plan. He indicated that the Board had already acted on two of the changes presented, i.e., those involving the District’s 2018 Main Canal Reliability Project and ALT Water Treatment Plant Project. There followed a discussion of a proposed increase of \$8,000 to acquire and install a backup electrical power generator to supply emergency power for the District Administrative Office and the Equipment shop. The proposed changes to the District’s Capital and Capital Facility reserves (amounting to an increase in reserve expenditures of \$784,070 for the current budget year) received no objections or comments from Committee members.

B. Review Draft Investment Policy:

General Manager Palmer presented a draft investment policy. He also indicated that a draft procedures manual would follow. Committee members expressed an interest in being able to review both investment policies and procedures prior to providing comments. Mr. Palmer stated that he would attempt to supply the Committee with a preliminary version of the necessary procedures at the next Finance Committee meeting. Therefore, it was agreed that a review of the draft investment policy would be postponed until the January 2020 Committee meeting.

C. Review Budget Timeline and Process

The General Manager outlined a proposed timeline and process for the development of the District’s FY2020-2021 operating and reserve budgets. It was asked if the timeline could be advanced a month by

Georgetown Divide Public Utility District Finance Committee

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

starting the process in January rather than February. Mr. Palmer responded that timing constraints involved in coordinating Board agendas prevented him from doing so. Consequently, the Committee agreed to begin the process in February and adopt a budget development meeting schedule as reported in Agenda Item 5 below.

D. Finance Committee Vacancies/Membership

Finance Committee members agreed that a request be forwarded to the Board of Directors proposing to the Board that the process to appoint another Committee member be commenced. Adding another member to the Committee would bring Committee membership to a total of seven.

5. Next Meeting & Adjournment

It was decided that the next Committee meeting would be held January 7, 2020, at 2pm, at the Georgetown Divide Public Utility District office, 6425 Main St., Georgetown, CA 95634. Further, as reported above, it had been decided that subsequent Finance Committee meetings during the FY2020-21 budget development period would be scheduled as follows:

- *February 5, 2020*
- *March 4, 2020*
- *April 1, 2020*
- *The May 2020 meeting date will be set at a later time: It was requested that this meeting be a special joint meeting of the Board and the Committee. Consequently, this meeting would be determined by the schedule and availability of the Board of Directors.*
- *June 3, 2020*

Following the identification of these future meeting dates, the Committee chair noted that the District’s Board of Directors concluded its meetings with an opportunity by the Directors to identify agenda items for its next meeting. In following this practice, the Chair then asked Committee members if they had any suggestions for the January Finance Committee agenda. A number of items were suggested and it was noted that the Committee was charged by Board resolution to “Monitor District financial reports and investments.” As such, it was decided that a discussion of a need for reports pertaining to the District’s budgetary and financial conditions would be a part of the next agenda.

The meeting was then adjourned.

Minutes prepared by Don Waltz, Finance Committee Secretary.

ITEM 4A - RATES

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Fund Summary
Fiscal Year 2019-2020
June 4, 2019

Description	Beginning Balance	Revenues	Expenses	Ending Balance
<u>10 - GENERAL FUND</u>				
<i>Revenue</i>				
Water operating revenue	\$ -	\$ 3,401,832	\$ -	\$ -
Non-operating revenue		1,861,651		
Supplemental charge		648,923		
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 5,912,406</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
5100 - Source of Supply	\$ -	\$ -	\$ 395,376	\$ -
5200 - Raw Water			803,628	
5300 - Water Treatment			721,543	
5400 - Treated Water			702,582	
5500 - Customer Service			346,184	
5600 - Admin			1,641,863	
Low Income Rate Assistance Program (Property Tax)			35,000	
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,646,176</u>	<u>\$ -</u>
<i>Transfers</i>				
Transfer supplemental charge to SRF Loan Fund			\$ 648,923	
Transfer from Operating to Capital Reserve (Fund 43)			1,492,825	
<i>Total Transfers</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,141,748</u>	<u>\$ -</u>
TOTAL GENERAL FUND	<u>\$ 2,450,742</u>	<u>\$ 5,912,406</u>	<u>\$ 6,787,923</u>	<u>\$ 1,575,225</u>
<u>40 - ALT ZONE FUND</u>				
<i>Revenue</i>				
Wastewater operating revenue	\$ -	\$ 190,500	\$ -	\$ -
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 190,500</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
6700 - Zone	\$ -	\$ -	\$ 294,505	\$ -
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,505</u>	<u>\$ -</u>
TOTAL ALT ZONE FUND	<u>\$ 1,032,472</u>	<u>\$ 190,500</u>	<u>\$ 294,505</u>	<u>\$ 928,468</u>
GRAND TOTAL REVENUES AND EXPENSES	<u>\$ 3,483,215</u>	<u>\$ 6,102,906</u>	<u>\$ 7,082,429</u>	<u>\$ 2,503,693</u>
<u>UNRESTRICTED RESERVE FUNDS</u>				
08 - SMUD	\$ 307,710	\$ 110,900	\$ -	\$ 418,610
19 - Stumpy Meadows	1,064,692	13,454	-	1,078,146
24 - ALT Capital Reserve	190,814	-	190,814	(0)
30 - Small Hydro	691,887	60,000	-	751,887
43 - Capital Reserve	1,094,935	1,492,825	905,185 (A)	1,682,575
TOTAL UNRESTRICTED RESERVE FUNDS	<u>\$ 3,350,037</u>	<u>\$ 1,677,179</u>	<u>\$ 1,095,999</u>	<u>\$ 3,931,217</u>

Note:

(A) - Capital Reserve Fund 43 Expenditures decreased by \$481,250 to reflect Board direction to postpone funding for meter replacement project until FY20/21

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Fund Summary
Fiscal Year 2019-2020

Description	Beginning Balance	Revenues	Expenses	Ending Balance
10 - GENERAL FUND				
<i>Revenue</i>				
Water operating revenue	\$ -	\$ 3,178,165 (D)	\$ -	\$ -
Non-operating revenue		1,861,651		
Supplemental charge		648,923		
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 5,688,739</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
5100 - Source of Supply	\$ -	\$ -	\$ 395,376	\$ -
5200 - Raw Water			803,628	
5300 - Water Treatment			742,323 (B)	
5400 - Treated Water			702,582	
5500 - Customer Service			346,184	
5600 - Admin			1,641,863	
Low Income Rate Assistance Program (Property Tax)			35,000	
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,666,956 (B)</u>	<u>\$ -</u>
<i>Transfers</i>				
Transfer supplemental charge to SRF Loan Fund			\$ 648,923	
Transfer from Operating to Capital Reserve (Fund 43)			1,380,825	
<i>Total Transfers</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,029,748</u>	<u>\$ -</u>
TOTAL GENERAL FUND	<u>\$ 2,450,742</u>	<u>\$ 5,688,739</u>	<u>\$ 6,696,703 (B)</u>	<u>\$ 1,442,778</u>
40 - ALT ZONE FUND				
<i>Revenue</i>				
Wastewater operating revenue	\$ -	\$ 190,500	\$ -	\$ -
<i>Total revenue</i>	<u>\$ -</u>	<u>\$ 190,500</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Expenses</i>				
6700 - Zone	\$ -	\$ -	\$ 294,505	\$ -
<i>Total expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 294,505</u>	<u>\$ -</u>
TOTAL ALT ZONE FUND	<u>\$ 1,032,472</u>	<u>\$ 190,500</u>	<u>\$ 294,505</u>	<u>\$ 928,468</u>
GRAND TOTAL REVENUES AND EXPENSES	<u>\$ 3,483,215</u>	<u>\$ 5,879,239</u>	<u>\$ 6,991,209 (B)</u>	<u>\$ 2,371,246</u>
UNRESTRICTED RESERVE FUNDS				
08 - SMUD	\$ 307,710	\$ 110,900	\$ -	\$ 418,610
19 - Stumpy Meadows	1,064,692	13,454	-	1,078,146
24 - ALT Capital Reserve	190,814	-	190,814	(0)
30 - Small Hydro	691,887	60,000	-	751,887
43 - Capital Reserve	1,094,935	1,380,825	1,147,202 (C)	1,328,558
TOTAL UNRESTRICTED RESERVE FUNDS	<u>\$ 3,350,037</u>	<u>\$ 1,565,179</u>	<u>\$ 1,338,016</u>	<u>\$ 3,577,200</u>

Note (B): Increase of \$20,780 approved by Board on August 13, 2019 for new state water sampling requirement

(C): Increase from \$905,185 as approved by Board for ALT WTP & 2018 Main Canal Reliability Projects

(D): Reduce revenue due to potential rate freeze

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Proposed Budget
Summary of Restricted Funds
 Fiscal Year 2019-2020

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
RESTRICTED FUNDS (3) (4) (5)				
09 CABY Grant	\$ (518,601)	518,601	-	\$ (0)
14 Stewart Mine	\$ (8,232)	-	-	\$ (8,232)
17 Water Development	\$ 412,296	4,960	-	\$ 417,256
20 ALT Fund (6)	\$ 1,585,624	1,716,047	1,067,124	\$ 2,234,547
29 State Revolving Fund	\$ 21,702	-	-	\$ 21,702
37 Garden Valley Water Improvement District	\$ 108,814	-	-	\$ 108,814
39 Capital Facility Charges	\$ 1,694,217	-	862,500	\$ 831,717
41 ALT Tank Replacement and Loan	\$ 44,902	-	-	\$ 44,902
42 ALT Community Disposal Service Reserve	\$ 153,088	-	58,500	\$ 94,588
51 Kelsey North Assessment District	\$ 21,385	-	-	\$ 21,385

Notes:

- (3) Restricted funds are those whose usage are legally restricted for specific purposes
- (4) Retiree fund (12) is not shown to avoid duplicate budget
- (5) State Revolving Fund Fund 29 expenses include \$2,296 per month for existing SRF Loan for Walton WTP
- (6) ALT Fund includes supplemental charge revenue, a portion of ALT WTP construction expenses, and SRF loan draws for ALT WTP

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Summary of Restricted Funds
Fiscal Year 2019-2020

Fund	Beginning Fund Balance	Revenues	Expenses	Ending Fund Balance
RESTRICTED FUNDS (3) (4) (5)				
09 CABY Grant	\$ (518,601)	518,601	-	\$ (0)
14 Stewart Mine	\$ (8,232)	-	-	\$ (8,232)
17 Water Development	\$ 412,296	4,960	-	\$ 417,256
20 ALT Fund (6)	\$ 1,585,624	1,716,047	1,067,124	\$ 2,234,547
29 State Revolving Fund	\$ 21,702	-	-	\$ 21,702
37 Garden Valley Water Improvement District	\$ 108,814	-	-	\$ 108,814
39 Capital Facility Charges	\$ 1,694,217	-	1,404,553 (E)	\$ 289,664
41 ALT Tank Replacement and Loan	\$ 44,902	-	-	\$ 44,902
42 ALT Community Disposal Service Reserve	\$ 153,088	-	58,500	\$ 94,588
51 Kelsey North Assessment District	\$ 21,385	-	-	\$ 21,385

Notes:

- (3) Restricted funds are those whose usage are legally restricted for specific purposes
- (4) Retiree fund (12) is not shown to avoid duplicate budget
- (5) State Revolving Fund Fund 29 expenses include \$2,296 per month for existing SRF Loan for Walton WTP
- (6) ALT Fund includes supplemental charge revenue, a portion of ALT WTP construction expenses, and SRF loan draws for ALT WTP
- (E) Increase to \$1,404,553 as approved by Board for ALT WTP & 2018 Main Canal Reliability Projects

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Proposed Budget
Revenue Summary
 Fiscal Year 2019-20

Description	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 Proposed
WATER OPERATING REVENUE				
Water Sales				
Residential	\$ 1,862,227	\$ 2,381,907	\$ 2,558,900	\$ 2,900,000
Commercial/Construction	260,936	304,393	354,855	10,000
Irrigation	317,330	480,000	419,072	436,179
Penalties	46,739	46,000	45,625	46,000
Other (2)	10,951	10,436	9,368	9,653
	\$ 2,498,183	\$ 3,222,736	\$ 3,387,819	\$ 3,401,832
WATER NON-OPERATING REVENUE				
Property taxes	1,577,792	1,660,000	1,655,400	1,720,000
Interest Income	18,884	10,500	52,225	52,100
Leases	73,023	105,500	90,388	89,551
Sale of Assets				
Other	291,035	-	66,915	-
	\$ 1,960,734	\$ 1,776,000	\$ 1,864,928	\$ 1,861,651
Supplemental Charge (1)	657,545	648,923	648,923	648,923
	\$ 5,116,462	\$ 5,647,659	\$ 5,901,671	\$ 5,912,406
WASTEWATER OPERATING REVENUE				
Zone charges	313,315	391,600	313,327	150,500
Escrow fees	28,725	25,100	19,733	28,000
Septic design fees	2,400	2,700	800	3,000
Interest income	10,581	7,200	10,624	9,000
Other	-	-	-	-
	\$ 355,021	\$ 426,600	\$ 344,484	\$ 190,500
	\$ 5,471,483	\$ 6,074,259	\$ 6,246,155	\$ 6,102,906

Notes:

- (1) Supplemental charge revenue can only be used to fund the State Revolving Fund loan
- (2) Other revenue are connection fees

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
RATE FREEZE ANALYSIS 01/29/2020
Revenue Summary
 Fiscal Year 2019-20

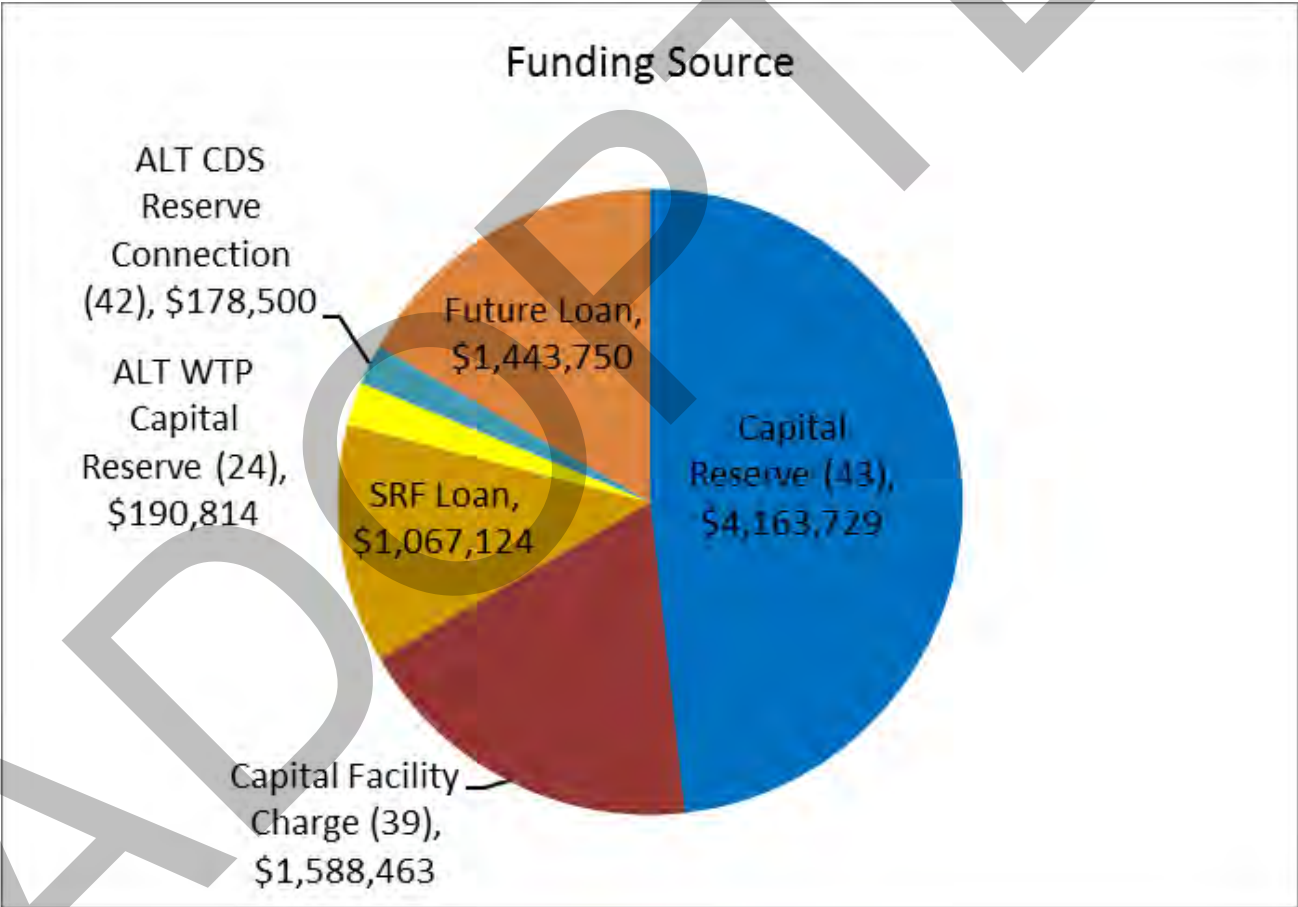
Description	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Projected	FY 2019-20 RATE FREEZE
WATER OPERATING REVENUE				
Water Sales				
Residential	\$ 1,862,227	\$ 2,381,907	\$ 2,558,900	\$ 2,676,333
Commercial/Construction	260,936	304,393	354,855	10,000
Irrigation	317,330	480,000	419,072	436,179
Penalties	46,739	46,000	45,625	46,000
Other (2)	10,951	10,436	9,368	9,653
	<u>\$ 2,498,183</u>	<u>\$ 3,222,736</u>	<u>\$ 3,387,819</u>	<u>\$ 3,178,165</u>
WATER NON-OPERATING REVENUE				
Property taxes	1,577,792	1,660,000	1,655,400	1,720,000
Interest Income	18,884	10,500	52,225	52,100
Leases	73,023	105,500	90,388	89,551
Sale of Assets				
Other	291,035	-	66,915	-
	<u>\$ 1,960,734</u>	<u>\$ 1,776,000</u>	<u>\$ 1,864,928</u>	<u>\$ 1,861,651</u>
Supplemental Charge (1)	657,545	648,923	648,923	648,923
	<u>\$ 5,116,462</u>	<u>\$ 5,647,659</u>	<u>\$ 5,901,671</u>	<u>\$ 5,688,739</u>
WASTEWATER OPERATING REVENUE				
Zone charges	313,315	391,600	313,327	150,500
Escrow fees	28,725	25,100	19,733	28,000
Septic design fees	2,400	2,700	800	3,000
Interest income	10,581	7,200	10,624	9,000
Other	-	-	-	-
	<u>\$ 355,021</u>	<u>\$ 426,600</u>	<u>\$ 344,484</u>	<u>\$ 190,500</u>
	<u>\$ 5,471,483</u>	<u>\$ 6,074,259</u>	<u>\$ 6,246,155</u>	<u>\$ 5,879,239</u>

Notes:

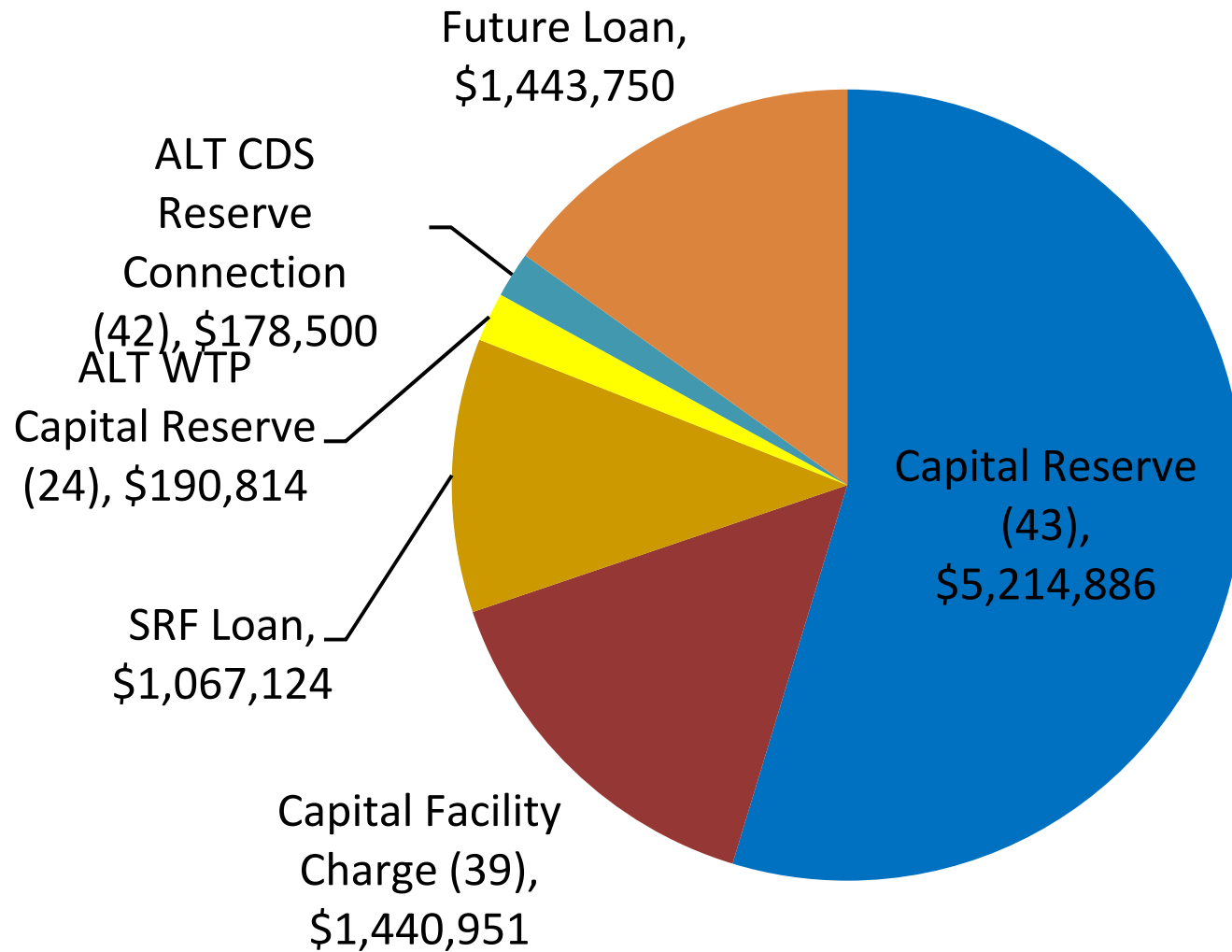
- (1) Supplemental charge revenue can only be used to fund the State Revolving Fund loan
 (2) Other revenue are connection fees

Fund	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	TOTAL 2019-2024
Capital Reserve	\$ 905,185	\$1,039,587	\$1,021,685	\$372,550	\$824,722	\$4,163,729
Capital Facility Charge	\$ 862,500	\$329,213	\$396,750	\$0	\$0	\$1,588,463
ALT WTP Capital Reserve	\$ 190,814	\$0	\$0	\$0	\$0	\$ 190,814
SRF Loan	\$1,067,124	\$0	\$0	\$0	\$0	\$1,067,124
Future Loan	\$0	\$1,443,750	\$0	\$0	\$0	\$1,443,750
ALT CDS Reserve	\$ 58,500	\$ 120,000	\$0	\$0	\$0	\$ 175,000
Total	\$3,084,123	\$2,932,550	\$1,418,435	\$372,550	\$824,722	\$8,632,380

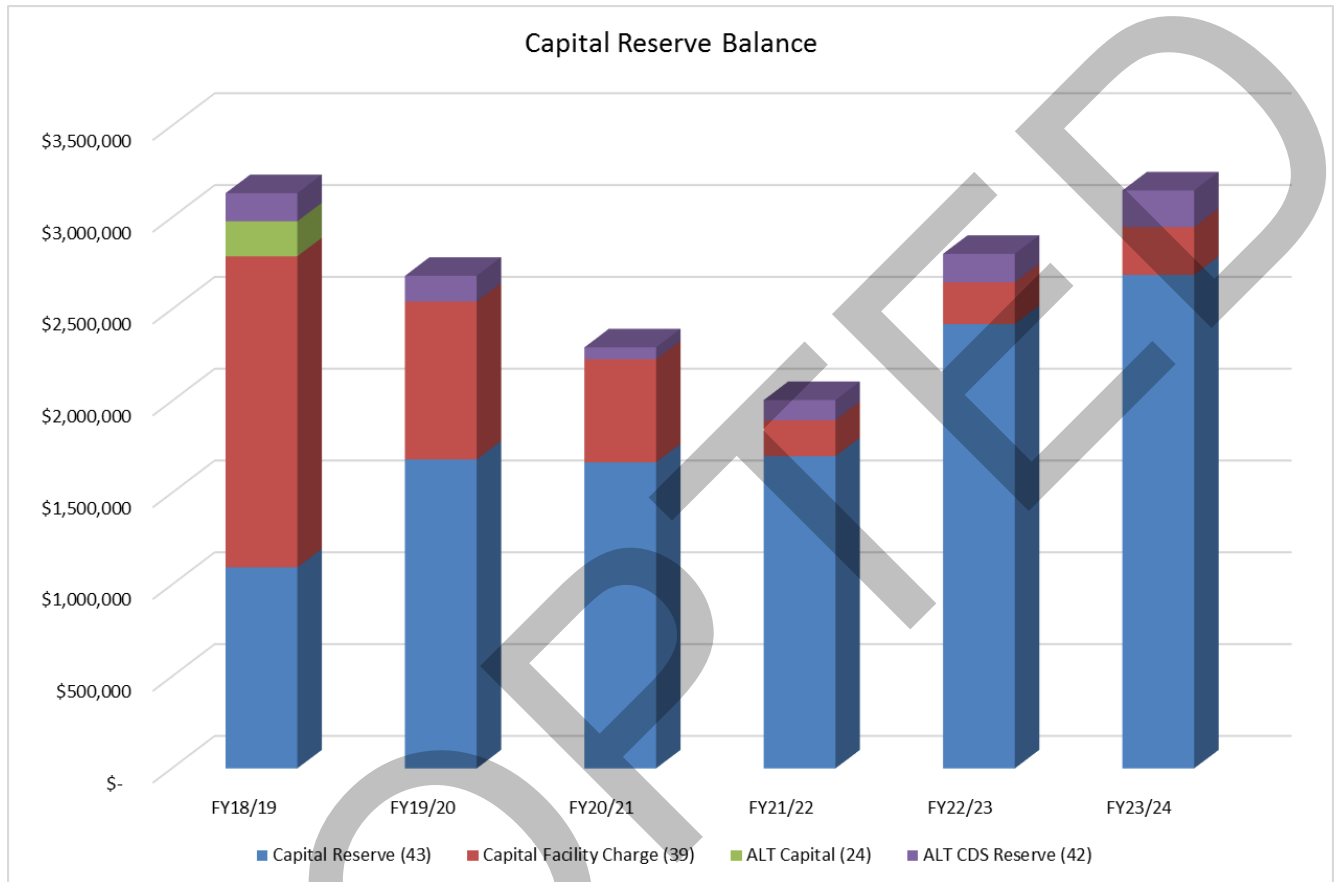
The following chart illustrates funding sources for all five fiscal years in the CIP.



Funding Source



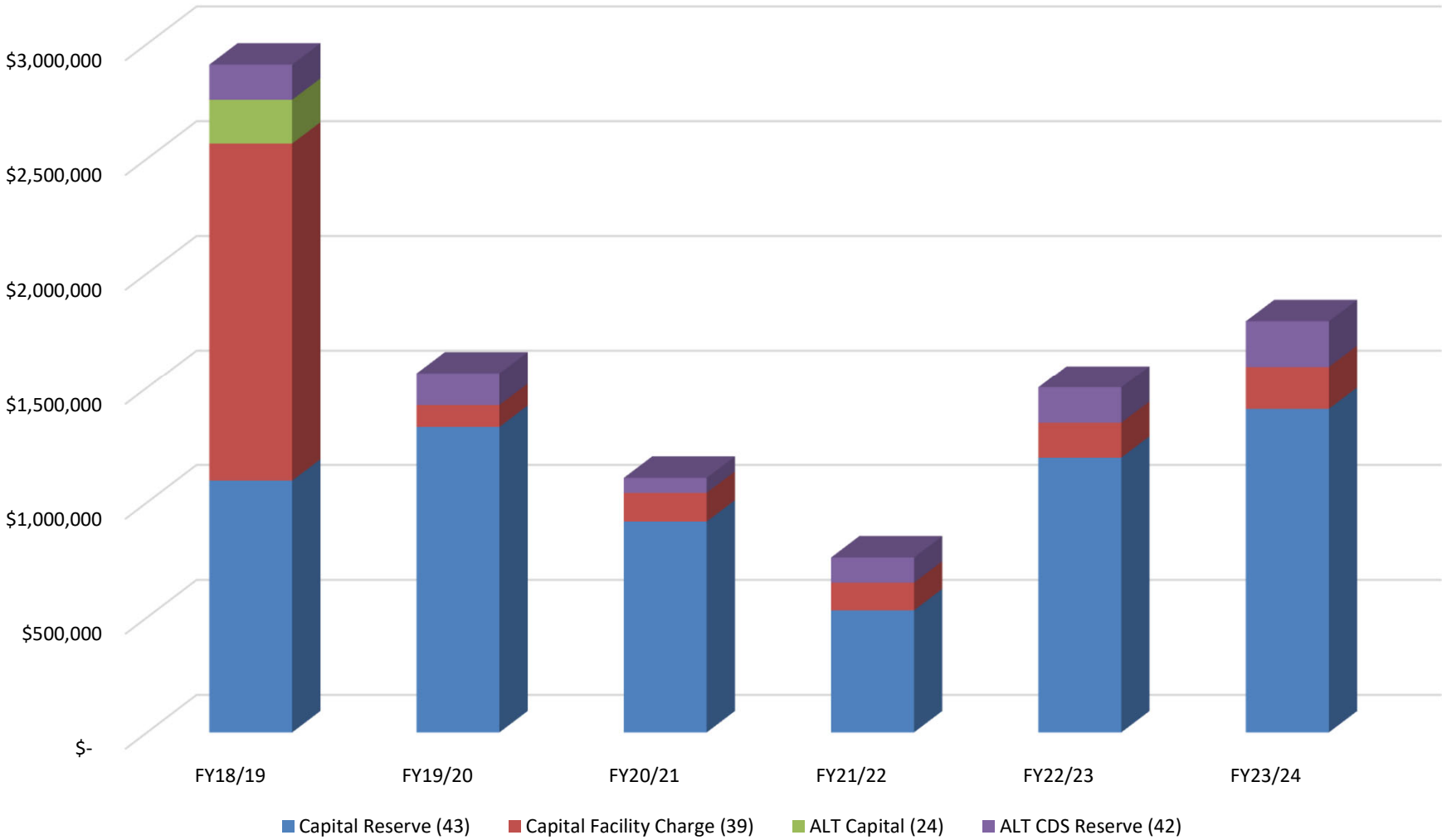
The last chart depicts end of year fund balance projections for capital reserve funds. These are based on Fiscal Year 2018/2019 end of year projected fund balances, and the spending plan as outlined in this CIP.



IV. Project Summary

Capital improvement projects programmed in the 2019/2020 to 2023/2024 Capital Improvement Plan are listed below. A project is only listed if there is funding programmed during Fiscal Year 2019/20 through Fiscal Year 2023/24. Detailed project costs estimates with expenditure plans for each project listed below are included in Appendix A.

Capital Reserve Balance with 2020 Rate Freeze



ANALYSIS OF REVENUES

2017 Irrigation Water per Calendar Year								
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2017	
Number of customers								388
Total volume of water sold (miners inch)								614.5
Annual revenue derived from water sold		\$ 87,571.98	\$ (458.16)	\$ 138,312.98	\$ 8,118.68			\$ 233,545.48
Average annual volume of water per customer								
Average annual revenue per customers								
2018 Irrigation Water per Calendar Year								
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2018	
Number of customers			394	392	395			
Total volume of water sold (miners inch)								562.5
Annual revenue derived from water sold		\$ 160,976.68	\$ 11,667.72	\$ 251,593.94	\$ (290.96)			\$ 423,947.38
Average annual volume of water per customer								
Average annual revenue per customers								
2019 Irrigation Water per Calendar Year								
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2019	
Number of customers			378	373	369			
Total volume of water sold (miners inch)								540
Annual revenue derived from water sold	\$ (0.66)	\$ 166,675.20	\$ (1,608.06)	\$ 239,810.42	\$ 6,090.80			\$ 410,967.70
Average annual volume of water per customer								
Average annual revenue per customers								
Change Irrigation Water per Calendar Year								
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec		
Number of customers								
Total volume of water sold (miners inch)								
Annual revenue derived from water sold								
Average annual volume of water per customer								
Average annual revenue per customers								
2017 Treated Water Per Calendar Year								
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2017	
Number of customers	3626	3627	3633	3643	3638	3638		3634
Total volume of water sold	4772329	4122443	10170337	14907229	11638896	4975991		50587225
Annual revenue derived from water sold	\$ 201,085.26	\$ 185,474.69	\$ 295,576.39	\$ 374,624.39	\$ 330,438.28	\$ 194,374.37		\$ 1,581,573.38
Average annual volume of water per customer								
Average annual revenue per customers								
2018 Treated Water Per Calendar Year								
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2018	
Number of customers	3821	3767	3766	3756	3751	3749		3768
Total volume of water sold	5540937	5090705	10302170	15873005	12145590	7634997		56587404
Annual revenue derived from water sold	\$ 375,182.24	\$ 353,043.92	\$ 487,607.39	\$ 628,855.80	\$ 532,271.57	\$ 413,926.37		\$ 2,790,887.29
Average annual volume of water per customer								
Average annual revenue per customers								
2019 Treated Water Per Calendar Year								
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec	EOY 2019	
Number of customers	3746	3744	3741	3745	3745	3747		3745
Total volume of water sold	5340966	5075121	8870013	14962440	12100498	7090158		53439196
Annual revenue derived from water sold	\$ 359,703.27	\$ 350,049.86	\$ 434,394.32	\$ 592,202.20	\$ 517,845.96	\$ 403,758.14		\$ 2,657,953.75
Average annual volume of water per customer								
Average annual revenue per customers								
Change Treated Water Per Calendar Year								
	Jan-Feb	Mar-Apr	May-Jun	Jul-Aug	Sep-Oct	Nov-Dec		
Number of customers								
Total volume of water sold								
Annual revenue derived from water sold								
Average annual volume of water per customer								
Average annual revenue per customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes: 1. Revenue is net of adjustments to revenue. For example irrigation water service disruption credits, low income rate assistance credits, leakage adjustments.

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 14, 2020
AGENDA ITEM NO. 8.D.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: ADOPT A RESOLUTION FREEZING TREATED AND IRRIGATION WATER RATES FOR THE CALENDAR YEAR 2020

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager *[Signature]*

BACKGROUND

In December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates that resulted in a Water Financial Analysis prepared by an experienced professional. This Water Financial Analysis and adopted rate structure addressed findings and recommendations from the 2016 Grand Jury Report, bringing the District into compliance with recent court decisions regarding tiered rates, and making the District eligible for grants and loans. The process followed is detailed in the Staff Report from February 12, 2019 and January 8, 2019, which are included as Attachment 1. At the culmination of that process, the Board of Directors **accepted** and **closed** the Proposition 218 Public Notice and protest process, and adopted the following rates for water service:

Treated Water

Meter Size	Monthly Base Charge				
	Jan 1, 2018 (Current)	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the base charge for all treated water customers.

Tier	Usage Rate (per CF)				
	Jan 1, 2018 (Current)	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

Irrigation Water

Meter Size	Monthly Base Charge (Irrigation Season Only)				
	Jan 1, 2018 (Current)	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

Note: Irrigation water is delivered, and monthly charges are only billed during the five (5) month irrigation season.

At the January 8, 2019 Board meeting, the Board of Directors voted 4-1 to “temporarily freeze the rate increases for no more than 12 months and direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit. And then they’ll bring back recommendations to the Board for possible rate adjustments.”

The first part of the Board action from January 8, 2019 was to “temporarily freeze the rate increases for no more than 12 months.” At the February 12, 2019 meeting, the Board adopted Resolution 2019-14 freezing rates, **Attachment 2**. The resolution also specifies that after the November/December 2019 billing period, the rates will increase to the previously adopted rates for 2019 as described in Resolution 2017-30 (included with Attachment 1).

The second part of the Board action from January 8, 2019 was to “direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit.” A forensic audit is an examination and evaluation of financial transactions for presentation to the court and for the purpose of identifying and documenting fraud. Based on the discussions among the Directors at that Board meeting, the Board’s goal was to have an independent evaluation of the capital replacement program that was developed for the Water Financial Analysis prepared by Rural Community Assistance Corporation (RCAC), dated October 2017; a forensic audit would not meet this goal. The Board directed the General Manager to issue a request for proposals (RFP) to select an engineering firm to provide an independent evaluation of the capital replacement program. One proposal was received from Bennett Engineering Services, Inc. in the amount of \$61,996, and the General Manager presented a professional services agreement to the Board for consideration at the Board meeting on September 10, 2019. At that meeting, the Board decided to not approve the agreement and to not move forward with the independent evaluation of the capital replacement program.

ADOPTED 2020 RATE INCREASES

Based on the Board adopted rate schedule, the monthly base charge and usage rates for treated water rates are set to increase by 5% with the January and February billing cycle. This equates to an increase of \$1.47 per month for the monthly base charge and an increase of \$0.0013 per cubic foot (\$0.00017 per gallon) for the usage rate. A customer who uses the District average of 2,100 cubic feet of water per billing cycle would expect their bill to increase by \$2.83 per month (\$5.67 per billing cycle).

Irrigation water rates are set to increase by 10%. The cost for one miner’s inch of water will increase by \$15.40 per month. One miner’s inch equates to 16,156 gallons of water per day, or 2,471,990 gallons (330,480 cubic feet) per five (5) month irrigation season. This equates to a cost of \$0.00233 per cubic foot in 2018 and 2019, and \$0.00257 per cubic foot in 2020.

At the December 12, 2019 Board meeting, the Board of Directors directed the General Manager to bring a resolution to the Board to keep water rates at the current rates of \$29.41 per month and \$0.0255 per cubic foot of treated water, and \$154.20 per miner’s inch per month for irrigation water. These rates are the same as those that were effective two years ago in 2018.

DISCUSSION

Any changes to the adopted rate structure will have a direct impact on the service received by District customers. The adopted rates structure already includes a level of service that is lower than the initial recommendation from RCAC’s analysis. The RCAC analysis that was initially presented to the Board in October 2017 recommended a first-year contribution of \$1,995,634 from treated water customers and \$377,759 from irrigation water customers towards the replacement and rehabilitation of assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.). The Board did not adopt that recommendation.

The Board reviewed the information presented in the RCAC study and directed staff to assume that assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.) would last longer than industry standards, and to reach the capital contribution goal in ten (10) years instead of five (5). Consequently, the Final Water Financial Analysis included lower contributions to capital replacements, and lower water rates than originally recommended by RCAC. The recommended and adopted water rates in the Water Financial Analysis are summarized in the following table.

	Year One (2018)		Year Two (2019)		Year Five (2022)	
	Recommended	Adopted	Recommended	Adopted	Recommended	Adopted
Treated	\$3,169,350	\$2,676,333	\$3,352,764	\$2,838,472	\$3,924,733	\$3,335,081
Irrigation	\$1,107,650	\$ 479,543	\$1,218,415	\$ 527,497	\$1,621,711	\$ 702,099
<i>Total</i>	<i>\$4,277,000</i>	<i>\$3,155,876</i>	<i>\$4,571,179</i>	<i>\$3,365,969</i>	<i>\$5,546,444</i>	<i>\$4,037,180</i>
<i>Annual Shortfall</i>		<i>\$1,121,124</i>		<i>\$1,205,210</i>		<i>\$1,509,264</i>

ANALYSIS

The Board has the authority to adopt a resolution setting the 2020 water rates lower than recommended by the RCAC Water Financial Analysis. The Board adopted Resolution 2019-14 in February 2019 setting the 2019 rates lower than those previously approved by the Board. If the Board takes action to set calendar year 2020 water rates lower than previously approved, then this would be the second year in a row that the Board has decided not to implement rate increases that were approved in 2017. The District Finance Committee has not reviewed this proposed rate freeze.

REVENUE IMPACTS

In order to analyze the impact of freezing water rates, staff compared the treated water and irrigation water revenues projected by the adopted rates to actual water revenue, and to various rate freeze durations as shown in the following tables.

Calendar Year	Revenue		
	Actual	1 Year Rate Freeze	Adopted Rates
2018	\$3,221,358	\$3,155,876	\$3,155,876
2019	\$3,078,250	\$3,155,876	\$3,365,969

Calendar Year	Water Revenue (\$)				
	Adopted Rates	1 Year Rate Freeze	2 Year Rate Freeze	3 Year Rate Freeze	4 Year Rate Freeze
2018	3,155,876	3,155,876	3,155,876	3,155,876	3,155,876
2019	3,365,969	3,155,876	3,155,876	3,155,876	3,155,876
2020	3,590,485	3,365,969	3,155,876	3,155,876	3,155,876
2021	3,814,624	3,590,485	3,365,969	3,155,876	3,155,876
2022	4,037,180	3,814,624	3,590,485	3,365,969	3,155,876
<i>Total</i>	<i>17,964,134</i>	<i>17,082,830</i>	<i>16,424,082</i>	<i>15,989,473</i>	<i>15,779,380</i>
<i>Lost Revenue</i>	<i>--</i>	<i>(881,304)</i>	<i>(1,540,052)</i>	<i>(1,974,661)</i>	<i>(2,184,754)</i>

2019 RATE FREEZE IMPACT

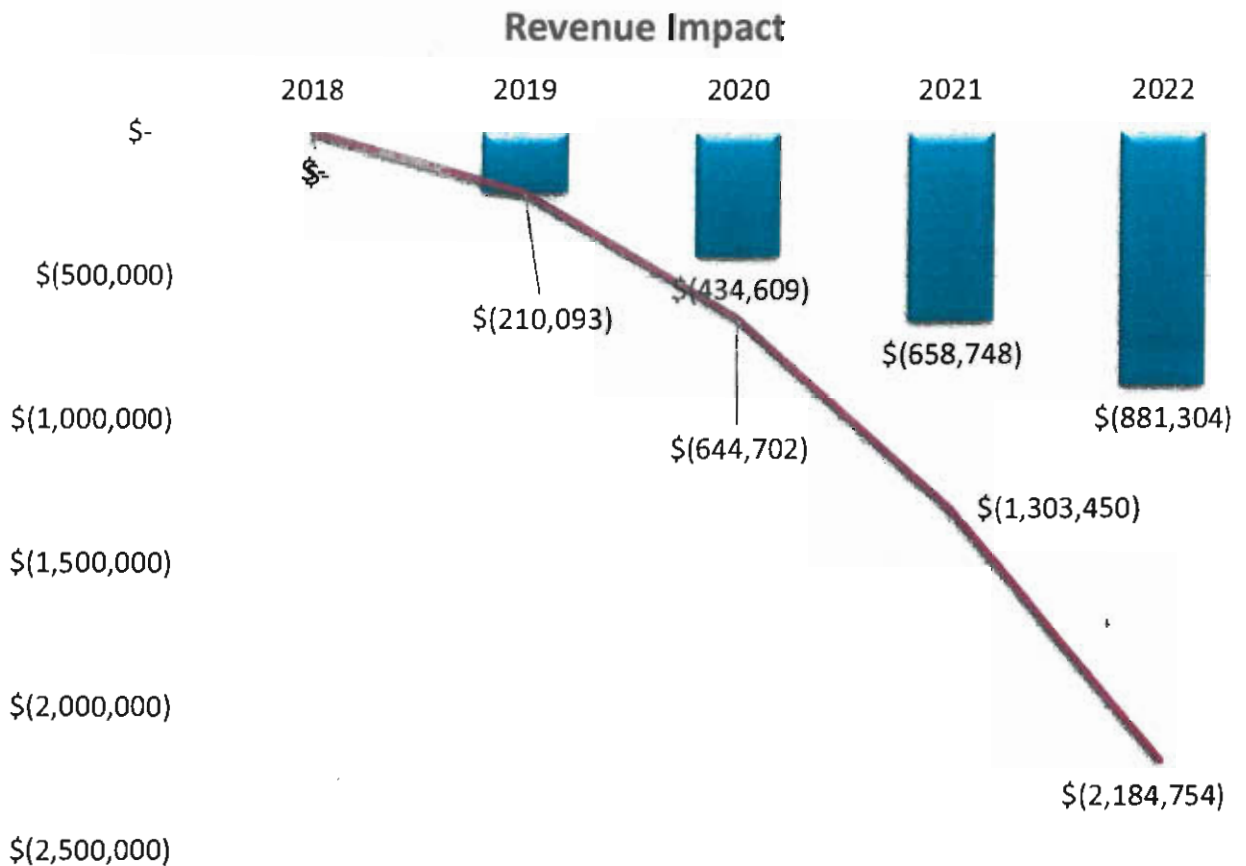
The tables above illustrate that the action to freeze rates during calendar year 2019 resulted in a revenue approximately \$210,093 less than the amount projected by the adopted rate structure for each remaining year of the five year rates. In other words, the impact of the 2019 water rate freeze is \$881,304 less revenue over the life of the rates.

2020 RATE FREEZE IMPACT

If the calendar year 2020 water rates are held at the 2018 water rates, the District revenue during 2020 will be \$434,609 less than projected by the adopted rate structure. As shown in the table, the impact of a two year rate freeze is a revenue reduction of \$1,540,052. The most immediate impact is that the current fiscal year operating revenue will be reduced by approximately \$112,000.

FUTURE RATE FREEZE IMPACTS

If water rates are not increased as planned during the next three years, the total amount of lost revenue will be \$2,184,754. The revenue impacts for each year of a rate freeze are shown in the following chart.



This loss of revenue will result in reduced service to customers in the form of reduced maintenance and delayed replacement of pipelines, tanks, meters, pumps, etc.

IMPACT ON INFRASTRUCTURE REPAIR AND REPLACEMENT (CIP)

The most immediate impact of an additional rate freeze is a further reduction in funding available for capital projects. This has a direct impact on the ability of the District to make necessary infrastructure repairs and replacements and results in the immediate delay of planned capital improvement projects.

The adopted 2019-2024 Capital Improvement Plan (CIP) identifies expenditures of \$6,121,506 of District funds over the next five years to replace and rehabilitate aging infrastructure (\$1,224,301 annual average). This does not include new loans or current loan payments, and the adopted CIP assumes that treated water and irrigation water rates would increase by 5% and 10% per year, respectively, as specified in Resolution 2019-14. Recent construction contract bid results for the 2018 Main Canal Reliability Project have increased the planned five-year expenditures to \$6,905,576. Revenue reduction of an additional \$644,702 (\$1,540,052 total) caused by a second year of a rate freeze will necessitate delay of projects currently planned in the CIP. Projects most likely to be delayed are the Upcountry Ditch Rehabilitation and/or treated water line replacement projects. Reduced revenue may also impact the District's ability to obtain a loan for the Automated Meter Replacement Project, and a grant for

the Upcountry Ditch Rehabilitation Project. This reduced revenue and project delays would need to be addressed during the annual update of the Five Year CIP.

LONGER TERM IMPACTS

Due to inflation, multiple years of rate freezes have the potential to impact the operating budget. By continuing to freeze rates, District revenue will begin to be eroded by annual cost inflation. The Water Financial Analysis estimated that District expenses will increase an average of 3% per year between 2018 and 2021. In fact, during the last two years the consumer price index for urban wage earners and clerical workers (CPI-W) West B/C for March has increased 2.8% in 2018 and 2.1% in 2019. Continuing to delay capital replacement and rehabilitation projects will result in higher probability of catastrophic failures, more emergency/temporary repairs, and increased costs.

A freeze in rates for any length of time will result in lost revenue that will never be recovered. A freeze for an extended length of time will jeopardize the District's ability to deliver water, result in increased capital replacement costs, and would likely raise concerns with the El Dorado County Grand Jury.

FISCAL IMPACT

The fiscal impact of the action to freeze rates for another 12-months are:

- Reduce Fiscal Year 2019/2020 Budget water operating revenue by approximately \$112,000
- Reduce Fiscal Year 2019/2020 budgeted transfer of \$1,492,825 from Operating Fund 10 to Capital Reserves Fund 43 by approximately \$112,000.
- Reduce projected revenue by an additional \$224,516 for calendar 2020, resulting in a total lost revenue of \$434,609 during calendar year 2020.
- Reduce water revenue by a cumulative total of \$658,748 from calendar year 2020 through 2022 (in addition to the \$881,304 reduction due to the 2019 rate freeze); based on water revenue projections from the *Water Financial Analysis*.
- Delay planned capital improvement projects such as treated water line replacement and upcountry ditch rehabilitation.

Rates must be set to provide for the future sustainability of the District. Rates must account for years of inflation since 2011, reduction in revenue due to water conservation, elimination of tiered water rates, and to set aside adequate funding to replace capital infrastructure. If rates are not set properly, initially the District will be forced to draw from reserves to fund operating expenses and to defer much needed capital improvements and replacements. Once reserves are depleted the District will be unable to meet its financial obligations.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

Staff's recommendation is to maintain the rate structure as adopted in the attached Resolution 2019-14 and to not freeze water rates for a second year. Freezing rates again would keep rates unchanged for three consecutive years and impact the ability of the District to complete much needed capital rehabilitation projects.

ALTERNATIVES

Alternatively, the Board may reject Staff's recommendation and adopt the resolution included as Attachment 3, which holds water rates at the 2018 water rates for another year.

ATTACHMENTS

1. February 12, 2019 Report
2. Resolution 2019-14 Freezing Treated and Irrigation Water Rates
3. Resolution
4. Powerpoint Presentation



NEW BUSINESS

ITEM 8.D.

ATTACHMENT 1

FEBRUARY 12, 2019 STAFF REPORT

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF FEBRUARY 12, 2019
AGENDA ITEM NO. 7.D.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: ADOPT A RESOLUTION FREEZING TREATED AND IRRIGATION WATER RATES FOR THE CALENDAR YEAR 2019, AND REVIEW AND PROVIDE DIRECTION ON THE PLAN TO REVIEW THE CAPITAL REPLACEMENT PROGRAM INCLUDED IN THE WATER FINANCIAL ANALYSIS BY RURAL COMMUNITY ASSISTANCE CORPORATION, DATED OCTOBER 2017

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager

BACKGROUND

In December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates. The 15-month process to update water rates included two (2) public workshops, and seven (7) meetings of either the Board of Directors or Finance Committee. The process followed is detailed in the Staff Report from January 8, 2019, which is included as **Attachment 1**.

At the culmination of that process, the Board of Directors accepted and closed the Proposition 218 Public Notice and protest process, and adopted the following rates for water service:

Treated Water

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 23.57	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	–	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

Irrigation Water

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
½"	\$ 47.00	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

Note: Irrigation water is delivered, and monthly charges are only billed during the five (5) month irrigation season.

At the January 8, 2019 Board meeting, the Board of Directors voted 4-1 to “temporarily freeze the rate increases for no more than 12 months and direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit. And then they'll bring back recommendations to the Board for possible rate adjustments.”

DISCUSSION / ANALYSIS

The first part of the Board action from January 8, 2019 was to “temporarily freeze the rate increases for no more than 12 months.” In order to freeze the rates, the Board needs to adopt a resolution setting the rates lower than the previously adopted rates. That resolution is included as **Attachment 2**. The resolution also specifies that after the November/December 2019 billing period, the rates will increase to the previously adopted rates for 2019 as described in Resolution 2017-30 (Attachment 3).

The second part of the Board action from January 8, 2019 was to “direct the General Manger, Staff, and Finance Committee members to scope out what it would take and what it would cost to do a forensic audit.” A forensic audit is an examination and evaluation of financial transactions for presentation to court and for the purpose of identifying and documenting fraud.

Based on the discussions among the Directors at that Board meeting, it is the General Manager's understanding that the Board's goal is to have an independent evaluation of the capital replacement program that was developed for the Water Financial Analysis prepared by Rural Community Assistance Corporation (RCAC), dated October 2017. A forensic audit would not meet this goal. In order to provide an independent evaluation of the capital replacement program developed for the Water Financial Analysis, the General Manager recommends the District hire a professional engineering firm to review the costs listed for each project. The basic scope of work for the engineering firm would include the following:

- Estimate the cost to replace each item identified in the capital replacement program. The cost estimates would be prepared in 2019 dollars and based on the engineering firms experience with recent similar projects and readily available public records.
- Estimate the replacement year for each item identified in the capital replacement program.
- Adjust the costs estimates from 2019 dollars to the replacement year for each item. Engineering firm will provide written justification for the cost adjustment from 2019 dollars to the replacement year for each item.

The expected deliverable would be a report from the engineering firm detailing the assumptions, methodology, references; and summarizing the results. The report would likely include table(s) similar in form and content to the capital replacement program that is Exhibits 1T and 1I in the Water Financial Analysis. Those exhibits are also included with this Staff Report as **Attachment 4**.

Following today's Board meeting, the General Manager will prepare and distribute a Request for Proposals (RFP) to select an engineering firm to provide these services. The RFP will be circulated for four (4) weeks. The proposals would be reviewed and independently ranked by three District staff members. Rankings will be based on criteria listed in the RFP. Depending on the results of the independent ranking, firms may be interviewed to identify the engineering firm most qualified to perform this work for the District. Interviews are not typically conducted or required for contracts of this scope and magnitude. If the price submitted by the most qualified firm is \$45,000 or less, then the General Manager will execute the agreement. If the price submitted by the most qualified firm is more than \$45,000, then Board approval of the agreement is required it will be presented to the Board for approval. In either case, this expense was unforeseen and not included in the Fiscal Year 2018/2019 operating budget. The Board will need to approve a budget amendment to fund this work.

The last part of the January 8, 2019 Board action is "And then they'll bring back recommendations to the Board for possible rate adjustments." Once the engineering firm's work is complete, the results of the independent evaluation of the capital replacement program would be presented to the Board at the next possible Board meeting. At that point, the Board can provide direction to the General Manager on whether to proceed with developing possible rate adjustments.

FISCAL IMPACT

As reported in the Staff Report from January 8, 2019 regarding freezing treated and irrigation water rates, the action to freeze rates for 12-months will reduce revenue by \$210,000.

The actual cost of the independent evaluation of the costs in the capital replacement program is not known at this time and will not be known until proposals are received and ranked. The General Manager estimates that costs are likely to be in the range of \$50,000 and could be more. This expense was unforeseen and not included in the Fiscal Year 2018/2019 operating budget. The Board will need to approve a budget amendment at a future meeting to fund this work.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

In order to freeze the rates for 2019, the Board must adopt the attached resolution.

As a second and independent action, if the Board wishes to proceed with an independent evaluation of the costs in the capital replacement program, then the Board needs to direct the General Manager to proceed with the RFP and selection process to select an engineering firm. A budget amendment and the professional services agreement, if needed, for this work will be presented to the Board at a future meeting.

ATTACHMENTS

1. January 8, 2019 Staff Report Regarding Freezing Treated and Irrigation Water Rates
2. Resolution 2019-14 Freezing Treated and Irrigation Water Rates
3. Resolution 2017-30
4. Capital Replacement Program (Exhibits 1T and 1I) from Water Financial Analysis, October 2017

**REPORT TO THE BOARD OF DIRECTORS
BOARD MEETING OF JANUARY 8, 2019
AGENDA ITEM NO. 7.B.**



AGENDA SECTION: NEW BUSINESS

SUBJECT: DISCUSS AND PROVIDE DIRECTION ON FREEZING TREATED AND IRRIGATION WATER RATES AT THE CALENDAR YEAR 2018 RATES

PREPARED BY: Steven Palmer, PE, General Manager

APPROVED BY: Steven Palmer, PE, General Manager 

BACKGROUND

In December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates. The District started this process for several reasons:

1. Prior to December 2017, the last time the rates were reviewed and updated was 2008. It is considered best practice to evaluate water rates every three to five years.
2. In 2008, the Board adopted rate increases for 2009, 2010, and 2011; however, they did not adopt the recommended increase for 2012 and 2013. If the recommended rates for 2012 and 2013 had been adopted, the treated water base rate would have been \$52.98 and the irrigation water rate for one miner's inch for one season would have been \$440. Instead, the rates for 2011 through 2017 were charged at the 2011 rate of \$47.14 base rate for treated water, and \$363.70 for one miner's inch for one season.
3. The District's water rates were too low to qualify for State and Federal grants. State and Federal agencies measure water affordability using the water rate as a percentage of the median household income. To qualify for State and Federal grants, the District must maintain an affordability index ranging between 1.5% and 4.0%. In 2017, the water affordability for the District was 1.25%.
4. The District's water rates were too low to qualify for loans. When considering lending money, lenders look at the ratio of net operating income to debt service, which is called the debt-service coverage ratio. Lenders require a minimum ratio of 1.20 to qualify for loan programs. The District's ~~debt-service coverage~~ ratio were projected to decrease to 1.0 in 2020.
5. Operating expenses were forecast to ~~exceed~~ future revenue projections by significant and ever-increasing amounts, reaching over \$300,000 annually within three years.
6. Over 60% of the District's infrastructure is over 40 years old and failures are becoming common.
7. The District did not have enough revenue to adequately fund capital replacement projects.

Freezing Treated and Irrigation Water Rates

Board Meeting of January 8, 2019

Agenda Item No. 7.B.

8. Recent court decisions require the District to justify its tiered rate system, including the practice of including a water allowance in the fixed base charge (e.g. Capistrano Taxpayers Association, Inc. versus City of San Juan Capistrano).
9. The 2016 Grand Jury Report, dated May 17, 2017, recommended that "Once the rate study is submitted to the Board, the District must initiate a voter-approved rate increase process as soon as possible," and made the following findings:
 - a. "The District water rates are insufficient to support current operations and infrastructure and maintenance."
 - b. "Total revenues are not adequate to support operations and fund needed capital improvement reserves."
 - c. "The District loses significant revenue due to outdated water meters."
 - d. "The District also loses water and revenue due to leaks in the aging infrastructure."
 - e. "Employee compensation is too low for an agency this size, making recruitment and retention difficult."
 - f. "The current staffing levels are insufficient, which impairs the District's ability to operate efficiently."
 - g. "The District cannot depend on new hookups and ratepayers to supplement revenues as population growth has slowed on the Divide, necessitating the need for the District to look internally for revenue."
 - h. "The Jury found no evidence that either the District Board or staff is "preparing the ground" with their customers for what may be steep increases in their bills."
10. Other recommendations of the 2016 Grand Jury Report included:
 - a. "Along with replacing aging water meters, the District must upgrade their aging infrastructure and prioritize maintenance and capital improvement projects."
 - b. "The District must offer competitive salaries to attract qualified professional staff."
 - c. "The District must review staffing levels and fill key positions with permanent staff to ensure continuity of operations."

The 15-month process to update water rates included two (2) public workshops, and seven (7) meetings of either the Board of Directors or Finance Committee. A summary of those meetings is presented below:

- September 27, 2016 – Board initiated the process to enlist Rural Community Assistance Corporation (RCAC) to perform a Water Financial Analysis and calculate water rates at no cost to the District. RCAC receives funding from the State to help communities like the District to stay in compliance with regulations.
- April 25, 2017 – Staff and RCAC provided the District Finance Committee with a presentation regarding the methodology being followed for the current rate study and requested input regarding several policy related decisions. The policy questions discussed were: subsidy program for low income customers, capital reserve fund balance, non-operating revenue/property tax allocation, rate tiers, quantity of water included in the base rate, and functional cost allocation.
- May 8, 2017 – Staff presented the information from the April Finance Committee meeting to the Board to obtain Board concurrence on moving forward with this methodology for the rate calculation. By motion action, the Board provided direction on the subsidy program, loan and grant assumptions for the

recapitalization program, and excluding hydroelectric revenue from the operating budget and rate calculation.

- August 22, 2017 – Board approved an outreach approach for the water rate calculations consisting of two public workshops, one Board meeting workshop, one Board meeting to authorize the 45-day public hearing, and one Board meeting to hold the public hearing required to adopt the rates.
- September 18, 2017 – Public Workshop #1 at Georgetown Elementary School.
- October 3, 2017 – Presentation to Board regarding Public Workshop #1.
- October 12, 2017 – Public Workshop #2 at Cool Community Hall. RCAC presented the following rates at that meeting:

Scenario	Treated Water				Irrigation Water	
	Year One		Year Five		Year One	Year Five
	Monthly Base Charge	Usage Rate (\$/CF)	Monthly Base Charge	Usage Rate (\$/CF)	Monthly per MI	Monthly per MI
1 - (85/15)	\$ 49.62	0.0225	\$ 60.30	0.0273	\$383.60	\$561.60
2 - (74/26)	\$ 55.81	0.0225	\$ 67.84	0.0273	\$356.20	\$521.40
3 - (50/50)	\$ 62.00	0.0225	\$ 75.38	0.0273	\$274.00	\$401.20

Notes:

1. Scenario 1 splits property tax based on asset values (85% treated, 15% irrigation). Scenario 2 splits property tax based on operating expenses (74% treated, 26% irrigation). Scenario 3 splits property tax evenly between treated and irrigation.
 2. Monthly base charge shown is for 3/4-inch meter size.
 3. Irrigation rate shown is for 1 miner's inch. One (1) miner's inch equates to an approximate flow rate of 1.5 cubic feet per minute (11.22 gallons per minute). During a 5-month irrigation season this is approximately 330,480 cubic feet (2,471,990 gallons).
- October 18, 2017 – Board Workshop at Northside School. As recommended at the Public Workshop #2, Scenario 2 was presented to the Board along with a few alternatives.
 - Staff received direction from the Board to prepare a Rate Study report based on Scenario 2 with the following changes for review and possible approval at a Special Board Meeting on October 24, 2017:
 - Residential 5/8-inch, 3/4-inch, and 1-inch meters pay the same base rate.
 - Allocate property tax revenue to cover all administration costs, allocate \$35,000 of property tax revenue for a low-income rate assistance program, and allocate remainder to irrigation water capital reserves;
 - Review and revise capital replacement schedule; and
 - Achieve a balanced budget for operating and capital reserves in 10 years instead of 5 years.
 - October 24, 2017 – Based on input received, direction from the Board, and sound financial and best government practices, RCAC prepared a Water Financial

Analysis and rate calculation for review by the Board at the October 24, 2017 Board Meeting. The Water Financial Analysis provides an explanation and justification of the calculated treated and irrigation water rates for five years, and documents compliance with laws and regulations. The Board reviewed the Water Financial Analysis and adopted a resolution authorizing the General Manager to prepare and deliver notice of a public hearing pursuant to Proposition 218. The Final Water Financial Analysis is included as Attachment 1.

- December 12, 2017 – Board of Directors accepted and closed the Proposition 218 Public Notice and protest process, and adopted the following rates for water service:

Treated Water

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 23.57	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	–	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

Irrigation Water

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
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Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

Note: Irrigation water is delivered, and monthly charges are only billed during the five (5) month irrigation season.

Based on the Board adopted rate schedule, the monthly base charge and usage rates for treated water rates are set to increase by 5% with the January and February billing cycle. This equates to an increase of \$1.47 per month for the monthly base charge and an increase of \$0.0013 per cubic foot (\$0.0097 per gallon) for the usage rate. A customer who uses the District average of 2,100 cubic feet of water per billing cycle would expect their bill to increase by \$2.83 per month (\$5.67 per billing cycle).

Irrigation water rates are set to increase by 10%. The cost for one miner's inch of water will increase by \$15.40 per month, or \$77.00 per season. One miner's inch equates to 16,156 gallons of water per day, or 2,471,990 gallons (330,480 cubic feet) per five (5) month irrigation season. This equates to a cost of \$0.00233 per cubic foot in 2018, and \$0.00257 per cubic foot in 2019.

At the December 12, 2018 Board meeting, the Board of Directors requested that the General Manager bring back for discussion and direction an item to keep water rates at the current rates of \$29.41 per month and \$0.0255 per cubic foot of treated water, and \$154.20 per miner's inch per month for irrigation water.

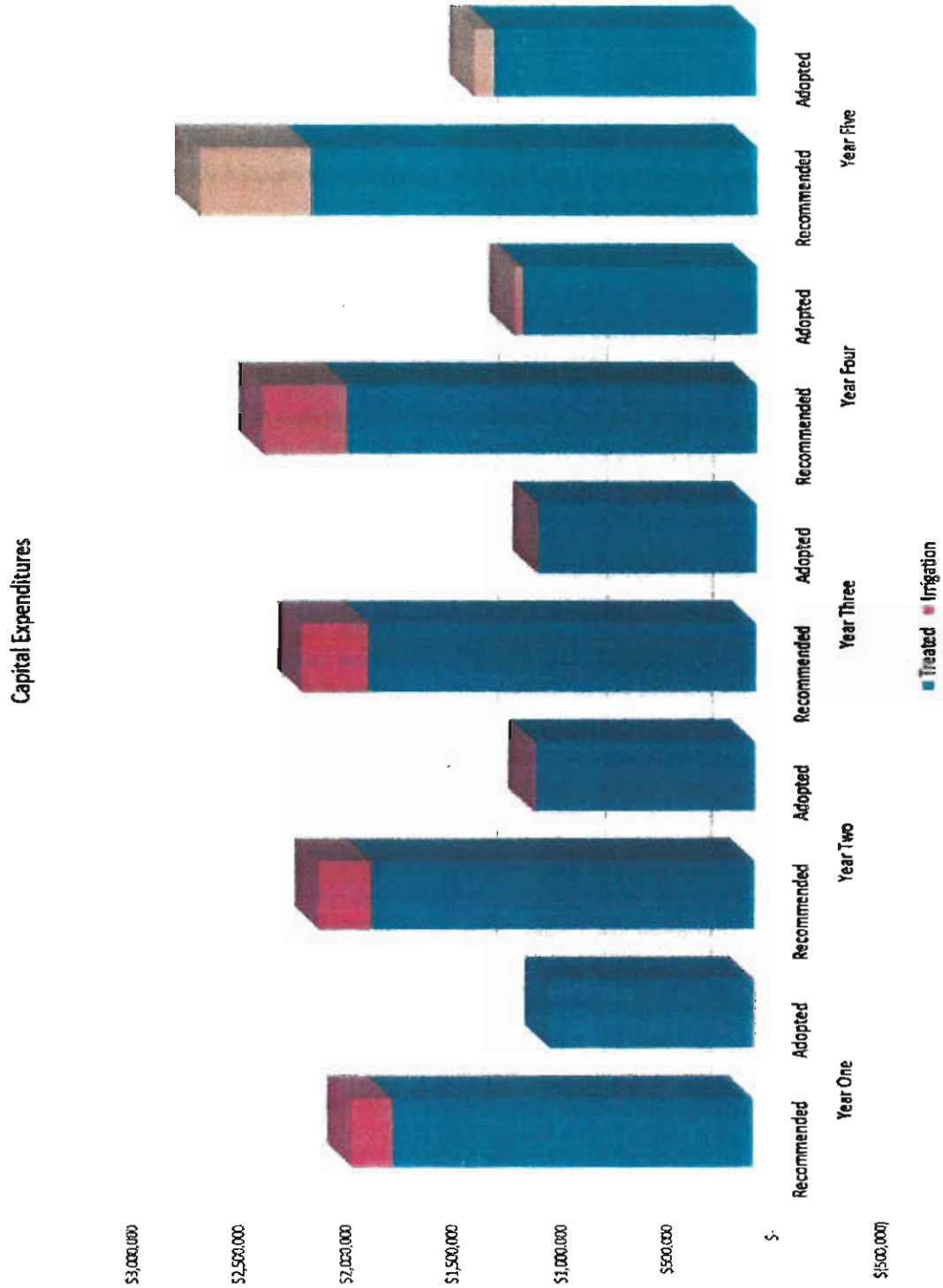
DISCUSSION

Any changes to the adopted rate structure will have a direct impact on the service received by District customers. The adopted rates structure already includes a level of service that is lower than the initial recommendation from RCAC's analysis. The RCAC analysis that was presented to the Board on October 18, 2017 recommended a first-year contribution of \$1,995,634 from treated water customers and \$377,759 from irrigation water customers towards replacement and rehabilitation of assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.).

The Board reviewed the information presented in the RCAC study and directed staff to assume that assets and infrastructure (e.g. canals, pipelines, tanks, meters, pumps, etc.) would last longer than industry standards, and to reach the capital contribution goal in ten (10) years instead of five (5). Consequently, the Final Water Financial Analysis included lower contributions to capital replacements, and lower water rates than originally recommended by RCAC. The adopted rates plan for an annual contribution of \$957,026 from treated water customers and \$0 from irrigation water customers in year one of the new rates, increasing to \$1,223,578 and \$89,924, respectively, in year five of the new rates. The recommended and adopted capital expenditures in the Water Financial Analysis are summarized in the following table and chart.

	Year One		Year Two		Year Five	
	Recommended	Adopted	Recommended	Adopted	Recommended	Adopted
Treated	\$1,686,326	\$957,026	\$1,786,107	\$1,028,624	\$2,077,079	\$1,223,578
Irrigation	\$ 189,272	\$ (1,054)	\$ 244,626	\$ 6,975	\$ 513,987	\$ 89,924

GDPUD Board Mtg. of 2/12/2019
 AGENDA ITEM 7.D.
 Attachment 1
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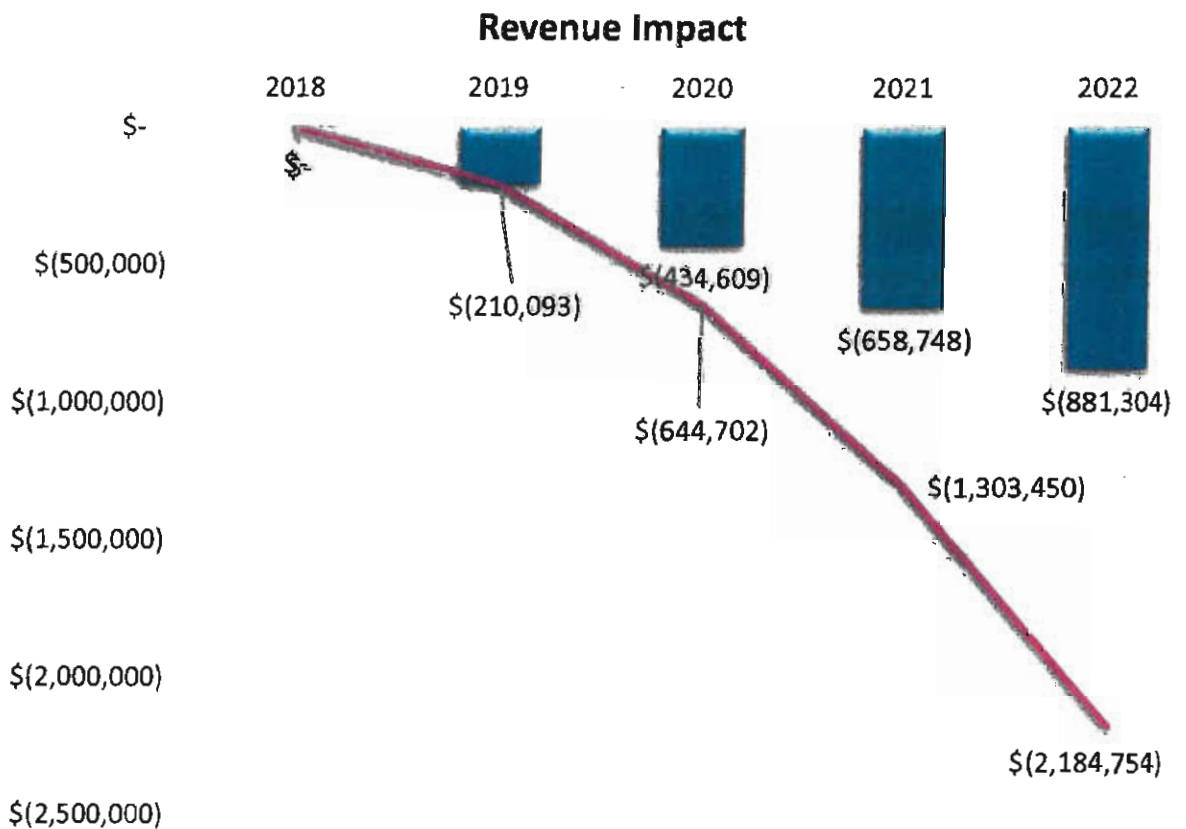


The adopted 2018-2023 Capital Improvement Plan (CIP) planned expenditures of \$4,234,585 of District funds over the next five years to replace and rehabilitate aging infrastructure (average \$846,917). This does not include new loans or current loan payments. Over the life of the CIP, District fund balance available to replace aging infrastructure are estimated to increase by approximately \$2,000,000.

ANALYSIS

The Board has the authority to adopt a resolution setting the 2019 water rates lower than recommended by the RCAC Water Financial Analysis, and lower than those approved in December 2017.

There are financial impacts to not implementing the already approved rate increase for 2019. This action will reduce revenue by approximately \$210,093 in the first year (2019) increasing to \$881,304 in the fifth year. If rates are not increased during the next five years, the total amount of lost revenue will be \$2,184,754. The revenue impacts are shown in the following chart.



This loss of revenue will result in reduced service to customers in the form of reduced maintenance and deferred replacement of pipelines, tanks, meters, pumps, etc.

The adoption of the current rate structure was the culmination of a 15-month long process involving nine (9) public meetings that resulted in a Water Financial Analysis prepared by an experienced professional. This Water Financial Analysis and adopted rate structure address findings and recommendations from the 2016 Grand Jury Report, bring the District into compliance with recent court decisions regarding tiered rates, and made the District eligible for grants and loans.

A freeze in rates for any length of time will result in lost revenue that will never be recovered. A freeze for an extended length of time will jeopardize the District's ability to deliver water, result in increased capital replacement costs, and would likely raise concerns with the El Dorado County Grand Jury.

The District Finance Committee reviewed this proposed rate freeze at their Special Meeting on January 4, 2019. Their input was not available at the time this Staff Report was prepared, but it will be incorporated into the oral presentation to the Board.

FISCAL IMPACT

Rates must be set to provide for the future sustainability of the District. Rates must account for years of inflation since 2011, reduction in revenue due to water conservation, elimination of tiered water rates, and to set aside adequate funding to replace capital infrastructure. If rates are not set properly, initially the District will be forced to draw from reserves to fund operating expenses and to defer much needed capital improvements and replacements. Once reserves are depleted the District will be unable to pay its bills and obligation. Ultimately, lack of keeping rates set properly will result in pressure from the State to consolidate with a neighboring district and could result in the State taking over the assets and obligations of the District.

CEQA ASSESSMENT

This is not a CEQA Project.

RECOMMENDED ACTION

Staff recommendation is that the Board does not freeze treated and irrigation water rates at the Calendar Year 2018 rates.

ALTERNATIVES

1. Provide other direction regarding freezing the treated and irrigation water rates at the Calendar Year 2018 rates.

ATTACHMENTS

1. RCAC Water Financial Analysis
2. Grand Jury Report Link and Findings Pages
3. Capistrano Taxpayers Case Summary

RESOLUTION NO. 2019-14
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
FREEZING TREATED AND WATER IRRIGATION RATES AT THE 2018 RATES
UNTIL THE END OF THE DECEMBER 2019 BILLING PERIOD

WHEREAS, Georgetown Divide Public Utility District ("District") provides irrigation and treated water services to residents and businesses of the District; and

WHEREAS, in December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates; and

WHEREAS, that process resulted in a Water Financial Analysis (aka Water Rate Study), dated October 24, 2017, prepared by Rural Community Assistance Corporation (RCAC) that established various proposed rates; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIII, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; verified and counted the protests and determined that the District may proceed with the proposed water rates; and

WHEREAS, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

WHEREAS, those rates were set to increase effective with the January/February 2019 billing period; and

WHEREAS, at the January 8, 2019 meeting the Board acted by motion to "temporarily freeze the rate increases for no more than 12 months;" and

WHEREAS, Board determinations regarding District rates should be made by resolution or ordinance; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT HEREBY RESOLVES THE FOLLOWING:

1. Effective with the January/February 2019 billing period, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge
5/8, 3/4, 1"	\$ 29.41
1.5"	\$ 98.02
2"	\$ 156.83
3"	\$ 313.66
4"	\$ 490.09

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

2. Effective with the January/February 2019 billing period, the usage rate for treated water customers will be \$0.0255 per cubic foot.
3. Effective with the January/February 2019 billing period, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)
½"	\$ 77.00
Per each 1"	\$ 154.20

4. The above listed rates will be effective through the November/December 2019 billing period.
5. Effective with the January/February billing period for each following year, respectively, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge		
	2020	2021	2022
5/8, 3/4, 1"	\$ 30.88	\$ 32.42	\$ 34.04
1.5"	\$ 102.92	\$ 108.07	\$ 113.47
2"	\$ 164.67	\$ 172.91	\$ 181.55
3"	\$ 329.34	\$ 345.81	\$ 363.10
4"	\$ 514.60	\$ 540.33	\$ 567.34

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

6. Effective with the January/February billing period each following year, respectively, the usage rate for treated water customers are established as follows:

Usage Charge (per CF)		
2020	2021	2022
\$ 0.0268	\$ 0.0281	\$ 0.0295

7. Effective with the January/February billing period each following year, respectively, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)		
	2020	2021	2022
½"	\$ 84.80	\$ 93.20	\$ 102.60
Per each 1"	\$ 169.60	\$ 186.60	\$ 205.20

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twelfth day of February 2019, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

Dane Wadle, President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Attest:

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

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-14 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 twelfth day of February 2019.

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

RESOLUTION NO. 2017-30

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
 GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 ADOPTING NEW RATES FOR TREATED WATER AND
 IRRIGATION WATER SERVICES**

WHEREAS, Georgetown Divide Public Utility District ("District") provides irrigation and treated water services to residents and businesses of the District; and

WHEREAS, a Water Rate Study, dated October 24, 2017, prepared by RCAC ("Water Rate Study"), establishes various rates proposed therein, which the District Board finds are reasonably related to the cost of service for the District; and

WHEREAS, in preparing the Water Rate Study, staff and RCAC held several workshops and recommended a range of alternatives that the District could adopt regarding the revised water rates, which the District Board has reviewed; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIII D, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; and

WHEREAS, the District has verified and counted the protests and determined that the District may proceed with the proposed water rates.

NOW, THEREFORE, BE IT RESOLVED THAT THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, DOES HEREBY ACCEPT AND CLOSE the Proposition 218 proceedings in connection with the District's proposed water rates, with receipt of less than a majority protest vote as declared by the District Secretary. The District Board may adopt multi-year rate increases for water rates, in accordance with the Water Rate Study, in compliance with Proposition 218.

NOW, THEREFORE, BE IT and it is hereby RESOLVED by the Board of Directors of the Georgetown Divide Public Utility District as follows:

Beginning on January 1, 2018, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
5/8, 3/4, 1"	\$ 23.57	\$ 29.41	\$ 30.88	\$ 32.42	\$ 34.04	\$ 35.74
1.5"	\$ 23.57	\$ 98.02	\$ 102.92	\$ 108.07	\$ 113.47	\$ 119.15
2"	\$ 23.57	\$ 156.83	\$ 164.67	\$ 172.91	\$ 181.55	\$ 190.63
3"	\$ 23.57	\$ 313.66	\$ 329.34	\$ 345.81	\$ 363.10	\$ 381.25
4"	\$ 25.16	\$ 490.09	\$ 514.60	\$ 540.33	\$ 567.34	\$ 595.71

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

Tier	Usage Rate (per CF)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
<1000 CF	--	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
1000-2000	\$ 0.0138	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
2001-3000	\$ 0.0165	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
3001-4000	\$ 0.0193	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310
>4001 CF	\$ 0.0221	\$ 0.0255	\$ 0.0268	\$ 0.0281	\$ 0.0295	\$ 0.0310

NOW, THEREFORE, BE IT and it is hereby RESOLVED by the Board of Directors of the Georgetown Divide Public Utility District as follows:

Beginning on January 1, 2018, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)					
	Current	Jan 1, 2018	Jan 1, 2019	Jan 1, 2020	Jan 1, 2021	Jan 1, 2022
1/2"	\$ 47.00	\$ 77.00	\$ 84.80	\$ 93.20	\$ 102.60	\$ 112.80
Per each 1"	\$ 72.74	\$ 154.20	\$ 169.60	\$ 186.60	\$ 205.20	\$ 225.80

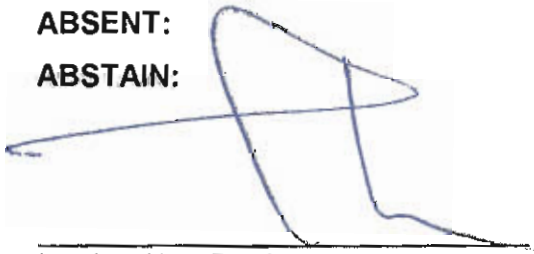
PASSED, APPROVED, AND ADOPTED by the Georgetown Divide Public Utility District District at a special meeting held on the 12th day of December 2017; motioned by Director Hanschild, seconded by Director Wadle, and upon roll call was carried by the following vote of:

AYES: Halpin, Hanschild, Uso, Wadle

NAYS:

ABSENT:

ABSTAIN:



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

ATTEST:



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

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2017-30 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 12th day of December 2017.



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

Date: 10/20/17
 System Number: 810013
 Service Connections: 3774

Qty	Component	Year Acquired	Unit Cost (Historic, Current or Future)	Cost Type (H, C, F)	Estimated Historic Cost	Normal Estimated Life	Current Age	Estimated Current Cost	Planned Remaining Life	Estimated Remaining Life	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required	
	Capital Replacement Program Georgetown Divis PUD TW																
	Existing Capital Replacement Program																
	SOURCE OF SUPPLY PLANT #5100																
1	Mark Edison Dam & Sherry Macdowall Pys	1962	\$106,343	H	\$106,343	100	55	\$15,980	55	50	\$850,524	10%	50%	40%	\$12,389	\$1,072	
1	Tunnel Hill Tunnel	1962	\$125,777	H	\$125,777	100	55	\$87,002	47	46	\$169,431	75%	20%	55%	\$6,076	\$586	
1	Kearse Station Replacement (1)	1964	\$83,563	C	\$18,178	100	53	\$53,385	47	46	\$208,778	75%	20%	55%	\$7,603	\$784	
1	Sand Trap Station (1)	1964	\$54,125	C	\$17,696	100	53	\$36,429	47	46	\$88,084	50%	50%	50%	\$6,430	\$587	
1	Up Country Ditch Imp (Pilot Ck Overrun to Tunnel Hill (400)(1)	1964	\$424,610	C	\$145,612	100	53	\$279,000	47	58	\$1,281,731	10%	50%	40%	\$18,758	\$1,392	
	5200 SHARED																
1	Carbon Waste Gate Replacement (1)	1972	\$4,300	C	\$2,238	40	46	\$46,300	5	20	\$9,381	100%			\$0	\$0	
1	Brown Creek Pipe (1)	1964	\$13,576	C	\$18,343	40	50	\$48,578	13	20	\$79,511	50%		0%	\$1,364	\$357	
1	Buckeye Conduit (1)	1964	\$64,443	C	\$32,377	40	53	\$34,063	13	20	\$140,364	75%		75%	\$5,112	\$1,338	
1	Up Country Ditch (Perrin Shad. Bypass to Shoupier Conduit (1)	1964	\$156,056	C	\$13,469	40	53	\$135,008	13	5	\$172,259	25%		75%	\$6,275	\$7,189	
1	Main Ditch #1 Imp (1)	1964	\$433,631	C	\$148,684	40	53	\$433,631	13	5	\$478,978	10%	50%	40%	\$6,977	\$7,984	
1	Main Ditch #2 to ALT (1)	1964	\$109,104	C	\$34,085	40	53	\$109,104	13	5	\$151,726	25%		75%	\$4,069	\$4,662	
	5200 IRRIGATION ONLY (1)																
1	Main Ditch #2 below ALT	1964	\$0	C	\$0	40	53	\$0	13	10	\$0	25%		75%	\$0	\$0	
1	Pilot Hill Ditch (Main)	1964	\$0	C	\$0	40	53	\$0	13	10	\$0	50%		50%	\$0	\$0	
1	Pilot Hill Ditch	1964	\$0	C	\$0	40	53	\$0	13	10	\$0	75%		75%	\$0	\$0	
1	Kearney Ditch #1	1964	\$0	C	\$0	40	53	\$0	13	10	\$0	75%		75%	\$0	\$0	
1	Kearney Ditch #2 Imp	1964	\$0	C	\$0	40	53	\$0	13	10	\$0	75%		75%	\$0	\$0	
1	Spanish Dry Ogden Ditch	1964	\$0	C	\$0	40	53	\$0	13	10	\$0	100%		0%	\$0	\$0	
1	Taylor Mill Ditch	1964	\$0	C	\$0	40	53	\$0	13	10	\$0	100%		0%	\$0	\$0	
	5300 - Lake Walton WTP																
1	Lake Walton WTP	1992	\$37,798,000	C	\$7,881,449	50	26	\$12,228,999	25	25	\$26,883,124	75%		75%	\$760,506	\$154,831	
1	Lake Walton Plant Replacement (4)	1974	\$300,000	C	\$209,740	40	49	\$355,000	9	19	\$728,406	75%		75%	\$26,527	\$7,354	
1	Raw Water Bypass (1)	1974	\$80,000	C	\$20,974	40	49	\$59,000	3	18	\$72,841	100%		0%	\$10,611	\$2,842	
1	Lake Walton Outlet Works (1)	1974	\$500,000	C	\$309,732	40	20	\$300,000	15	22	\$772,960	75%		75%	\$28,150	\$6,417	
	5300 - ALUMINUM LAKE TRAIL S.P. PLANT																
1	ALT Water Treatment Plant (4)	2008	\$12,728,400	C	\$15,968,950	50	1	\$12,728,900	97	59	\$40,945,042	25%		75%	\$1,481,105	\$102,887	
	5400 T & D METERS & METER BOXES																
1	Automated Meter Reading and Meter Replacement (1)	2016	\$1,745,800	C	\$1,745,800	20		\$1,745,800	21	2	\$1,816,300	75%		75%	\$65,146	\$192,839	
	T & D TREATED WATER (P-400) (2)																
1	Angel Canino Tank (0.5 MG)	1974	\$778,002	C	\$320,777	40	43	\$716,002	3	10	\$948,874	25%		75%	\$54,475	\$19,174	
1	Deer Branch Tank (0.25 MG)	1974	\$308,000	C	\$152,888	40	43	\$308,000	3	10	\$475,307	50%		50%	\$34,475	\$19,174	
1	Pilot Hill Tank (0.47 MG)	1974	\$130,000	C	\$309,230	40	43	\$730,000	3	10	\$888,873	75%		75%	\$32,407	\$18,023	
1	Black Ridge Road Tank (0.06 MG)	1974	\$63,192	C	\$68,000	40	43	\$63,192	3	10	\$113,601	75%		75%	\$12,411	\$6,989	
1	Hockley Hill Tank (0.06 MG)	1974	\$91,192	C	\$83,180	40	43	\$83,180	3	10	\$113,601	75%		75%	\$12,411	\$6,989	
1	Spanish Dry Ogden Tank (0.2 MG)	1974	\$370,841	C	\$322,841	40	46	\$370,841	3	10	\$378,670	50%		50%	\$27,580	\$15,339	

Item	Year	Asset	Cost	Category	Age	Value	Depreciation	Life	Rate	Accum. Dep.	Net Value	Rate	Value	Rate	Value
1	1974	Black Oak Mine Tank (0.3 MG)	\$465,961	C	45	\$195,666		10	25%	\$465,961	\$0	25%	\$202,885	\$11,204	
1	1974	Garden Park Tank (0.2 MG)	\$310,641	C	45	\$139,311		10	50%	\$310,641	\$0	50%	\$27,580	\$15,339	
1	1974	Kelley Tank (0.21 MG)	\$332,366	C	45	\$139,312		10	50%	\$332,366	\$0	50%	\$29,511	\$16,413	
1	1974	Hatchback 190 Subtank (0.05 MG)	\$93,192	C	45	\$39,005		10	75%	\$93,192	\$0	75%	\$12,411	\$6,903	
1	1974	Black Ridge Road Pump Station	\$123,400	C	45	\$51,765		5	75%	\$123,400	\$0	75%	\$14,885	\$17,095	
1	1974	Chymark Trail Pump Station	\$123,400	C	45	\$51,765		5	75%	\$123,400	\$0	75%	\$14,885	\$17,095	
1	1974	Reservoir Road Pump Station	\$123,400	C	45	\$51,765		5	75%	\$123,400	\$0	75%	\$14,885	\$17,095	
1	1974	1.4-inch Pipelines (62,130 AC, 50,771 PVC If)	\$3,497,397	C	43	\$1,441,927		17	25%	\$3,497,397	\$0	25%	\$1,626,209	\$60,618	
1	1974	1.6-inch Pipelines (175,142 AC, 3,981 DI, 235,640 PVC If)	\$19,906,624	C	60	\$8,351,462		17	25%	\$19,906,624	\$0	25%	\$9,751,718	\$351,090	
1	1974	1.8-inch Pipelines (62,069 AC, 65,394 PVC If)	\$7,992,796	C	60	\$3,191,311		17	25%	\$7,992,796	\$0	25%	\$3,862,342	\$139,373	
1	1974	1.10-inch Pipelines (36,484 AC, 10,359 PVC If)	\$2,951,106	C	60	\$1,207,600		17	25%	\$2,951,106	\$0	25%	\$1,416,612	\$52,043	
1	1974	1.12-inch Pipelines (62,246 AC If)	\$3,369,406	C	60	\$1,421,422		17	25%	\$3,369,406	\$0	25%	\$1,666,079	\$59,786	
TRANSPORTATION EQUIPMENT (3)															
1	1971	Mobile Radio	\$4,056	H	48	\$4,056		5	100%	\$10,055	-41	100%	\$11,134	\$1,888	
1	2017	Truck	\$98,250	C	15	\$98,250		15	100%	\$98,250	15	100%	\$7,499	\$2,698	
1	2017	Excavator	\$55,200	C	15	\$55,200		15	100%	\$55,200	15	100%	\$4,358	\$3,897	
1	2017	Trailer for excavator	\$10,625	C	20	\$10,625		20	100%	\$10,625	20	100%	\$1,168	\$627	
1	1991	Trailer & Hookups	\$9,489	H	28	\$9,489		5	100%	\$15,646	-21	100%	\$19,316	\$1,565	
1	1998	1998 Ford Pickup Truck	\$10,340	H	21	\$10,340		5	100%	\$15,064	-14	100%	\$18,363	\$1,488	
1	1999	1999 Ford F150 Pickup	\$10,304	H	20	\$10,304		5	100%	\$14,717	-13	100%	\$17,940	\$1,552	
1	2001	2002 Ford F-150 4x4	\$11,446	H	18	\$11,446		5	100%	\$17,715	-11	100%	\$19,157	\$1,592	
1	2003	Chevy Truck - 1800	\$11,298	H	16	\$11,298		5	100%	\$14,908	-8	100%	\$18,173	\$1,472	
1	2004	2004 Chevy 1500 Pickup	\$11,285	H	15	\$11,285		5	100%	\$14,573	-8	100%	\$17,784	\$1,439	
1	2004	2004 Chevy 4WD Pickup	\$18,421	H	15	\$18,421		5	100%	\$23,629	-8	100%	\$29,847	\$2,383	
1	2005	2005 Chevy Colorado	\$12,069	H	14	\$12,069		5	100%	\$15,005	-6	100%	\$18,201	\$1,482	
1	2007	2007 Chevy CR2500 Regular Cab	\$16,097	H	12	\$16,097		5	100%	\$22,061	-6	100%	\$26,892	\$2,179	
1	2010	2008 Chevy 1500	\$4,588	H	10	\$4,588		5	100%	\$6,425	-4	100%	\$7,073	\$1,709	
1	2013	2013 Re-manufactured Lung block Unit #32	\$3,489	H	7	\$3,489		10	100%	\$5,270	-2	100%	\$6,986	\$520	
1	2016	2016 Ford F-150	\$14,159	H	4	\$14,159		17	100%	\$17,777	16	100%	\$5,288	\$242	
SHOP & FIELD EQUIPMENT (3)															
1	1985	Fully Depreciated	\$1,082	H	10	\$1,082		5	100%	\$3,030	-42	100%	\$0	\$0	
1	2017	Tool Set	\$5,550	C	10	\$5,550		10	100%	\$6,765	10	100%	\$985	\$548	
1	1989	New Ricardo System	\$7,182	H	28	\$7,182		5	100%	\$13,825	-18	100%	\$2,014	\$2,307	
1	1989	Steam Cleaner (Pressure Washer)	\$1,086	H	28	\$1,086		5	100%	\$1,515	-16	100%	\$0	\$0	
1	1991	Welder	\$1,515	H	28	\$1,515		5	100%	\$2,036	-16	100%	\$0	\$0	
1	1991	Backhoe	\$27,368	H	28	\$27,368		5	75%	\$43,627	-6	75%	\$50,397	\$6,934	
1	1981	Dump Truck	\$26,610	H	20	\$26,610		5	75%	\$44,330	-6	75%	\$49,164	\$6,154	
1	1992	1 1/2-ton Trailer	\$4,775	H	27	\$4,775		5	100%	\$7,833	-15	100%	\$8,648	\$1,443	
1	1996	Dozer	\$13,655	H	23	\$13,655		5	100%	\$20,697	-16	100%	\$22,651	\$3,814	
1	2000	Mini Excavator	\$22,535	H	20	\$22,535		5	100%	\$34,539	3	100%	\$5,075	\$5,915	
1	2003	1 IR Portable Air Compressor	\$7,368	H	16	\$7,368		7	100%	\$11,077	6	100%	\$1,614	\$1,305	
1	2009	2008 Chevy Truck 3500 1-ton Dump Truck	\$26,651	H	10	\$26,651		5	100%	\$39,039	1	100%	\$5,103	\$5,947	
1	2010	Clark Equip - excavator	\$23,678	H	20	\$23,678		14	100%	\$35,887	13	100%	\$5,226	\$2,018	
1	2014	Members	\$6,687	H	20	\$6,687		18	100%	\$10,136	17	100%	\$1,476	\$493	
1	2015	1 Ditch Witch FX30 Vac. Trailer	\$30,086	H	20	\$30,086		19	75%	\$46,813	75%	75%	\$5,114	\$3,416	
1	2016	1 Remmer Small Compactor	\$4,105	H	20	\$4,105		20	100%	\$6,221	19	100%	\$986	\$237	

Item	Year	Category	Cost	Quantity	Unit Cost	Start	End	Days	Rate	Rate %	Total	Rate %	Total
GENERAL PLANT (3)													
1	1976	Office Building	\$17,305	40	\$432.62			1	15	75%	\$416,286	2%	\$5,455
1	1985	Chgo. Seal Parking Lot	\$2,953	10	\$295.30			22	1	0%	\$5,877	100%	\$4,980
1	1985	Yard Fence	\$1,068	10	\$106.80			24	5	0%	\$6,288	100%	\$1,051
1	1989	Generator & Electrical	\$2,210	30	\$73.66			10	5	0%		100%	\$0
1	1987	Gas Heat/W System	\$1,656	20	\$82.80			10	5	0%		100%	\$0
1	1989	Rheum Cooling & Heating Unit	\$1,751	20	\$87.55			8	5	0%		100%	\$0
1	1980	Hotel Building	\$5,911	20	\$295.55			7	5	0%	\$10,950	100%	\$1,878
1	2004	Office & Shop Privacy Fence	\$5,080	10	\$508.00			3	5	0%	\$8,683	100%	\$1,449
1	2006	Wingdown Fence - Adm Ground Fencing	\$4,865	10	\$486.50			1	5	0%	\$6,720	100%	\$1,122
1	2007	Carpet Replacement	\$3,724	7	\$532.00			9	5	0%	\$5,012	100%	\$887
1	2016	Partial Renovation of Main Maintenance Building	\$1,068	30	\$35.60			29	30	0%	\$5,704	100%	\$136
OFFICE EQUIPMENT (3)													
1	2001	Computer Network	\$3,254	10	\$325.40			6	5	0%		100%	\$0
1	2002	Canon Copier	\$4,795	10	\$479.50			6	5	0%	\$7,125	100%	\$1,189
1	2002	Phone System (Equip/Software)	\$4,744	3	\$1,581.33			12	5	0%	\$7,046	100%	\$1,177
1	2005	Dell Server Routers	\$2,195	3	\$731.66			9	5	0%		100%	\$0
1	2007	5 DELL Computers	\$4,637	5	\$927.40			5	5	0%	\$6,240	100%	\$1,042
DISTRIBUTION (3)													
36	1987	Pressure Producing Valves	\$2,455	60	\$40.91			10	10	50%	\$205,961	50%	\$8,848
172	1987	Air Relief Valves	\$708	60	\$11.80			10	10	50%	\$269,315	50%	\$10,999
422	1987	Isolation Valves	\$2,291	60	\$38.18			10	10	25%	\$2,134,769	25%	\$48,237
247	1987	Other Valves	\$2,016	60	\$33.60			10	10	75%	\$40,086	75%	\$22,294
531	1987	Electric Valves	\$1,273	60	\$21.21			30	30	25%	\$1,100,748	25%	\$43,170
20	2017	Pressure Reducing Valves	\$5,000	40	\$125.00			40	40	50%	\$220,804	50%	\$1,856
Subtotal Existing Capital Assets											\$71,853,010	26%	\$1,320,026

Exhibit H
 Date: 10/20/17
 System Number: 910013
 Service Connections: 408

City	Component	Year Acquired	Unit Cost (Historic, Current or Future)	Cost Type (H, C, F)	Estimated Historic Cost	Normal Estimated Life	Current Age	Estimated Current Cost	Planned Remaining Life	Estimated Remaining Life	Estimated Future Cost	Fund with Cash	Fund with Grant	Fund with Loan	Existing Reserves	Annual Reserve Required	
	Existing Capital Replacement Programs																
	SOURCE OF SUPPLY PLANT #6100																
	1 Mark Edison Dam & Stumpy Meadows Res.	1962	\$400,015	H	\$400,015	100	55	\$1,199,737	45	50	\$3,199,589	10%	50%	40%	\$0	\$4,064	
	1 Tunnel Hill Tunnel	1962	\$84,931	H	\$84,931	100	55	\$252,383	45	46	\$677,604	25%	20%	55%	\$7,346	\$2,543	
	1 Kanes Station Replacement (1)	1964	\$315,852	C	\$106,259	100	53	\$315,852	47	46	\$785,402	25%	20%	55%	\$9,193	\$1,183	
	1 Sand Trap Siphon (1)	1964	\$128,375	C	\$44,007	100	53	\$128,375	47	48	\$332,115	50%	50%	50%	\$7,775	\$2,350	
	1 Up Country Ditch Imp (Prior CA Diversion to Tunnell Hill Inlet) (1)	1964	\$1,596,173	C	\$547,779	100	53	\$1,596,171	47	56	\$4,844,320	10%	50%	40%	\$72,681	\$6,090	
	5200 SHARED																
	1 Cabin Waste Gate Replacement (1)	1972	\$23,700	C	\$9,548	40	45	\$23,700	-5	20	\$35,217	100%	0%	0%	\$1,849	\$1,517	
	1 Beacon Creek Pipe (1)	1964	\$201,549	C	\$69,082	40	53	\$201,549	-13	20	\$289,481	50%	50%	50%	\$7,013	\$6,490	
	1 Buckeye Conduit (1)	1964	\$355,352	C	\$171,799	40	53	\$355,352	-13	20	\$528,035	25%	75%	75%	\$6,180	\$5,086	
	1 Up Country Ditch (Perm Stock Bypass to Schroeder Conduit) (1)	1964	\$587,070	C	\$201,220	40	53	\$587,070	-13	5	\$648,172	25%	75%	75%	\$7,587	\$30,250	
	1 Main Ditch #1 Imp (1)	1964	\$1,631,992	C	\$539,371	40	53	\$1,631,992	-13	6	\$1,801,851	10%	50%	40%	\$8,085	\$33,636	
	1 Main Ditch #2 to ALT (1)	1964	\$380,682	C	\$130,480	40	53	\$380,682	-13	5	\$420,304	25%	75%	75%	\$4,820	\$19,615	
	5200 IRRIGATION ONLY (1)																
	1 Main Ditch #2 below ALT	1964	\$683,378	C	\$227,378	40	52	\$683,378	-13	10	\$808,552	25%	75%	75%	\$9,465	\$18,377	
	1 Pilot Hill Ditch (Main)	1964	\$428,126	C	\$147,044	40	53	\$428,126	-13	10	\$523,102	50%	50%	50%	\$12,246	\$23,775	
	1 Pilot Hill Ditch	1964	\$1,070,876	C	\$367,841	40	53	\$1,070,876	-13	10	\$1,305,392	25%	75%	75%	\$15,979	\$29,665	
	1 Kelsey Ditch #1	1964	\$871,625	C	\$199,027	40	53	\$871,625	-13	10	\$996,808	25%	75%	75%	\$8,156	\$15,835	
	1 Kelsey Ditch #2 Imp	1964	\$1,112,565	C	\$381,156	40	53	\$1,112,565	-13	10	\$1,398,211	25%	75%	75%	\$15,074	\$30,820	
	1 Spanish Dry Diggins Ditch	1964	\$37,375	C	\$12,810	40	53	\$37,375	-13	10	\$45,360	100%	0%	0%	\$2,133	\$4,141	
	1 Taylor Grove Ditch	1964	\$36,543	C	\$12,832	40	53	\$36,543	-13	10	\$44,570	100%	0%	0%	\$1,067	\$4,021	
	5300 - Lake Walton WTP																
	0 Lake Walton Plant Replacement (4)	1992	\$0	C	\$0	50	25	\$0	25	25	\$0	25%	75%	75%	\$0	\$0	
	0 Raw Water Bypass (1)	1974	\$0	C	\$0	40	43	\$0	-3	19	\$0	25%	75%	75%	\$0	\$0	
	0 Lake Walton Outlet Works (1)	1974	\$0	C	\$0	40	43	\$0	-3	19	\$0	100%	0%	0%	\$0	\$0	
	0 Lake Walton Dredging (1)	1974	\$0	C	\$0	40	25	\$0	15	22	\$0	25%	75%	75%	\$0	\$0	
	5000 - AUBURN LAKE TRAILS PLANT																
	0 ALT Water Treatment Plant (4)	2018	\$0	C	\$0	60	-1	\$0	51	56	\$0	25%	75%	75%	\$0	\$0	
	5400 T & D METERS & METER BOXES																
	0 Automated Meter Reading and Meter Replacement Project (9)	2018	\$0	C	\$0	20	-1	\$0	21	2	\$0	25%	75%	75%	\$0	\$0	
	T & D TREATED WATER #5400 (2)																
	0 Angel Camp Tank (0.5 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	25%	75%	75%	\$0	\$0	
	0 Deer Ravine Tank (0.25 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	50%	50%	50%	\$0	\$0	
	0 Pilot Hill Tank (0.47 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	25%	75%	75%	\$0	\$0	
	0 Black Ridge Road Tank (0.06 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	75%	25%	25%	\$0	\$0	
	0 Hutchins Hill Tank (0.06 MG)	1974	\$0	C	\$0	40	43	\$0	-3	10	\$0	75%	25%	25%	\$0	\$0	

Item	Year	50	C	30	40	45	30	-6	10	50%	50%	50
0 Spanish Dry Digline Tank (0.2 MG)	1974	50	C	30	40	45	30	-6	10	50%	50%	50
0 Black Oak Main Tank (0.3 MG)	1974	50	C	30	40	45	30	-3	10	75%	75%	50
0 Garden Park Tank (0.2 MG)	1974	50	C	30	40	45	30	-3	10	50%	50%	50
0 Highway Tank (0.21 MG)	1974	50	C	30	40	45	30	-3	10	50%	50%	50
0 Hopchick Hill Subtank (0.05 MG)	1974	50	C	30	40	45	30	-3	10	75%	75%	50
0 Black Ridge Road Pump Station	1974	50	C	30	40	45	30	-3	5	75%	75%	50
0 Chermant Trail Pump Station	1974	50	C	30	40	45	30	-3	5	75%	75%	50
0 Pinemont Road Pump Station	1974	50	C	30	40	45	30	-3	5	75%	75%	50
0 4-inch Pipelines (62,130 AC, 90,771 PVC ft)	1974	50	C	30	60	45	30	17	15	10%	10%	50
0 6-inch Pipelines (175,142 AC, 3,861 ft, 235,640 PVC-ft)	1974	50	C	30	60	45	30	17	15	10%	10%	50
0 8-inch Pipelines (42,069 AC, 85,394 PVC-ft)	1974	50	C	30	60	45	30	17	15	10%	10%	50
0 10-inch Pipelines (26,484 AC, 18,359 PVC-ft)	1974	50	C	30	60	45	30	17	15	10%	10%	50
0 12-inch Pipelines (42,345 AC-ft)	1974	50	C	30	60	45	30	17	15	10%	10%	50
0 Highway 183/289er Area Main Rehabilitation (C)	1974	50	C	30	60	45	30	17	5	50%	50%	50
0 Tank Telemetry Enhancements (C)	2020	50	C	30	15	3	30	18	5	100%	0%	50
TRANSPORTATION EQUIPMENT (3)												
1 Mobile Radio	1977	1,000	H	1,000	5	45	1,000	-45	5	100%	0%	50
4 Truck	2017	38,300	C	38,300	15	0	38,300	15	15	100%	0%	5,897
1 Excavator	2017	55,100	C	55,100	15	0	55,100	15	15	100%	0%	5,573
1 Trailer for excavator	2017	11,750	C	11,750	20	0	11,750	20	20	100%	0%	50
1 Trailer & Hoopline	1999	51,950	H	51,950	15	26	42,610	-11	10	100%	0%	50
1 1998 Ford Pickup Truck	1998	11,700	H	11,700	15	18	32,241	-4	10	100%	0%	50
1 1999 Ford F150 Pickup	1999	11,000	H	11,000	15	18	32,204	-3	10	100%	0%	50
1 2002 Ford F-150 4x4	2002	11,000	H	11,000	15	16	32,588	-1	10	100%	0%	50
1 Chevy Truck - 1500	2003	51,800	H	51,800	15	14	32,455	1	10	100%	0%	50
1 2004 Chevy 1500 Pickup	2004	11,650	H	11,650	15	13	32,400	2	10	100%	0%	50
1 2004 Chevy 4WD Pickup	2004	11,000	H	11,000	15	13	33,925	2	10	100%	0%	50
1 2005 Chevy (041618)KZAU8E33348	2005	42,650	H	42,650	15	12	33,741	3	10	100%	0%	50
1 2006 Chevy Colorado	2006	11,000	H	11,000	15	11	32,971	4	10	100%	0%	50
1 2007 Chevy Colorado	2007	11,000	H	11,000	15	10	33,653	5	10	100%	0%	50
1 2008 Chevy 1500	2008	12,300	H	12,300	15	9	32,850	6	10	100%	0%	50
1 Sandowner Trailer	2010	17,600	H	17,600	15	7	38,648	8	10	100%	0%	50
1 Re-manufactured Long Block Unit #22	2010	49,750	H	49,750	20	4	86,221	16	17	100%	0%	50
1 2016 Ford F-150	2016	32,332	H	32,332	15	1	32,379	14	10	100%	0%	50
SHOP & FIELD EQUIPMENT (3)												
1 Tool Set	2017	4,428	C	4,428	10	0	4,428	-10	10	100%	0%	50
1 New Radio System	1998	11,180	H	11,180	10	28	32,062	-18	5	100%	0%	50
1 Steam Cleaner (Pressure Washer)	1999	2,170	H	2,170	10	26	3,841	-18	5	100%	0%	50
1 Welder	1997	2,450	H	2,450	10	26	3,418	-16	5	100%	0%	50
1 Backhoe	1991	4,310	H	4,310	20	26	17,548	-8	5	100%	25%	3,289
1 Dump Truck	1991	14,380	H	14,380	20	26	17,534	-8	5	100%	25%	3,289
1 18-wheel Trailer	1992	17,900	H	17,900	15	21	41,200	-10	5	100%	25%	3,289
1 Door	1996	42,249	H	42,249	20	21	33,409	1	5	100%	0%	50
1 Mini Excavator	2000	13,712	H	13,712	20	14	11,187	3	5	100%	0%	50
1 IR Portable Air Compressor	2000	11,200	H	11,200	20	14	17,568	6	7	100%	0%	50
1 2008 Chevy Truck 3500 1 ton Dump Truck	2008	34,320	H	34,320	15	8	38,238	6	5	100%	0%	50
1 Clark Equip. excavator	2010	53,000	H	53,000	20	7	33,480	13	14	100%	0%	50
1 Michels	2014	11,100	H	11,100	20	3	11,100	17	18	100%	0%	50
1 Ditch Witch F300 Vnc. Trailer	2015	55,000	H	55,000	20	2	49,289	16	19	75%	25%	3,271
1 Reverser Small Compressor	2016	1,076	H	1,076	20	2	3,860	19	20	100%	0%	50



NEW BUSINESS
ITEM 8.D.

ATTACHMENT 2
RESOLUTION 2019-14

RESOLUTION NO. 2019-14
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
FREEZING TREATED AND WATER IRRIGATION RATES AT THE 2018 RATES
UNTIL THE END OF THE DECEMBER 2019 BILLING PERIOD

WHEREAS, Georgetown Divide Public Utility District (“District”) provides irrigation and treated water services to residents and businesses of the District; and

WHEREAS, in December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates; and

WHEREAS, that process resulted in a Water Financial Analysis (aka Water Rate Study), dated October 24, 2017, prepared by Rural Community Assistance Corporation (RCAC) that established various **proposed** rates; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIID, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; verified and counted the protests and determined that the District may proceed with the proposed water rates; and

WHEREAS, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

WHEREAS, those rates were set to increase effective with the January/February 2019 billing period; and

WHEREAS, at the January 8, 2019 meeting the Board acted by motion to “temporarily freeze the rate increases for no more than 12 months;” and

WHEREAS, Board determinations regarding District rates should be made by resolution or ordinance; and

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT HEREBY RESOLVES THE FOLLOWING:

1. Effective with the January/February 2019 billing period, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge
5/8, 3/4, 1”	\$ 29.41
1.5”	\$ 98.02
2”	\$ 156.83
3”	\$ 313.66
4”	\$ 490.09

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

2. Effective with the January/February 2019 billing period, the usage rate for treated water customers will be \$0.0255 per cubic foot.
3. Effective with the January/February 2019 billing period, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)
½"	\$ 77.00
Per each 1"	\$ 154.20

4. The above listed rates will be effective through the November/December 2019 billing period.
5. Effective with the January/February billing period for each following year, respectively, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge		
	2020	2021	2022
5/8, 3/4, 1"	\$ 30.88	\$ 32.42	\$ 34.04
1.5"	\$ 102.92	\$ 108.07	\$ 113.47
2"	\$ 164.67	\$ 172.91	\$ 181.55
3"	\$ 329.34	\$ 345.81	\$ 363.10
4"	\$ 514.60	\$ 540.33	\$ 567.34

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

6. Effective with the January/February billing period each following year, respectively, the usage rate for treated water customers are established as follows:

Usage Charge (per CF)		
2020	2021	2022
\$ 0.0268	\$ 0.0281	\$ 0.0295

7. Effective with the January/February billing period each following year, respectively, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)		
	2020	2021	2022
½"	\$ 84.80	\$ 93.20	\$ 102.60
Per each 1"	\$ 169.60	\$ 186.60	\$ 205.20

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the twelfth day of February 2019, by the following vote:

AYES: *Garcia, Halpin, Saunders, Souza*

NOES: *Wadle*

ABSENT/ABSTAIN:

Dane M Wadle

Dane Wadle, President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Attest:

Steven Palmer

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

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2019-14 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 twelfth day of February 2019.

Steven Palmer

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



NEW BUSINESS

ITEM 8.D.

ATTACHMENT 3

RESOLUTION

RESOLUTION NO. 2020-
OF THE BOARD OF DIRECTORS OF THE
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
FREEZING TREATED AND WATER IRRIGATION RATES AT THE 2018 RATES
UNTIL THE END OF THE DECEMBER 2020 BILLING PERIOD

WHEREAS, Georgetown Divide Public Utility District (“District”) provides irrigation and treated water services to residents and businesses of the District; and

WHEREAS, in December 2017, the District completed a roughly 15-month process to update its treated and irrigation water rates; and

WHEREAS, that process resulted in a Water Financial Analysis (aka Water Rate Study), dated October 24, 2017, prepared by Rural Community Assistance Corporation (RCAC) that established various proposed rates; and

WHEREAS, on December 12, 2017, pursuant to Proposition 218 (Cal. Const., Art. XIII, Sec. 6) the District Board heard and considered all oral testimony, written materials, and written protests concerning the rate increase; verified and counted the protests and determined that the District may proceed with the proposed water rates; and

WHEREAS, the Board then adopted Resolution 2017-30 Adopting New Rates for Treated Water and Irrigation Water Services; and

WHEREAS, those rates were set to increase effective with the January/February 2019 billing period; and

WHEREAS, at the January 8, 2019 meeting the Board acted by motion to “temporarily freeze the rate increases for no more than 12 months;” and

WHEREAS, at the February 12, 2019 meeting the Board adopted Resolution 2019-14 which held the 2019 water rates at the 2018 water rates, and re-affirmed that water rates would increase effective with the January/February billing period each following year (2020, 2021, 2022); and

WHEREAS, at the December 10, 2019 meeting the Board directed the General Manager to analyze the impact of a rate freeze on District business and present it at the January 14, 2020 Board meeting; and

WHEREAS, the General Manager presented, and the Board reviewed that analysis at the January 14, 2020 Board meeting.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT HEREBY RESOLVES THE FOLLOWING:

1. Effective with the January/February 2020 billing period, the monthly charges

(billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge
5/8, 3/4, 1"	\$ 29.41
1.5"	\$ 98.02
2"	\$ 156.83
3"	\$ 313.66
4"	\$ 490.09

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

- Effective with the January/February 2020 billing period, the usage rate for treated water customers will be \$0.0255 per cubic foot.
- Effective with the January/February 2020 billing period, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)
1/2"	\$ 77.00
Per each 1"	\$ 154.20

- The above listed rates will be effective through the November/December 2020 billing period.
- Effective with the January/February billing period for each following year, respectively, the monthly charges (billed bi-monthly) for treated water customers are established as follows:

Meter Size	Monthly Base Charge	
	2021	2022
5/8, 3/4, 1"	\$ 30.88	\$ 32.42
1.5"	\$ 102.92	\$ 108.07
2"	\$ 164.67	\$ 172.91
3"	\$ 329.34	\$ 345.81
4"	\$ 514.60	\$ 540.33

An ALT treatment plant supplemental charge of \$15.08 per month is also added to the above listed base charge for all treated water customers.

- Effective with the January/February billing period each following year, respectively, the usage rate for treated water customers are established as follows:

Usage Charge (per CF)	
2021	2022
\$ 0.0268	\$ 0.0281

7. Effective with the January/February billing period each following year, respectively, the monthly charges for irrigation water customers are established as follows:

Meter Size	Monthly Base Charge (Irrigation Season Only)	
	2021	2022
½"	\$ 84.80	\$ 93.20
Per each 1"	\$ 169.60	\$ 186.60

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the fourteenth day of January 2020, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

President, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Attest:

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

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2020- 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 fourteenth day of January 2020.

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

ITEM 4B - BUDGET TIMELINE

Georgetown Divide PUD FY2020/2021

Conceptual Budget Timeline

January

Tuesday, January 7 Finance Committee Meeting

February

Wednesday, February 5 Finance Committee Meeting
TBD Strategic Planning / Board Goals Workshop

March

Wednesday, March 4th Finance Committee Meeting - FY 2020-21 Budget progress update

April

Wednesday, April 1st Finance Committee Meeting – FY 2020-21 Draft Proposed Budget
Tuesday, April 14th Board Meeting - FY 2020-21 Budget progress update

May

TBD Board Meeting – FY 2020-21 Final Draft Proposed Budget
Possible Joint Meeting with the Finance Committee

June

Wednesday, June 3rd Finance Committee Meeting FY 2020-21 Final Proposed Budget
Tuesday, June 9th Board Meeting – Adopt FY 2020-21 Budget