

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

Special Notation:

*Director Norm Krizl will participate in this meeting from a satellite location via telephone.
The Public may participate in the Public Portion of this meeting from this location.
The specifics of his location, while participating in this meeting, are as follows:
Escénica La Ropa 55, Zihuatanejo, Playa la Ropa, 40895 Zihuatanejo, Gro., Mexico*

TUESDAY, NOVEMBER 8, 2016

2:00 P.M.

MISSION STATEMENT

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

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

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

2. ADOPTION OF AGENDA – Board action to adopt Agenda.

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

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

4. APPROVAL OF CONSENT CALENDAR – Board Action to approve the Consent Calendar.

These items are expected to be routine and non-controversial. Action by the Board will be taken at one time without discussion. A Board member may request an item be removed from the Consent Calendar for discussion and possible action. Any member of the public may ask to address an item on the Consent Calendar prior to Board action.

A. Approve Minutes – Regular Board Meeting of October 11, 2016.

B. Request for Approval of Purchase of TrailMax Trailer

Discussion – This request is for the purchase of a **2016 TrailMax Trailer** at a cost of \$12,447.42. The FY 2016-17 Capital Budget provides for \$150,000 for the purchase of equipment. There is \$13,992 remaining in that budget item.

The purchase of this trailer will offer greater efficiency for the crew to get necessary equipment to the work site.

Possible Board Action – Staff recommends the approval of this purchase request.

C. Resolution 2016-15 - Reappointment of Rick Gillespie to the Finance Committee

Discussion – Director Uso confirmed Rick Gillespie’s willingness to continue to serve on the Finance Committee until the vacancy can be filled.

Possible Board Action – Adopt Resolution 2016-15, reappointing Rick Gillespie to the Finance Committee.

D. Proposal from ECORP for Pilot Creek Stream Gaging Maintenance and SWRCB Water Usage Reporting – Contract with ECORP

Discussion – The current three-year contract with ECORP Consultants to maintain, monitor, and prepare monthly reports of flow and diversion data at the District’s three Pilot Creek gages, as well as perform SWRCB water usage reporting, expired on September 30, 2016.

Possible Board Action - Authorize the Interim General Manager to execute a Professional Services Agreement with ECORP Consultants to continue to provide stream gaging maintenance and SWRCB water usage reporting for the District.

5. RESOLUTION 2016-16 – REVISIONS TO ORGANIZATIONAL CHART

Discussion – Resolution 2016-16 relates to proposed changes in the current configuration of the GDPUD Organizational Chart. These proposed changes would affect the orientation of Legal Counsel and the deletion of the Maintenance lead position.

Possible Board Action – Staff recommends that the Board adopt Resolution 2016-16 which will result in changes to the current Organizational Chart.

6. FINANCIAL REPORTS AND REQUEST FOR APPROVAL OF PURCHASE OF ACCOUNTING SOFTWARE

A. Financial Reports

Discussion – The following reports are submitted for the Board’s review:

- 1) Early Pay Accounts Payable for November 2016
- 2) Revenue and Expense Summary (07/01/2016-09/30/2016)
- 3) Balance Sheet, September 2016
- 4) Statement of Cash and Investment Balances, September 2016

5) ALT Zone and CDS Summary (07/01/2016-09/30/2016)

Possible Board Action – Staff recommends approval of financial reports.

B. Request for Approval of Purchase -- MOM Modules

Discussion - Staff presented this request at the regular Board meeting of October 11, 2016. The Board directed Staff to provide additional information regarding the compatibility of MOM to the meter reading software that will come with the new meters.

Possible Board Action – Staff recommends the Board approve the purchase of additional MOM Modules.

7. PRESIDENT’S REPORT

8. BOARD REPORTS

9. GENERAL MANAGER’S REPORT

10. OPERATIONS MANAGER’S REPORT

11. EL DORADO COUNTY WATER AGENCY COST SHARE FUNDING

Discussion – Staff met with the El Dorado County Water Agency and the Municipal Consulting Group and identified additional funding opportunities available to the District through the cost share program.

Possible Board Action – Staff recommends that the Board authorize the Interim General Manager to enter into an agreement with the El Dorado County Water Agency for cost share funding of projects identified by staff.

12. METER REPLACEMENT PROGRAM – PROFESSIONAL SERVICES AGREEMENT, REQUEST FOR PROPOSALS

Discussion – At the last regular Board meeting of October 11, 2016, the Board directed Staff to follow up on securing the loan for the meter replacement program with Holman Capital. On October 31, Staff, along with two board members, met with Mark Carey of MC Engineering to discuss the need for a Request for Proposal (RFP).

Possible Board Action – Staff recommends that the Board approve a Professional Services Agreement with MC Engineering for the development of a Request for Proposals for the Meter Replacement Program in the amount of \$25,180 from Fund Account 39, Capital Facility Charges.

13. METER REPLACEMENT PROGRAM – FINANCING PLAN

Discussion – At the regular Board meeting of October 11, 2016, Frank Gill of Holman Capital gave a presentation on funding options available to the District for the replacement of its aging water meters. The Board directed Staff to identify a listing of possible sources of revenue to fund the semi-annual loan payments. Frank Gill has since provided additional information and documents.

Possible Board Action – Staff recommends the consideration of additional information to be provided by Frank Gill at the meeting with a possible execution of a loan with Homeland Capital in the amount not to exceed \$2,100,000.

14. FINANCE COMMITTEE REPORT – The committee will meet on November 15, 2016 (proposed agenda attached) and a committee report presented at the December Board meeting. ✓

15. ALT TREATMENT PLANT UPDATE

Discussion – This is part of a monthly update, provided by Staff, relating to the status of the Auburn Lake Trails Water Treatment Plant Project. The content changes monthly with the deletion of those items that are deemed complete.

Possible Board Action – Receive and file.

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

17. CLOSED SESSION – There are no closed session items for this meeting.

18. NEXT MEETING DATE AND ADJOURNMENT – The next regular meeting will be December 13, 2016, at 2:00 PM at the Georgetown Divide Public Utility District office.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Darrell Creeks by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, **on November 4, 2016.**

CONFORMED AGENDA

REGULAR MEETING

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS

6425 MAIN STREET, GEORGETOWN, CALIFORNIA

Special Notation:

Director Maria Capraun will participate in this meeting from a satellite location via telephone. The Public may participate in the Public Portion of this meeting from this location. The specifics of her location, while participating in this meeting, are as follows: 384 West 5200 South, Washington Terrace, Utah 84405

TUESDAY, OCTOBER 11, 2016

2:00 P.M.

MISSION STATEMENT

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

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

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

The meeting was called to order at 2:00 PM. Directors present: Maria Capraun (via teleconference), Jesse Hanschild, Carl Hoelscher, Norm Krizl, and Lon Uso. Staff present: Interim General Manager Darrell Creeks, Interim Operations Manager Marty Ceirante, Office Manager Diane Schroeder, Project Manager George Sanders, Meeting Recorder Gloria Omania. Legal Counsel: Barbara Brenner of Churchhill White.

2. ADOPTION OF AGENDA

Motion by Director Uso to move up Agenda Item #17 regarding the Georgetown Divide Recreation District between Items #4 and #5. Second by Director Hoelscher.

Public Comment: None

Vote: The motion passed unanimously.

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

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Linnea Marengo of Cool thanked everyone sitting at the table for all their hard work on behalf of the community. She acknowledged that the work of the Board and Staff is sometimes very difficult. She was saddened to see the Gazette article, "ALT Starts a Fight," that reflects the author's negative perception of the District. She was at that meeting and there were a lot of other things that happened at that meeting. She indicated she has spoken with the Publisher to express her hope that the District could be reflected with greater respect by their reporters.

Ms. Marengo also commented that when a Board member writes a Letter to the Editor, it should be made clear whether they are doing so as an individual, or as a representative of the Board. Careful and thoughtful consideration should be given when presenting a point of view, particularly as it pertains to adherence to the Brown Act.

4. APPROVAL OF CONSENT CALENDAR – Board Action to approve the Consent Calendar.

These items are expected to be routine and non-controversial. Action by the Board will be taken at one time without discussion. A Board member may request an item be removed from the Consent Calendar for discussion and possible action. Any member of the public may ask to address an item on the Consent Calendar prior to Board action.

A. Approve Minutes – Regular Board Meeting of September 13, 2016, and Special Board Meeting of September 27, 2016.

B. Purchase of Trucks and Excavator

Discussion – The Board of Directors approved the FY 2016-17 Capital Budget at their regular meeting of September 13, 2016. Included as an approved budget item is the purchase of two vehicles and one excavator. Funding for this purchase is reserved under Fund 45.

Possible Board Action – It is Staff's recommendation that the Board approve the purchase of the Ford half-ton truck, the Ford one-ton truck, and the John Deer Excavator.

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

Public Comment: *In response to questions from Director Capraun regarding the excavator, Mr. Creeks confirmed that: (1) the excavator is larger than what the district has now; (2) it will only be used by the distribution crew allowing the use of the smaller excavator on the ditches without infringing on the easement; and (3) the excavator is being used instead of a backhoe.*

Vote: *The motion passed unanimously.*

Agenda Item #17 was then taken up.

17. GEORGETOWN DIVIDE RECREATION DISTRICT – REDUCTION IN WATER BILL DUE TO LEAKAGE

Discussion – The Georgetown Divide Recreation District has a facility in Garden Valley that is supplied potable water by GDPUD. That facility had a significant leak during the July-August billing cycle. Their water consumption during that period was 524,332 cubic feet (3.9 million

gallons). That consumption equates to a water bill of \$11,562.09. Current District regulations allow for a leak consideration which would reduce their bill to \$8,541.09. Carl Clark, GDPD General Manager, will be present at this meeting to share additional information.

Interim GM Darrell Creeks provided a summary and then invited Carl Clark, General Manager for the Georgetown Divide Recreation District (GDRD), to explain the situation further.

Mr. Clark described the GDRD as a very small district with only part-time staff. He pointed out that the average usage for that billing period is about \$3,000. A \$11,000 water bill is over 50% of their entire budget. He explained that the GDRD is working with the Sheriff's Department and Risk Management on restitution and would make full payment if their losses could be recovered.

Although District Staff has applied the Board's Leakage Consideration Policy to reduce the bill by approximately 25%, Mr. Clark stated that this bill causes difficult cash flow issues. He asked if the Board could help further by forgiving some of the amount due, with the understanding that if restitution was received, additional payments would be made.

Responding to Director Uso's inquiry, Legal Counsel Barbara Brenner stated that it was up to the board if they wanted to provide a discount beyond their current Leakage Consideration Policy under these special circumstances.

The ensuing discussion focused on additional action the Board could take to assist the recreation district.

Possible Board Action – Staff recommends the Board consider the materials to be presented by Mr. Clark, consider additional input from staff and take the appropriate action relative to monies owed during the July-August billing cycle.

Motion by Director Uso to (1) require the Georgetown Divide Recreation District to pay the average monthly bill of \$3,000 for this billing period; (2) suspend the balance due for two months to allow the recreation district to work on recovering their losses; and (3) direct staff to bring the matter back to the Board for action after this bill suspension period. Second by Director Hoelscher.

Public Comment: *Darrell Creeks expressed concern that an extended period passed before the leak was detected. He asked the Recreation District to require their maintenance crew to regularly check the meter for more timely detection of leaks and other problems. Mr. Clark explained that the district is looking at installing an alarm that would alert them when water usage gets to a level.*

Vote: *The motion passed unanimously.*

5. METER REPLACEMENT PROGRAM – FINANCING OPTIONS

Discussion – The Board directed District staff at the last regular Board meeting to initiate the process of identifying funding resources and grant opportunities for the Meter Replacement Program. Frank Gill from Holman Capital will give a presentation regarding the District's credit rating and financing options for replacing our water meters.

Interim Darrell Creek provided a summary and then introduced Frank Gill of Holman Capital to give a presentation about his organization and the services they provide to special districts like GDPUD.

Mr. Gill explained that Holman Capital offers an alternate to traditional bond funding. The company finances projects like water treatment plants, pipelines, meter replacement, water storage tanks, and booster plant retrofit. He described possible financing scenarios to reflect the flexibility his company could offer to customize payment plans to suit the District.

Director Uso stated that he very much wants to do this meter replacement project, but wants the Board to proceed with their eyes wide open—considering real numbers from many sources. The discussion continued regarding financing options, including available funds and matching grant opportunities to make semi-annual loan payments.

Director Krizl acknowledged the general agreement among the Board members that the meter replacement project is a very important one for the District, but wants full consideration of options available before moving forward.

Possible Board Action – Staff recommends that the Board consider the information presented by Mr. Gill, consider additional input from Staff, and take the appropriate action relative to moving forward with the Meter Replacement Program.

Staff was directed to solicit bid proposals from meter vendors, and work with Frank Gill and Legal Counsel to develop a financing plan for the Board's consideration.

6. FINANCIAL REPORT AND REQUEST FOR APPROVAL OF PURCHASE OF ACCOUNTING SOFTWARE

A. Accounts Payable Reports – Accounts Payable for August 2016; Month End Cash Disbursement Report for September 2016

Discussion - This report is limited to a summary of Accounts Payable for the month of September 2016. The remaining reports are being provided on a quarterly basis and will be presented at the regular meeting in December.

Office Manager Diane Schroeder summarized the reports and offered to answer questions.

Possible Board Action – Receive and file.

Motion by Director Uso to approve the reports; Director Hoelscher seconded.

Public Comment: None

Vote: The motion passed.

Ayes: Directors Hanschild, Hoelscher, Krinzi and Uso

Abstain: Director Capraun

B. Request for Approval of Purchase of MOM Modules

Discussion - Staff is requesting approval for the purchase of three additional modules for the current accounting system (MOM – Multiple Operations Management) to meet the Generally Accepted Account Principles requirements which is a condition of the ALT State Loan.

Office Manager Diane Schroeder presented Staff's request for approval of the purchase of additional modules to MOM, the Multiple Operations Management accounting system used by the District.

Both Director Uso and Director Capraun expressed concern that MOM will be able to interface with the new meters emphasizing that everything needs to be integrated.

Ms. Schroeder reported that both the MOM and Equarias representatives have indicated that there is compatibility. She assured the Board that she will make sure that MOM is 100% compatible with whatever new meter program is installed.

Possible Board Action – Staff recommends the Board approve the purchase of the three modules plus training from CORBIN WILLITS SYSTEMS, INC., in the amount of \$7,270 from Fund Accounts identified by staff.

The Board directed Staff to provide greater assurances that the MOM system will be compatible with the new meter program for the Board's consideration at the next meeting.

7. SELECTION OF THE 2016 AUDIT COMMITTEE

Discussion – The Board's Finance Committee historically has recommended, for Board consideration, the members to serve on the Audit Committee. The Finance Committee has not met to make this selection. Since the audit is scheduled to begin at the end of the month, the Board may want to follow past appointments and consider appointing persons who are now holding similar positions.

The Board discussed the history of the selection of an Audit Committee. Staff indicated that they had not received confirmation that Donna Bruss was interested. Director Capraun emphasized that it would be valuable to have Ms. Bruss' expertise on the committee. Staff was directed to contact Ms. Bruss.

Possible Board Action - Staff recommends that the Board appoint Lon Uso, as the Board's Treasurer; Dennis Goodenow, as the Finance Committee Chairperson, and Donna Bruss, a member of the Finance Committee with a financial background.

Motion by Director Uso to accept Staff recommendation; Director Hanschild seconded.

Public Comment: None

Vote: *The motion passed unanimously.*

8. PRESIDENT'S REPORT

Director Krizl indicated this is his last full meeting but will be back in December.

9. BOARD REPORTS

Update from the General Manager Recruitment Committee - *Director Uso reported that the GM recruitment brochure was finalized and published.*

Director Capraun pointed out an error in the salary range included in the flyer. It was noted this information was contained in the draft provided by the consultant; Director Uso stated he would bring this error to the consultant's attention.

10. GENERAL MANAGER RECRUITMENT PANEL

Discussion – At the meeting of September 13, 2016, under the topic of Board Reports, discussion evolved relating to the current recruitment for the position of General Manager. The discussion concluded with direction from the Board for staff to include this item on the agenda for October.

Mr. Creeks stated that he thought it would be beneficial to involve members of the community to serve on the panel.

Director Hanschild recommended that Mike Web be appointed as a public member and Interim General Manager Darrell Creeks, or his designee, from District staff.

Possible Board Action – Staff recommends the Board include a non-voting staff member on the interview panel for the recruitment of the General Manager. Staff remains neutral on the inclusion of others, outside of the organization, to participate in the recruitment process.

Director Krizl confirmed the Board's intention is to establish an interview panel comprised of the five board members and two non-voting members.

11. GENERAL MANAGER'S REPORT

Darrell Creeks reported that Staff's participation in the Founder's Day event was well worth it. He indicated that Staff is considering participating in the Annual Christmas Parade. Director Uso encouraged Staff to also attend Chamber of Commerce mixers and other community events.

Mr. Creeks informed the Board the projects have been prioritized on the Capital Projects list, but stated it doesn't necessarily mean they are being completed in that order. Some are being accomplished simultaneously and some have already begun. It is Staff's goal to complete all the projects on the list.

12. OPERATIONS MANAGER'S REPORT

Interim Operations Manager Marty Ceirante provided an update on water production, consumption, treatment, and storage, as well as describe the current month's field work activities.

He highlighted the following: The District is moving forward with the recoating of Walton storage tank. With some adjustments and by changing the installation, the District will get some accurate production numbers from the master meter at Walton. The AWWA audit training is continuing keeping the District in compliance with SB 555.

13. CONTRACT WITH BAY AREA COATING CONSULTANTS, INC.

Discussion – The Cleaning and Maintenance of one water storage tank at the Walton Treatment Plant is a project included in the FY 2016-17 Capital Budget. The need to clean and perform maintenance on this tank, as well as others within the District facilities, is identified in the State inspection reports. The proposed expenditure in the Budget is \$220,000. Funding for this project is within Fund 45.

Marty Ceirante provided background on this project and answered questions from the Board members.

Possible Board Action – It is Staff's recommendation that the Board authorize Staff to contract with Bay Area Coating Consultants, Inc., to perform this work, at a contract amount not to exceed \$21,000. Final contract to be subject to the review and approval of District Counsel.

Motion by Director Uso to adopt Staff recommendation; Director Hanschild seconded.

Public Comment: None.

Vote: The motion passed unanimously.

14. FINANCE COMMITTEE

Discussion – It was reported at the last regular Board meeting that the Finance Committee did not meet in August, and that the Committee was waiting for further direction from the Board of

Directors. The Board requested that this item be added to this agenda to offer an opportunity to consider further direction to the Finance Committee.

It was confirmed that there are currently three active members (Dennis Goodenow, Dane Wadle, and Donna Bruss) and two vacancies on the Finance Committee. The Board was reminded that

although his term has expired, Rick Gillespie has indicated his willingness to continue to serve until the position could be filled.

Dennis Goodenow stated the Finance Committee had not met in consideration of the additional demands on Staff due to the sudden departure of the former General Manager and the arrival of the new Office Manager. He confirmed the committee's interest in continuing to support the District.

Possible Board Action – In addition to the Finance Committee's current participation in the Water Rate Study and the Annual Audit, it is Staff's recommendation that the Board engage in some dialogue with the Finance Committee and the Public regarding additional direction to the Finance Committee.

Director Uso indicated that he will contact Mr. Gillespie to confirm his interest in a reappointment. Upon that confirmation, Staff was directed to initiate Board action to reappoint Mr. Gillespie for whatever period he is willing to serve.

15. ALT TREATMENT PLANT UPDATE

Discussion – This is part of a monthly update, provided by Staff, relating to the status of the Auburn Lake Trails Water Treatment Plant Project. The content changes monthly with the deletion of those items that are deemed complete.

George Sanders reiterated the Staff's frustration with its inability to move the State loan agreement forward. This was discussed at the Special Meeting of September 27, 2016, and Legal Counsel Robin Baran indicated that he would try to tactfully encourage the State to move the loan along.

Mr. Sanders stated that Joshua Ruelig indicated that the Director of the SWRCB has the authority to execute the agreement. He added that he makes weekly contact with the SWRCB project manager who has indicated he expects the agreement to be executed on October 15.

Possible Board Action - Receive and file.

16. RESOLUTION 2016-14 – GRANT OF EASEMENT TO MICHAEL AND SALLY BOERSIG

Discussion – Staff is in receipt of a request from Michael and Sally Boersig for the dedication of an easement, for waterline purposes, over a portion of land currently owned by the District. The parcel is currently undeveloped land and has an existing waterline easement, 10 feet in width, dedicated along the west boundary.

The District has a history of dedicating easements, for waterline purposes, to individual property owners that need access to our potable water system. These easements are at no cost to the recipient, add to the District's customer base, and are normally along a property boundary.

Interim General Manager Darrell Creeks reported that Staff researched and found a precedence for granting such easements and informed the Board that the resolution before them was patterned after previous adopted resolutions granting easements for the same purpose. He presented the details of this request from Michael and Sally Boersig.

Legal Counsel Barbara Brenner indicated the Board could consider the value of having a new customer as a fair trade.

Possible Board Action – Staff recommends Board adoption of Resolution 2016-14 dedicating an easement for waterline purposes and authorizes the Board President to sign the Grant of Easement to Michael and Sally Boersig as identified in Exhibits A and B attached. All fees associated with this action are to be paid by the recipient.

Motion by Director Uso to adopt resolution. Director Hoelscher second.

Public Comment: None.

Vote: *The motion passed unanimously.*

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

19. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL Adjourned to Closed Session at 4:30 PM.

Discussion about Ongoing Litigation. Name of Case: Mecklenberg v. GDPUD.

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

The Board reconvened to open session at 4:35 PM and announced no action was taken in closed session.

21. NEXT MEETING DATE AND ADJOURNMENT – The next regular meeting will be November 8, 2016, at 2:00 PM at the Georgetown Divide Public Utility District office.

The Board adjourned at 4:37 PM.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Darrell Creeks by telephone at 530-333-4356 or by fax at 530-333-9442. Requests must be made as early as possible and at least one-full business day before the start of the meeting. In accordance with Government Code Section 54954.2(a), this agenda was posted on the District's bulletin board at the Georgetown Divide Public Utility District office, at 6425 Main Street, Georgetown, California, on **October 9, 2016.**



Darrell Creeks, Interim General Manager

11/9/16

Date



Memo

To: Board of Directors
From: Darrell Creeks, Interim General Manager
Date: November 1, 2016
SUBJECT: **EQUIPMENT TRAILER PURCHASE**
Board Meeting of November 8, 2016; **Agenda Item #4B**

BACKGROUND / DISCUSSION

The District recently purchased a mid-sized excavator. This excavator has already seen use in the repair of several distribution system leaks together with upgrades to the main ditch between Stumpy and Walton.

The transportation of this excavator requires the use of the large dump truck and equipment trailer. The purchase of the trailer, identified in this agenda item, would allow staff to transport the new excavator with the service truck. The service truck and excavator are normally used together in all work associated with the distribution system.

Staff identified specs, based on their trailer needs and received multiple quotes from different vendors. The most competitive bid was received from *Global Machinery*, in the amount of \$12,477.42. A copy of that bid is included with this agenda item.

Sufficient funding remains in the line item of equipment purchases, as identified within Fund 43, of the FY2016-17 Capital Budget.

RECOMMENDATION

Staff recommends that the Board authorize the purchase of the equipment trailer from *Global Machinery* in the amount of \$12,477.42.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Request for Board Approval of Purchase

Board Meeting Date: November 8, 2016	Amount of Purchase: \$ 12,477.42	Submitted by: Darrell Creeks, Interim General Manager
Agenda Item #: 4B		General Manager's Signature:

Description of Purchase (attach invoice):

*This request is for the purchase of a **2016 TrailMax Trailer T-16-UT (4+16): 16' Tilt Deck with 4' Stationary; GVWR 18,400 lbs.; Capacity (Distributed) 14,260 lbs.; Landing Gear 10,000 lb. capacity with Drop Foot; 2 each 8,000 lb. capacity axles, Suspension – Rubber Torsion; Decking width 82.5 between fenders.***

Background:

The FY 2016-17 Capital Project Budget includes for \$150,000 for the purchase of equipment from the Fund 43, Capital Reserve account. There is \$13,992 remaining in this budget line item.

Three quotes have been received: (1) Global Machinery \$12,447.42; (2) Garton Tractor \$13,053.74; and (3) Opperman & Son \$13,558.52.

Justification Statement:

This new trailer will provide for greater efficiency in transporting equipment to the work site.

Name of Vendor: Global Machinery	Contact Person: Jim Cunningham	Title: Sales Rep
Address: 3321 Airport Road Sacramento, CA 95834	Phone # (916) 453-2780	Email: jcunningham@globalmachinery.com
Vendor Vetting Statement (attach additional information, if necessary):		

FUND ACCOUNT	Fund 24 ALT-WTP	Fund 35 EPA	Fund 39 CFF	Fund 42 CDS	Fund 43 Cap Res	TOTAL
PERCENTAGE					100%	100%
AMOUNT					\$12,477.42	\$12,477.42
OTHER FUNDING SOURCE	Amount:	Describe funding source:				

BOARD ACTION	<input type="checkbox"/> Approved	Board Direction to Staff:	Date:
	<input type="checkbox"/> Denied		
	<input type="checkbox"/> Tabled		



GLOBAL MACHINERY

3321 Airport Road
Sacramento, CA 95834

(916) 453-2780

www.globalmachinery.com

info@globalmachinery.com

EQUIPMENT QUOTATION

COMPANY: Georgetown Divide Public Utility District
CONTACT: Kyle Madison

ADDRESS: 6425 Main Street
Georgetown, CA 95634

E-MAIL: kmadison@gd-pud.org

PHONE:

CELL: 530.333.3940

DATE OF ISSUE:

PREPARED BY:

CELL #:

E-MAIL:

PHONE: (916) 453-2780

QUOTE #

10/18/2016

Jim Cunningham

(916) 607-0542

Global Machinery Intl West, LLC

3321 Airport Road

Sacramento, CA 95834

E-MAIL: jcunningham@globalmachinery.com

PHONE: (916) 453-2780

FAX: (916) 339-6948

JC101816-16UT

YEAR	UNIT	DESCRIPTION	PRICE / EACH
2016	T-16-UT	TrailMax Trailer T-16-UT (4+16) 16' Tilt deck with 4' stationary GVWR 18,400 lbs. Capacity (Distributed) 14,260 lbs. Landing Gear 10,000 lb. capacity with drop foot 2 each 8,000 lb. capacity axles Suspension - Rubber torsion Decking Width 82.5 between fenders	\$11,563.18

Notes: Quote is subject to availability
FOB Georgetown, CA

Payment Term 1) Payment due in full upon delivery

SUB-TOTAL: \$ 11,563.18

Sales Tax: 7.50% \$ 867.24

CA Tire Fee: \$ 7.00

CA DMV Title Fee: \$ 40.00

ORDER TOTAL: \$ 12,477.42

When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off Road Diesel Vehicle Regulation. It therefore could be subject to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the California Air Resources Board website at: <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>

ABOVE PRICES DO NOT INCLUDE FREIGHT UNLESS STATED OTHERWISE
TAX IS CALCULATED ACCORDING TO INFORMATION PROVIDED BY THE CUSTOMER
PAYMENTS ARE DUE AND PAYABLE AT TIME OF POSSESSION UNLESS STATED OTHERWISE

Thank you for the opportunity to quote one of our quality products.
We look forward to working with you.

ORDERED BY:

APPROVED BY:

SIGNATURE

DATE

SIGNATURE

DATE

PRINTED NAME

PRINTED NAME

Global Machinery
Cable Placing Equipment
Denver, Colorado
800.430.7130



Global Machinery Intl. West
Sacramento, California
916.453.2780

SALES ORDER



Date 10/25/2016

280 Kinley Drive, Healdsburg, California 95448
 (707) 433-4421 - Fax (707) 431-2960
 Visit us at: www.oppermansales.com

Company Georgetown Divide Public Utility District
 Address 6425 Main Street City Georgetown State CA Zip 95634
 Contact Gloria Omania Phone (530) 333-4356 Fax Email gomania@gd-pud.org

Equip # Year 2016 Make Trailmax VIN

(1) T-16-UT (4+16)
 trailer is FOB Healdsburg, CA. ...

Registered Owner	Trade-In Information	Sales Price	11782.00
	Year	Documentation Fee	65.00
Legal Owner	Make	SUB TOTAL	
	I.D. No.	Sales Tax 7.50 County El Dorad	888.52
	Model	Federal Excise Tax	0.00
	Type	Miscellaneous	14.00
	Allowance \$	License & Registration	40.00
	Less Payoff \$	TOTAL FOB Healdsburg	12789.52
		Delivery Fee	769.00
		Deposit	0.00
		Trade In Equity	0.00
			TOTAL PAYMENT
Purchaser Georgetown Divide Public		BALANCE DUE	13558.52
Salesman Brad Robinson			
NOT a valid order until accepted by management:			
Accepted by	Title		

WARNING A CHARGE FOR ANY TYPE OF INSURANCE IS NOT INCLUDED AND PAYMENT FOR SUCH IS NOT INCLUDED IN THIS AGREEMENT

DISCLAIMER OF WARRANTIES (USED VEHICLES)

The seller, Opperman & Son, Inc. Truck Sales, hereby expressly disclaims all warranties either expressed or implied, including any implied warranty of merchantability or fitness for a particular purpose, and Opperman & Son, Inc. Truck sales neither assumes or authorizes any other person to assume for it any liability in connection with the sale of the vehicle.

BUYER ACKNOWLEDGES THEY HAVE CAREFULLY READ, UNDERSTAND AND AGREE TO THE ABOVE SALES ORDER TERMS AND CONDITIONS.

Purchaser		
X		
Signature	Title	Date

Retail Purchase Order

QUOTE
 CONTRACT

Tulare, CA
 Ukiah, CA
 Fairfield, CA
 Santa Rosa, CA



Quality People Quality Products®
 www.Garton-Tractor.com

Turlock, CA
 Newman, CA
 Stockton, CA
 Modesto, CA

211 Cresco Ct.
 Santa Rosa, CA 95407
 Office (707) 586-1790
 Fax (707) 586-1745

Buyer: _____ Date: 10/25/2016
 Address: _____ City, State: _____ Zip: _____
 Invoice No. _____ Date: _____ Phone #: _____ Email _____ Sales Tax District: Sonoma

New/Used	Make	Model	Serial #	Stock #	Description	Amount
NEW	TRAILMAX	T16UT4+16	SUCPT272XGA002674	A74560	2016 TrailMax T-16-UT (4+16)	\$11,921.65
					FREIGHT	
					SETUP/ASSEMBLY	\$184.00
					DELIVERY, FOB GARTON TRACTOR, SANTA ROSA	
					GARTON TRACTOR DISCOUNT	-\$650.00
					KUBOTA PROGRAMS	
					KUBOTA TARGET MARKETING	

FINANCE SCENARIO		LEASE SCENARIO		Notes:	Freight & Handling:
<input checked="" type="radio"/> MONTHLY	<input type="radio"/> ANNUALLY	<input checked="" type="radio"/> MONTHLY	<input type="radio"/> ANNUALLY	+ \$552/delivery \$13,053.74 ←	Subtotal: \$11,455.65
TERM IN MONTHS: 60	APR: 0%	CHART #:	TERM IN YEARS:		Tax Rate: 8.250% \$945.05
PAYMENT: n/a	LEASE PAYMENT (before tax): n/a	PURCHASE OPTION:			Calif. Tire Tax: \$7.00
					DMV FEE \$94.00
					insurance:
					Extended Coverage
					Total Delivered Price \$12,501.74

TRADE-INS: Buyer Certifies Below Trade-Ins to be free of encumbrances except as noted. Trade-in's must be turned in no later than 5 days after delivery of purchased equipment.

Year	Make	Model	Serial #	Stock #	Description	Trade-In	Trade-In Allowance
							Less Cash Down Payment *
							Total Down Payment
Trade-In Allowance		Amount Owing		Net Trade-In:		Amount Financed or Due upon Delivery: \$12,501.74	

When operated in California, any off-road diesel vehicle may be subject to the California Air Resources Board In-Use Off-Road Diesel Vehicle Regulation. It therefore could be subjected to retrofit or accelerated turnover requirements to reduce emissions of air pollutants. For more information, please visit the California Air Resources Board website at <http://www.arb.ca.gov/msprog/ordiesel/ordiesel.htm>

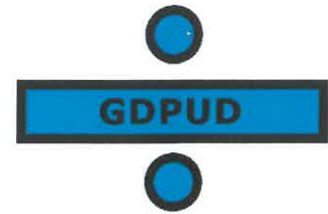
- SAFETY OR OPERATION/MAINTENANCE PROCEDURES: BUYER acknowledges receipt of the operators manual for the above equipment and understands safety in operation and maintenance procedures. NO MANUALS
- ROPS REFUSAL: BUYER has knowingly and voluntarily refused to purchase rollover protection structure after DEALER discussed with BUYER its importance and availability.
- SOLD USED AS-IS: NO Warranty of any kind has been expressed or implied by the dealer or his agent.
- SOLD WITH MANUFACTURER BASE WARRANTY* Start: _____ End: _____ Hour Limit: _____
- SOLD WITH MANUFACTURER POWERTRAIN WARRANTY*: Start: _____ End: _____ Hour Limit: _____
- SOLD WITH EXTENDED COVERAGE PER ATTACHED PROVISIONS: Coverage Type: _____ Deductible: _____ Start: _____ End: _____ Hour Limit: _____

ALL DEALER WARRANTY REPAIRS MADE UNDER THIS AGREEMENT MUST BE MADE IN DEALER'S SHOP AND BUYER IS RESPONSIBLE FOR ALL TRANSPORTATION COSTS INCLUDING PICKUP AND DELIVERY TO THE DEALERSHIP AND FIELD SERVICE CHARGES. THE WARRANTY DOES NOT INCLUDE ANY "LOANER" OR EQUIPMENT AT NO CHARGE DURING THE WARRANTY PERIOD. NO WARRANTY IS GIVEN BY THE DEALER FOR TIRES, BATTERIES, OR ACCESSORIES, AND THE BUYER IS FULLY RESPONSIBLE FOR REPAIRS NECESSITATED BY ACCIDENT, MISUSE OR NEGLIGENCE. THE WARRANTY IS NOT TRANSFERABLE. BUYER ACKNOWLEDGES RECEIPT OF THE MANUFACTURER'S WARRANTY INFORMATION. THE BUYER IS RESPONSIBLE FOR INSURANCE ON THE PURCHASED PRODUCTS *SPECIAL ORDER DOWN PAYMENTS ARE NOT REFUNDABLE.

I hereby agree to the conditions of this order expressed in the foregoing, constituting a purchase order contract. I hereby certify that I am 18 years or older and acknowledge receipt of a copy of this order. In order to secure buyer's obligations under this Agreement and any extension, renewal or modification thereof, buyer hereby grants to Dealer a security interest in all of the goods described herein, and all accessories and additions thereto and all proceeds thereof.

Buyer's Signature _____ Date _____
 THIS ORDER IS VALID ONLY WHEN SIGNED AND ACCEPTED BY THE DEALER
 Salesperson: WILL JENKEL, WJENKEL@GARTON-TRACTOR.COM, CELL (707) 494-0824 ACCEPTED BY _____
 (Dealer's Signature)

Thank You for your Business!



Memo

To: Board of Directors
From: Darrell Creeks, Interim General Manager
Date: October 26, 2016
SUBJECT: **RESOLUTION 2016-15, REAPPOINTMENT OF RICK GILLESPIE TO FINANCE COMMITTEE**
Board Meeting of November 8, 2016; **Agenda Item # 4C**

BACKGROUND / DISCUSSION

At its regular meeting of October 11, 2016, the Board considered the status of the Finance Committee. It was confirmed that the current active members include Dennis Goodenow, Donna Bruss, and Dane Wadle.

It has been confirmed that Rick Gillespie, whose term expired on June 30, 2016, is interested in continuing to serve on the Finance Committee until a new member is appointed to fill the current vacancy.

RECOMMENDATION

It is Staff's recommendation to adopt Resolution 2016-15, reappointing Rick Gillespie to the Finance Committee.

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

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

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

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

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

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

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

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

NOES:

ABSENT:

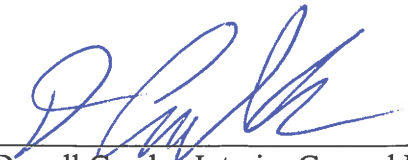


Norman Krizl, President

Board of Directors

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:

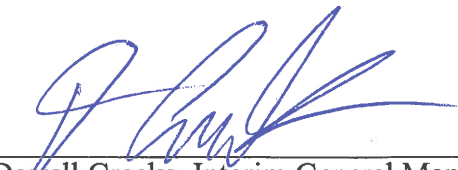


Darrell Creeks, Interim General Manager,
Clerk and ex officio
Secretary, Board of Directors
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Date: 11/16/16

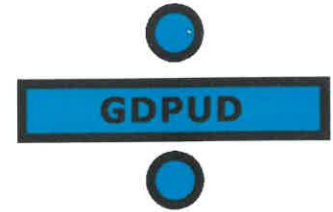
CERTIFICATION

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



Darrell Creeks, Interim General Manager
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Date: 11/16/16



Memo

To: Board of Directors
From: Darrell Creeks, Interim General Manager
Date: November 1, 2016
SUBJECT: **PILOT CREEK STREAM GAGING MAINTENANCE AND SWRCB
WATER USAGE REPORTING COST ESTIMATE – CONTRACT WITH
ECORP**

Board Meeting of November 8, 2016; **Agenda Item #4D**

BACKGROUND / DISCUSSION

The District has contracted with ECORP Consultants to maintain, monitor, and prepare monthly reports of flow and diversion data at the District's three Pilot Creek gages; as well as perform the State Water Resources Control Board water usage reporting on behalf of the District. The professional services agreement for the three-year period beginning October 1, 2013, expired on September 30, 2016.

ECORP Consulting, Inc., has submitted the attached proposal to renew the agreement for another three-year period, beginning October 1, 2016, and ending September 30, 2019.

RECOMMENDATION

Staff recommends that the Board authorize the Interim General Manager to execute a contract with ECORP Consultants to continue to provide stream gaging maintenance and SWRB water usage reporting for the District.



October 28, 2016

Georgetown Divide Public Utility District
Darrell Creeks, Interim General Manager
P.O. Box 4240
Georgetown, CA 95634

Subject: Pilot Creek Stream Gaging Maintenance and SWRCB Water Usage Reporting Cost Estimate

Dear Mr. Creeks:

ECORP Consulting in conjunction with Western Hydrologic Systems is pleased to present this proposal to maintain, monitor, and prepare monthly reports of flow and diversion data collected by the District's three Pilot Creek gages. In addition, ECORP Consulting will perform the State Water Resources Control Board (SWRCB) Water Usage Reporting on behalf of the District.

Pilot Creek Gaging Maintenance, Monitoring and Reporting

The monitoring program includes visiting the gages to collect data and perform routine maintenance at least once per month. Gage maintenance visits will include field measurements using USGS-approved Price AA or Pygmy current meters. The purpose of these visits is to continue to verify rating curves and identify shifts in the stream reach control. During the visits, a hydrographer will also conduct gage equipment checks, make any necessary repairs and collect the data. Occasionally, replacement of batteries or gaging equipment due to failure or vandalism will be necessary. Although the purchase of equipment is outside the scope of this proposal, removal and replacement of the damaged equipment can generally be done during routine maintenance trips at no additional charge.

Due to the remote locations of these gages and varying weather conditions, several modes of transportation will be used to access these sites throughout the year. Access may be achieved by All Terrain Vehicle (ATV), snowmobile, and truck. Daily equipment rental fees are provided in the attached rate sheet.

Once the water surface elevation data have been collected, the data will be reviewed for completeness and estimated wherever missing. Using the rating curves, the water surface elevation data will be converted to flow data, reported to GDPUD staff and archived. In addition, this data will be used for annual water rights usage reporting to the State Water Resources Control Board.

Water Year 2016 Maintenance, monitoring and reporting	\$23,100
--------------------------------------------------------------	-----------------

Billing will be done on a quarterly water year basis. A water year begins October 1 and concludes on September 30. Monthly billings for Water Year 2017 are estimated to be **\$1,925**.

An annual allowance of **\$1,500** for equipment replacement and associated labor costs shall be included in the proposal, and shall only be utilized for this purpose as required for continued operation upon prior approval from the District.

SWRCB Annual Water Usage Reporting

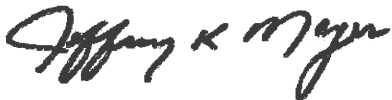
As indicated in the California Code of Regulations title 23, section 847, the SWRCB requires annual reporting of water diversion and use under permits each calendar year. New for 2016 reporting is a requirement to report water use under Permitted and Licensed rights by April 1, 2017. Statements for Pre-1914 rights are still due by July 1, 2017. Because the District uses both Pre-1914 rights and Permitted rights to meet consumptive needs, analysis of all rights will need to be completed before April 1. Notices to Water Right Permittees are sent each year near the end of January to notify the permittees about which permits need to be reported. Each notice contains a unique User ID and Password used to access the State Board website for online reporting. The District will need to provide the notices to ECORP so that the SWRCB website for each water right can be accessed.

Water Year 2016 SWRCB Annual Water Usage Reporting	\$4,400
-----------------------------------------------------------	----------------

ECORP proposes to perform the work for a three-year period beginning October 1, 2016 (Water Year 2017). For years two and three of this proposed contract period, on October 1 of each year, the cost of monitoring, maintenance and reporting will be adjusted by the percentage change in the Employment Cost Index for Total Compensation (seasonally adjusted) – Private Industries, Natural Resources – Construction and Monitoring from June of the prior year to June of the current year. The adjustment effective October 1, 2017 will be found by multiplying the Water Year 2017 costs by the June 2018 ECI and dividing by the June 2017 ECI. Subsequent annual adjustments will be calculated in a similar manner with the appropriate costs and indices.

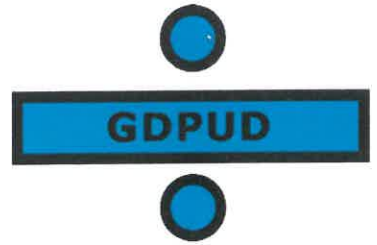
ECORP Consulting appreciates the opportunity to provide this cost estimate. Estimates are based on the Rate Schedule for Professional Services, attached. If you have any questions, please contact me at (916) 782-9100.

Sincerely,



Jeffrey K. Meyer, P.E.
Director, Water Resources Management

Attachment(s): Rate Schedule for Professional Services



Memo

To: Board of Directors
From: Darrell Creeks, Interim General Manager
Date: November 1, 2016
Re: **ADOPTION OF RESOLUTION 2016-16 – REVISIONS TO CURRENT ORGANIZATIONAL CHART**

Board Meeting of November 8, 2016; **Agenda Item #05**

BACKGROUND / DISCUSSION

Resolution 2016-16 relates to proposed changes in the current configuration of the Organizational Chart. These proposed changes would affect the orientation of Legal Counsel and the deletion of the Maintenance lead position.

Legal Counsel: Under the current Organizational Chart, adopted in 2012, Legal Counsel reports directly to the Board of Directors. Under the proposed change, Legal Counsel would report directly to the General Manager. This proposed change is consistent with the configuration, in place for many years, prior to the implementation of the 2012 version. Under this proposed change, the Board would retain full access to the professional services provided by Counsel, while involving the General Manager.

It is the responsibility of the General Manager to implement the policies and procedures adopted by the Board. Key to the position of General Manager would be the management of the resources, identified in the budget as professional services contracts, as put in place by the Board. This would be best accomplished with Legal Counsel reporting directly to the General Manager.

Maintenance Lead: Under the current Organizational Chart, the Distribution Operators and Canal Operators each report to separate Lead Supervisors that in turn receive direction from the Operations Manager. Under the proposed change, one Lead Supervisor position would be eliminated (Maintenance Lead) and one position would be added as Canal Operator. The entire work force under the Distribution Operators and the Canal Operators would report directly to the Distribution Lead. These changes will allow the Distribution Lead to better utilize the resources of both manpower and equipment to meet the varied needs in the field. This proposed change has been shared with Local 39 and was met with no resistance.

RECOMMENDATION

Staff recommends that the Board adopt Resolution 2016-16 which will result in changes to the current Organizational Chart.

RESOLUTION NO. 2016-16
OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
IMPLEMENTING AN ORGANIZATIONAL CHART

WHEREAS, the Georgetown Divide Public Utility District (“District”) has prepared an Organizational Chart for the employees of the District; and

WHEREAS, the Organizational Chart will clarify for the Board of Directors, the public, and District employees the organizational structure of the District; and

WHEREAS, the organizational chart will provide the General Manager with the clear authority to manage the District for which he/she has responsibility and accountability;

WHEREAS, the organizational chart will provide employees with a clear path for reporting to the appropriate supervisor, superintendent, or manager; and

WHEREAS, notwithstanding the organizational chart, the employees of the District will continue to recognize that due to the size of the District and the limited number of employees, District employees are required on occasion to perform duties that may be in addition to their regular assignments or that might be considered working out of class; and

WHEREAS, the District employees recognize that duties performed during the regular work day that are in addition to their regular assignments are to be performed without additional pay or compensation; and

WHEREAS, the establishment of classification and job descriptions does not preclude the District from assigning additional duties as necessary for the effective operation of the District.

NOW, THEREFORE, BE IT RESOLVED that the **Board of Directors of the Georgetown Divide Public Utility District** hereby adopts the Organizational Chart, attached hereto.

PASSED AND ADOPTED on this 8th day of November, 2016.

AYES: Directors Capraun, Hanschild, Hoelscher, Uso

NOES: Director Krizl

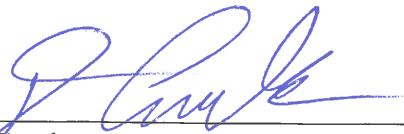
ABSENT:



Norman Krizl, President
Board of Directors

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:



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

Date: 11/16/16

CERTIFICATION

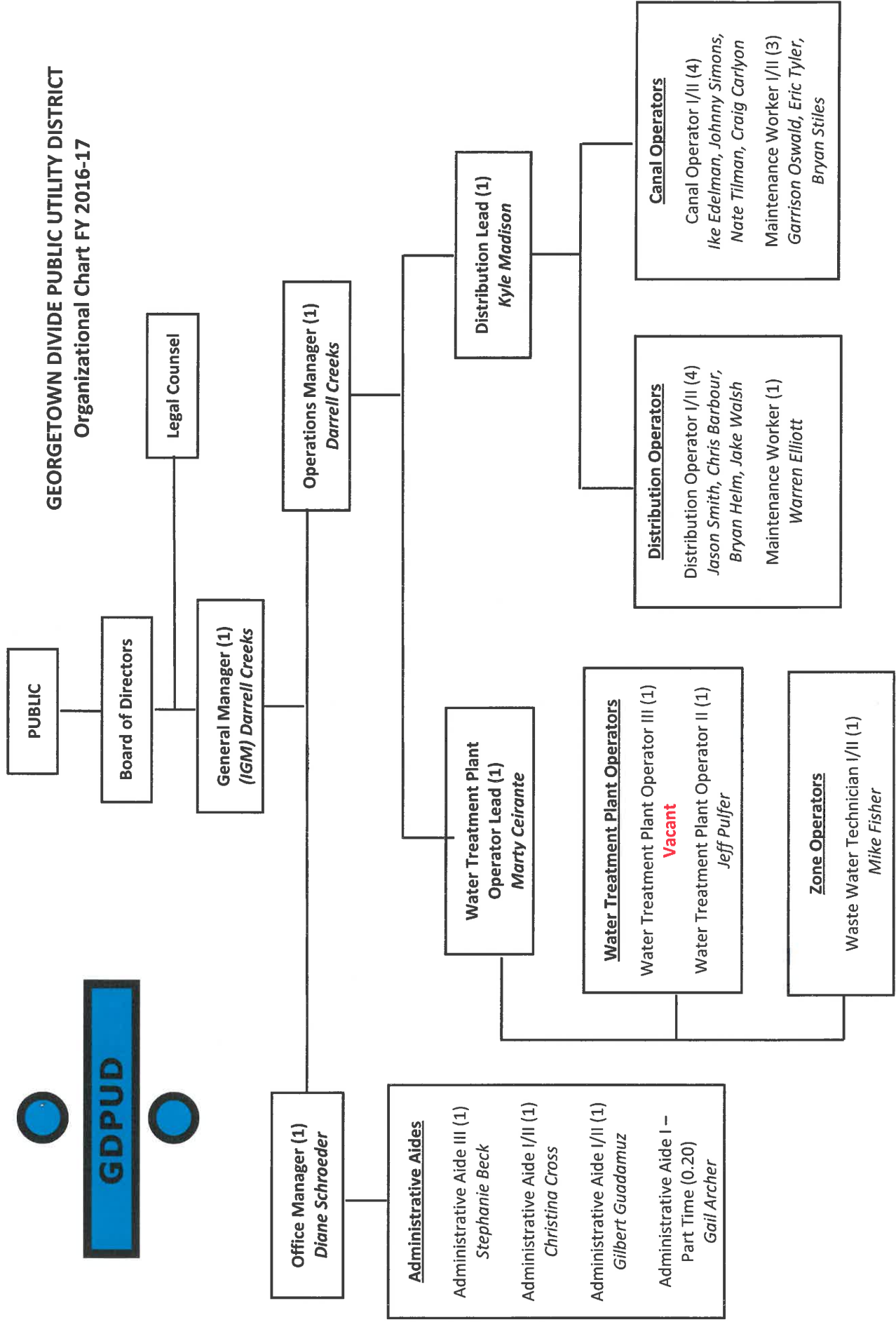
I hereby certify that the foregoing is a full, true and correct copy of Resolution 2015-10 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 8th day of November 2015.

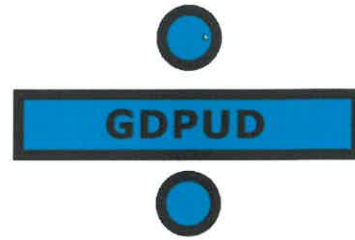


Darrell Creeks, Interim General Manager
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Date: 11/16/16

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Organizational Chart FY 2016-17





Memo

To: Board of Directors

From: Diane Schroeder, Office Manager

Date: November 1, 2016

Re: **MONTHLY FINANCIAL REPORTS AND REQUEST FOR PURCHASE OF ACCOUNTING SOFTWARE**

Board Meeting of November 8, 2016; **Agenda Item #06**

BACKGROUND / DISCUSSION

A. Financial Reports

Discussion - The following financial reports are submitted to the Board:

- 1) Early Pay Accounts Payable for November 2016
- 2) Revenue and Expense Summary (07/01/2016-09/30/2016)
- 3) Balance Sheet, September 2016
- 4) Statement of Cash and Investment Balances, September 2016
- 5) ALT Zone and CDS Summary (07/01/2016-09/30/2016)

Recommended Action – Staff recommends approval of financial reports.

B. Request for Approval of Purchase of Additional Accounting Software

Discussion – Staff presented this request at the regular Board meeting of October 11, 2016. The Board requested that Staff bring this matter back with additional information regarding the compatibility of MOM to the meter reading software that will come with the new meters.

Staff has researched the issue of software compatibility and has found that the MOM software is compatible with numerous meter reading software. Staff has contacted three water agencies that are satisfied with the billing and reports they receive from MOM.

Please see attached Request for Approval of Purchase form.

Possible Board Action – Staff recommends that the Board consider the additional information provided and approve the purchase of the three modules plus training from CORBIN WILLITS SYSTEMS, INC., in the amount of \$7,270 from fund accounts identified by Staff.

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

Memo

To: Board of Directors
From: Christina Cross, Administrative Aide
Date: November 8, 2016
Re: Final Pay Accounts Payable for November 2016

Please take note that checks have been printed and mailed prior to November 8, 2016 for the following vendors to take advantage of early payment discounts or to comply with payment deadline.

AARP	PG&E
Anthem Blue Cross	Pape
AT&T	Power-net Global
Bear Creek Quarry	Premier Access Dental
Blue Shield of CA	Pro Line Cleaning
Caltronics	Robinson Enterprise
CCS Interactive	Santander
CLS	Sierra Heavy Equipment
Corbin Willits	Sunstate Equipment Co
De Lage Landen	United Health Care
Ecorp	Verizon Wireless
EN2	Walton Lake SRF
Ferguson	Eric Tyler
Ferrellgas	
Gold Country Business Forms	
Holt of CA	
Home Depot	
Legal Shield	
Medical Eye Services	
Occu-Med	

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Accounts Payable -- November 2016 Final Pay

Name Description	Amount	Account	Amount
All Cycles	\$18.50	5138	\$18.50
ARC	\$205.66	1553	\$205.66
AT&T-Monthly Service	\$808.54	5344	\$229.97
		5544	\$218.34
		5644	\$192.14
		6744	\$100.49
		30-1226	\$67.60
Bear Creek Quarry	\$2,841.94	5138	\$1,798.12
		5238	\$1,043.82
California Diesel & Power	\$1,286.74	5346	\$1,286.74
California Laboratory Services	\$1,652.14	5384	\$983.18
		6784	\$668.96
Caltronics-Copier contract-copy charges	\$679.66	5640	\$679.66
CCS Interactive	\$69.00	5640	\$69.00
Churchwell White	\$13,194.34	40-6736	\$5,890.00
		5636-012	\$890.00
		5636-010	\$2,101.84
		1553	\$195.00
		5636-015	\$602.50
		5636	\$3,455.00
		5627	\$60.00
Corbin Willits Service	\$553.20	5546	\$276.60
		5646	\$276.60
Customer Refund	\$74.20	2010	\$74.20
De Lang-Copier Lease 10/1/16-10/31/16	\$237.72	5640	\$237.72
De Lang-Formax Machine Lease 10/1/16-10/31/16	\$186.04	5640	\$186.04
Director Payments:	\$2,000.00		
Capraun, Maria		5670	\$400.00
Hanschid, Jesse-July Stipend		5670	\$400.00
Hoelscher, Carl-July Stipend		5670	\$400.00
Krizl, Norm-July Stipend		5670	\$400.00
Uso, Lon-July Stipend		5670	\$400.00
Divide Auto Parts	\$702.74	5138	\$110.72
		5238	\$319.11
		5338	\$90.51
		5438	\$127.85
		5638	\$17.18
		6738	\$37.37
Divide Supply, Inc	\$495.03	5138	\$80.61
		5238	\$68.97
		5338	\$168.10
		5438	\$145.13
		40-6739	\$32.22
Ecorp Consulting, Inc	\$1,790.08	5128	\$1,790.08
El Dorado Disposal	\$310.74	5344	\$207.16

		5644	\$103.58
EN2 Resources, Inc	\$17,259.50	1650	\$17,259.50
Ferguson	\$6,528.96	5439	\$6,528.96
Ferrellgas	\$135.78	5644	\$135.78
George Sanders	\$6,400.00	1553	\$2,360.00
		09-1650	\$960.00
		5380	\$560.00
		5680-010	\$2,520.00
Georgetown Ace Hardware	\$87.84	5138	\$15.45
		5238	\$53.05
		5438	\$19.34
Gold Country Business Forms	\$230.27	5540	\$230.27
Holt of CA	\$386.59	5238	\$325.27
		5448	\$61.32
Home Depot	\$523.14	5338	\$466.29
		5339	\$56.85
HR Direct	\$173.18	5240	\$43.30
		5440	\$43.30
		5640	\$43.28
		40-6740	\$43.30
K&W Backflow	\$12,000.00	5384	\$12,000.00
Legalshield	\$170.05	5190	\$8.95
		5290	\$35.80
		5390	\$8.95
		5490	\$17.90
		5590	\$17.90
		5690	\$35.80
		5690-010	\$26.85
		6790	\$17.90
Medical Eye Services September 2016	\$271.70	5118	\$9.37
		5218	\$37.48
		5318	\$9.37
		5418	\$61.83
		5518	\$18.74
		5618	\$116.17
		6718	\$18.74
MJT Enterprises, Inc-Temporary Labor	\$5,244.23	5511	\$3,463.43
		5611-010	\$1,780.80
Mobile Mini	\$184.82	5639	\$184.82
Occu-Med	\$749.00	5190	\$290.00
		5290	\$290.00
		5690	\$169.00
Pacific Corrugated Pipe Co	\$2,713.60	5238	\$2,713.60
PG&E-Utilities Electric	\$15,246.66	5344	\$13,723.34
		5444	\$415.73
		5644	\$650.20
		6744	\$457.39
Pape	\$4,585.50	5139	\$4,585.50
Powernet	\$150.42	5644	\$150.42

Premier Access Dental August 2016	\$2,328.92	5118	\$362.50
		5218	\$167.34
		5318	\$55.78
		5418	\$362.50
		5518	\$111.56
		5618	\$1,157.68
		6718	\$111.56
Proline Cleaning Services, Inc	\$250.00	5676	\$250.00
River City Rentals	\$3,450.00	5139	\$3,450.00
Robinson Enterprise-Gasoline & Diesel	\$3,733.34	5148	\$303.26
		5248	\$823.40
		5348	\$462.70
		5448	\$1,872.90
		6748	\$271.08
Rocklin Hydraulics	\$435.31	5146	\$145.10
		5246	\$145.10
		5446	\$145.11
Santander	\$1,230.88	2113	\$164.28
		5610	\$1,066.60
Sierra Chemical	\$3,804.40	5338	\$3,804.40
Sierra Heavy Equipment Repair	\$1,360.00	5146	\$120.00
		5246	\$1,120.00
		5446	\$120.00
Siren & Associates	\$4,001.50	5180	\$2,625.00
		5680	\$1,061.50
		40-6780	\$315.00
State Water Resource Control Board	\$6,919.52	5384	\$6,919.52
Sunstate Equipment Company	\$2,141.65	5239	\$1,286.29
		5238	\$855.36
Eric Tyler	\$90.14	5238	\$90.14
Verizon Wireless	\$517.32	5344	\$98.36
		5444	\$160.74
		5644	\$160.74
		6744	\$97.48
Wells Farge SRF	\$2,296.95	29-1115	\$2,296.95
Total General Fund	\$132,707.44		\$132,707.44

RETIREE FUND			
AARP Medicare Rx - September 2016	\$31.00	12-1157	\$31.00
Blue Shield of CA-J. Leu 11/1/16-1/31/17	\$1,431.00	12-5668	\$1,431.00
Anthem Blue Cross-Retiree Insurance Prem. 11/1/16-12/1/16	\$1,879.95	12-1157	\$1,879.95
Blue Shield of CA - J St Dennis November 2016	\$169.00	12-5668	\$169.00
Blue Shield of CA - M. Davis 06/01-08/31/16		12-1157	
Unitedhealthcare Ins - Prepay for D Schwagel, Sept	\$142.25	12-5668	\$142.25
Total Retiree Fund	\$3,653.20	Fund #12	\$3,653.20

Harris Industrial Gases	\$525.80	5138-112	\$525.80
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Grainger	\$2,778.35	5139	\$2,778.35
Pape	\$64,500.00	1414	\$64,500.00
Capital Reserve Fund		Fund #43	

TOTAL ALL FUNDS IN GENERAL ACCOUNT	\$204,164.79		\$204,164.79
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Approved for Payment:

Treasurer

General Manager

Georgetown Divide PUD
 Month End Cash Disbursements Report
 Report for 10-16 BANK ACCOUNT 1000

CTL.: GEO

Period	Check Num	Check Date	Vendor # (Name)	Net Amount
16-Oct	27124	10/5/2016	HOE01 (CARL HOELSCHER)	369.4
	27125	10/11/2016	ACW01 (ACWA/JPIA)	17,910.00
	27126	10/11/2016	ACW05 (ACWA/JPIA HEALTH)	29,700.44
	27127	10/11/2016	ADT01 (ADT SECURITY SERVICES)	182.33
	27128	10/11/2016	ALL01 (ALLEN KRAUSE)	123.88
	27129	10/11/2016	BAR07 (BARBOUR, CHRIS)	200
	27130	10/11/2016	BJP01 (BJ PEST CONTROL)	300
	27131	10/11/2016	CAR08 (CSI)	59
	27132	10/11/2016	CAR09 (CARNAHAN COMPUTER SERVICE)	2,000.00
	27133	10/11/2016	CCS01 (CCSINTERACTIVE)	69
	27134	10/11/2016	CHU02 (CHURCHWELL WHITE, LLP)	8,823.52
	27135	10/11/2016	DIA02 (DIAMOND WELL DRILLING COMPANY, INC)	440
	27136	10/11/2016	DIV05 (PLACERVILLE AUTO PARTS, INC)	1,269.77
	27137	10/11/2016	ECO01 (ECORP CONSULTING, INC.)	1,690.08
	27138	10/11/2016	ELD16 (EL DORADO DISPOSAL)	310.74
	27139	10/11/2016	FER02 (FERGUSON ENTERPRISES INC)	2,975.82
	27140	10/11/2016	GAR02 (GARDEN VALLEY FEED & HDW.)	127.1
	27141	10/11/2016	GEM01 (GEMPLER'S, INC.)	867.95
	27142	10/11/2016	GEO01 (GEORGETOWN ACE HDW)	473.42
	27143	10/11/2016	GEO03 (DIANE SCHROEDER)	172.73
	27144	10/11/2016	GEO04 (DIVIDE SUPPLY INC.)	598.04
	27145	10/11/2016	GEO12 (GEORGE SANDERS)	6,720.00
	27146	10/11/2016	GLO02 (GLOBAL MACHINERY)	3,482.76
	27147	10/11/2016	GOO01 (THE GOODYEAR TIRE & RUBBER COMPANY)	589.61
	27148	10/11/2016	GRA01 (GRAINGER, INC.)	645.65
	27149	10/11/2016	ICM02 (ICMA-R.T.-457 (ee))	738.67
	27150	10/11/2016	JBB01 (JB BOSTICK)	9,865.00
	27151	10/11/2016	MAR06 (MARCUMS EQUIPMENT & AUTO REPAIR)	1,680.00
	27152	10/11/2016	MJT01 (MJT ENTERPRISES, INC.)	2,624.88
	27153	10/11/2016	MOB01 (MOBILE MINI, LLC-CA)	184.82
	27154	10/11/2016	NAT04 (NATIONAL DOCUMENT)	927.37
	27155	10/11/2016	PAC02 (PACIFIC GAS & ELECTRIC)	15,040.56
	27156	10/11/2016	PAC05 (PACIFIC CORRUGATED PIPE)	8,145.62
	27157	10/11/2016	VOID (Reversed Check)	0
	27158	10/11/2016	RAL02 (RALPH ANDERSON & ASSOCIATES)	6,250.00
	27159	10/11/2016	ROB02 (ROBINSON ENTERPRISES)	1,603.96
	27160	10/11/2016	ROC01 (ROCKLIN HYDRAULICS)	126.33
	27161	10/11/2016	ROC02 (KENNETH D. WELSH)	555
	27162	10/11/2016	SCH07 (DIANE SCHROEDER)	38.77
	27163	10/11/2016	SIR01 (REBECCA SIREN)	3,465.00
	27164	10/11/2016	USB05 (U.S. BANK CORPORATE PAYMENT SYSTEM)	1,259.62

27165	10/11/2016	VAU01 (VAUGHN JOHNSON)	5,700.00
27166	10/11/2016	WAL02 (WALKER'S OFFICE SUPPLY)	232.02
27167	10/11/2016	WHI02 (WHITE CAP CONST. SUPPLY)	1,080.43
27168	10/11/2016	\S015 (SHOUSE, JOANNE)	64.52
27169	10/11/2016	\S016 (STILES, MICHAEL)	11.59
27170	10/11/2016	\W005 (WILLIAMS, HAROLD)	87.86
27171	10/11/2016	CAL18 (California State Disbursement Unit)	366.92
27172	10/11/2016	IUO01 (IUOE, LOCAL 39)	338.68
27173	10/11/2016	IUO01 (IUOE, LOCAL 39)	11.88
27174	10/11/2016	IUO02 (PEU LOCAL #1)	147.23
27175	10/11/2016	PER01 (P.E.R.S)	8,327.56
27176	10/11/2016	PER01 (P.E.R.S)	34,049.53
27179	10/25/2016	AFL01 (AMERICAN FAMILY LIFE INS)	1,117.98
27180	10/25/2016	CAL18 (California State Disbursement Unit)	366.92
27181	10/25/2016	ICM02 (ICMA-R.T.-457 (ee))	738.67
27182	10/25/2016	IUO01 (IUOE, LOCAL 39)	338.68
27183	10/25/2016	PER01 (P.E.R.S)	8,815.55
27184	10/25/2016	IUO02 (PEU LOCAL #1)	124.73
27185	10/25/2016	AAR01 (AARP MEDICARERX SAVER PLUS, PDP)	31
27186	10/25/2016	ATT02 (AT&T)	808.54
27187	10/25/2016	BEA01 (BUTTE EQUIPMENT RENTALS)	2,841.94
27188	10/25/2016	BLU01 (ANTHEM BLUE CROSS)	1,879.95
27189	10/25/2016	BLU07 (BLUE SHIELD OF CALIFORNIA)	1,431.00
27190	10/25/2016	CAL16 (CALTRONICS BUSINESS SYSTEMS CORP.)	679.66
27191	10/25/2016	CCS01 (CCSINTERACTIVE)	69
27192	10/25/2016	CLS01 (CLS LABS)	1,652.14
27193	10/25/2016	CWS01 (CORBIN WILLITS SYS. INC.)	553.2
27194	10/25/2016	DELO5 (DELAGE LANDEN, INC)	423.76
27195	10/25/2016	ECO01 (ECORP CONSULTING, INC.)	1,790.08
27196	10/25/2016	EN201 (EN2 RESOURCES, INC)	17,259.50
27197	10/25/2016	FER01 (FERRELLGAS)	135.78
27198	10/25/2016	FER02 (FERGUSON ENTERPRISES INC)	6,528.96
27199	10/25/2016	GOL01 (BEVERLY HOWARD)	230.27
27200	10/25/2016	HOL03 (HOLT OF CALIFORNIA)	386.59
27201	10/25/2016	HOM01 (HOME DEPOT CREDIT SERVICE)	523.14
27202	10/25/2016	LEG01 (LEGALSHEILD)	170.05
27203	10/25/2016	MED01 (MEDICAL EYE SERVICES)	271.7
27204	10/25/2016	OCC01 (OCCU-MED, LTD)	749
27205	10/25/2016	PAC02 (PACIFIC GAS & ELECTRIC)	1,523.32
27206	10/25/2016	PAP02 (PAPE' MATERIAL HANDLING)	69,085.50
27207	10/25/2016	POW01 (POWERNET GLOBAL COMM.)	150.42
27208	10/25/2016	PRE01 (PREMIER ACCESS INS CO)	2,328.92
27209	10/25/2016	PRO04 (PAUL FUNK)	250
27210	10/25/2016	ROB02 (ROBINSON ENTERPRISES)	2,035.08
27211	10/25/2016	SAN02 (Santander Leasing)	1,230.88
27212	10/25/2016	SIE12 (MICHAEL S. SALLAC)	1,360.00
27213	10/25/2016	SST01 (SUNSTATE Equipment Co.)	1,286.29

27214	10/25/2016 TYL01 (ERIC TYLER)	90.14
27215	10/25/2016 UNI06 (UNITEDHEALTHCARE INSURANCE CO)	142.25
27216	10/25/2016 VER01 (VERIZON WIRELESS)	517.32
27217	10/25/2016 WEL02 (WELLS FARGO BANK, NA)	2,296.95
27218	10/25/2016 BLU04 (BLUE SHIELD OF CALIFORNIA)	169

Total for Bank Account 1000 ----->

315,408.92

Grand Total of all Bank Accounts ----->

315,408.92

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GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Revenue Summary*

For the Months between

07/01/2016-09/30/2016

REVENUE CATEGORY	Budget 16-17	To Date	Balance	% of Budget	Notes
		07/01/2016-09/30/2016		Earned	
Rev. Dec 2015					
Operating Revenue:					
Residential Sales	\$1,285,000	437,930	847,070	34.08%	A
Commercial Sales	185,000	107,798	77,202	58.27%	A
Irrigation Sales	225,000	135,655	89,345	60.29%	B
Wastewater	344,000	83,453	260,547	24.26%	C
CA Waste Fee					
Zone Charges					
Zone Escrow Fees					
Septic Design Fees					
Soil Evaluations/Loans					
Penalties	37,000	7,406	29,594	20.02%	D
Other		5,120	(5,120)		E
Connection Fees					
Installation Fees					
Material Sales					
Other (primarily photo copies)					
Water Fund Material/Labor					
Total Operating Revenue	\$2,076,000	777,361	1,298,639	37.45%	
Non-Operating Revenue:					
Property Taxes-General	\$1,460,000	364,687	1,095,313	24.98%	F
SMUD	\$105,000				
Restricted Benefit Charge		30,200	(30,200)		G
Pipeline		2,400			
Storage		0			
Capital Facility Charge		27,800			
CDS Res. Expansion Fees		0			
Interest Income	40,000	13,543	26,457	33.86%	H
Other:					
Water Agency Cost Share	45,000	0	45,000	0.00%	
Leases	70,000	13,637	56,363	19.48%	
Hydro	60,000	25,842	34,158	43.07%	
Other (EPA Grant Reimbursement)	1,587,847	4,377	1,583,470	0.28%	
Total Nonoperating Revenue	\$3,367,847	482,486	\$2,810,561	14.33%	
Total Revenue Before Transfers In	\$5,443,847	1,259,847	4,109,200	23.14%	
Transfers In	268,000		268,000	-	
Total Revenue After Transfers In	\$5,711,847	1,259,847	4,377,200	22.06%	

NOTES:

- A - Revenue accrued through 30-Sep-16
- B - Represents irrigation revenue through 30-Sep-16
- C - Revenue of 30-Sep-16
- D - Penalties for 30-Sep-16
- E - Primarily connection and installation fees

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

Expense Summary*

For the Months Between: 07/01/2016 - 09/30/2016

Acct#	EXPENSE CATEGORY	Revised	To Date	Balance	% of Budget
		Budget	07/01/2016 -		Spent
		2016-2017	09/30/2016		
Operating Expenses:					
5010	Labor	1,153,108	285,216	867,892	25%
5019	Overtime	64,000	21,974	42,026	34%
5017	Standby	55,500	18,260	37,240	33%
5011	Temporary Labor	94,000	22,930	71,070	24%
5014	PERS Benefits	117,592	33,126	84,466	28%
5015	Deferred Compensation	0	0	0	-
5016	Payroll Taxes	106,633	28,456	78,177	27%
5018/5071	Insurance: Health & Life Plans	271,950	68,469	203,481	25%
5020	Insurance: Worker's Comp.	94,069	31,927	62,142	34%
5027	Audit	22,000	0	22,000	0%
5028	Engineering-Studies, including Ecorp.	0	4,064	(4,064)	
5034	Insurance: General	67,695	15,912	51,783	24%
5036	Legal--General	121,000	14,514	106,486	12%
5038	Materials and Supplies	183,650	59,016	124,634	32%
5039	Rentals/ Outsourced Maintenance	27,200	18,109	9,091	67%
5040	Office Supplies	48,000	11,309	36,691	24%
5041	Staff Development	10,500	396	10,104	4%
5042	Travel--Conference	15,000	45	14,955	-
5044	Utilities	198,308	59,987	138,321	30%
5046	Vehicle & Equipment Maintenance	51,000	18,661	32,339	37%
5048	Vehicle Operations	50,200	11,196	39,004	22%
5060	Bank Fees & Payroll Services	5,000	1,441	3,559	29%
5068	Retiree Health Premiums	132,000	43,072	88,928	33%
5070	Director Stipends	24,000	6,000	18,000	25%
5076	Building Maintenance	9,500	1,050	8,450	11%
5080	Outside Service/Consultants	133,000	35,572	97,428	27%
5084	Govt. Regulation/Lab Fees	170,000	18,093	151,907	11%
5090	Other: Recruitment	2,000	451	1,549	23%
5090	Other: County Tax Admin. Fees	37,000	16,594	20,406	45%
5089	Other: Memberships	16,500	2,758	13,742	17%
5094	Depreciation		158,209	(158,209)	
	Contingency				
	Total Operating Expense	\$3,280,405	1,006,806	2,273,599	31%

Acct#	EXPENSE CATEGORY	2016-2017	To Date 7/1/2016-7/31/2016	Balance	% of Budget Spent
Non-operating Expenses:					
7010	Interest Expense	\$33,000	6,201	26,799	19%
				0	
7090	Other		0	0	
	Capital Improvement				
	Total Non-operating Expenses	\$33,000	6,201	26,799	19%
Total Expenses Before Transfers		\$3,313,405	1,013,007	2,300,398	31%
Net Income (Loss)		\$217,800	\$246,841		113%
Debt Payment**			\$9,117		
PERS PAYMENT			102,150		
CAPITAL EXPENDITURES:			33,836		
Caby Grant Commitment			22,961		
			\$414,905		

*Subject to revision with actual audit.

**The Actual Debt service is \$75,000 and \$55,000 of that is covered by Assessments not shown in Revenue

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

STATEMENT OF CASH AND INVESTMENT BALANCES SEPTEMBER 30, 2016

	BEGINNING BALANCE	CASH RECEIPTS	CASH DIS- BURSEMENTS	TRANSFERS IN (OUT)	ENDING BALANCE
8 SMUD Fund	216,340.00				216,340.00
9 CABA Grant	(15,795.62)	5,125.01	(4,388.22)		(15,058.83)
10 General Fund	896,997.81	380,283.27	(333,145.94)		944,135.14
12 Retiree	555,967.81	3,734.50	(5,745.12)		553,957.19
14 Stewart Mine	38,300.97	148.00	(9,851.59)		28,597.38
25 Bayne Road & Other Assessment Districts	66,738.83	1,454.00	(978.62)		67,214.21
17 Water Development	398,543.85				398,543.85
19 Stumpy Meadows Emergency Reserve Fund (SMERF)	1,002,364.52				1,002,364.52
43 Capital Reserve Cash Clearing	1,161,000.00				1,161,000.00
53 Pilot Hill North	(7,480.80)				(7,480.80)
54 Pilot Hill South	47,622.28	2,255.00			49,877.28
51 Kelsey North	122,576.90	2,197.00	(5,567.21)		119,206.69
52 Kelsey South	225,653.74	1,574.00	(18,488.43)		208,739.31
29 State Revolving Fund	49,489.22	2,296.95	(25,057.64)		26,728.53
30 Small Hydro Fund	559,006.65	8,888.53	(67.60)		567,827.58
31 Pipeline Extension Holding Fund to 26	0.00				0.00
35 Environmental Protection Agency	315,097.95				315,097.95
37 Garden Valley Water Improvement District	107,461.50		(36,175.45)		71,286.05
39 Capital Facility Charges	1,674,001.33				1,674,001.33
24 ALT - WTP Capital Reserve	764,356.54		(552.87)		763,803.67
40 Auburn Lake Trails (ALT) Zone Fund	916,520.84	45,186.59	(16,358.82)		945,348.61
41 ALT Tank Replacement Loans & Repair Activity	44,148.79		(10,482.92)		33,665.87
42 ALT CDS Reserve Connection Fund	181,289.96				181,289.96
	9,320,203.07	453,142.85	(466,860.43)	0.00	9,306,485.49
Totals by Type of Account:					
		Rate Information:			
El Dorado Savings Bank Checking	73,341.61	0.03%			
El Dorado Savings Bank Savings	2,110,524.66	0.14%			
Wells Fargo State Revolving Fund Debt Accounts	22,632.84			0.00	
Wells Fargo Brokered Time Deposits	200,000.00	2.00%			
Local Agency Investment Fund	6,899,986.38	0.28%			

**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH AND INVESTMENT BALANCES SEPTEMBER 30, 2016**

Grand Total	\$9,306,485.49								
Accounting Basis Unrestricted, Designated and Restricted Funds Recap:									
Unrestricted Undesignated Funds	\$944,135.14								
<i>Designated Funds are in Italics</i>	3,089,234.13								
Restricted Funds are Shaded	4,112,116.22								
	\$8,145,485.49								
District Designated Funds/Reserve Policy Funds Recap:									
Water - Operations	944,135	Estimated 2016-17 Budget	550,000	Calculated from 2014-15 Audited	510,000				Two month operations expense
Water - Cash Flow			209,000		197,222				10% Water Sales
Water - Capital:									
Stumpy Meadows Emergency Reserve Fund	1,002,365								
Capital Facility Charges	1,674,001								
Replacement Reserve (required by USDA)	763,804								
Other reserves	986,209		8,193,835		7,871,516				50% Accumulated Depreciation
Sub Total - Water	5,370,514		8,952,835		8,578,738				
Debt Service	492,883		431,412		480,991				Actual amounts
Retiree Health	553,957		621,235 *		421,765				Actual amount
Hydroelectric	567,828		504,191		461,219				Actual amount
Wastewater - Operations	945,349		52,000		45,978				Two month operations expense
Zone - Capital			5,000		5,000				Amount set at \$5,000
Community Disposal System - Capital	214,956		250,000		250,211				50% Accumulated Depreciation
Sub Total - Wastewater/Zone	1,160,304		307,000		301,189				
	8,145,485.49		10,816,673.00		10,243,902.00				
Actual total reserves as of June 30, 2015					\$9,162,818				
Actual total reserves as of June 30, 2014					\$8,725,362				
Actual total reserves as of June 30, 2013					\$8,427,421				
Actual total reserves as of June 30, 2012					\$7,595,078				
Approved:									
Treasurer									
General Manager									

[Signature]
General Manager

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 Revenue Summary*
 For the Months between 07/01/2016-09/30/2016

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
 Revenue Summary*
 For the Three Months Ended September 30, 2015

Acct #	REVENUE CATEGORY	To Date		Balance	% of Budget Earned	To Date		Balance	% of Budget Earned	Difference
		Budget 16-	07/01/2016-09/30/2016			Budget 15-	7/1/15-9/30/15			
	Operating Revenue:									
3010	Residential Sales	\$1,285,000	437,930	847,070	34.08%	\$1,120,000	363,212	756,788	32.43%	74,718
3020/3	Commercial Sales	185,000	107,798	77,202	58.27%	162,750	60,308	102,442	37.06%	47,490
3040	Irrigation Sales	225,000	135,655	89,345	60.29%	100,000	48,456	51,544	48.46%	87,199
	Wastewater	344,000	83,453	260,547	24.26%	352,420	85,574	266,846	24.28%	-2,121
3195.6	Soil Evaluations/Loans									0
4030	Penalties	37,000	7,406	29,594	20.02%	36,060	4,797	31,263	13.30%	2,609
	Other	\$2,076,000	5,120	(5,120)	37.45%	1,550	1,437	113	92.71%	3,683
	Total Operating Revenue		777,361	1,298,639		\$1,772,780	563,783	1,208,997	31.80%	213,578
	Non-Operating Revenue:									
4050	Property Taxes-General	\$1,460,000	364,687	1,095,313	24.98%	\$1,349,360	340,073	1,009,287	25.20%	24,614
	SMUD	\$105,000				\$90,000	108,515			-108,515
	Restricted Benefit Charge			(30,200)		10,000	0	10,000	0.00%	30,200
4182	Pipeline		30,200				0			2,400
4184	Capital Facility Charge		2,400				0			27,800
4020	Interest Income	40,000	13,543	26,457	33.86%	62,500	9,946	52,554	15.91%	3,597
4090	Water Agency Cost Share	45,000	0	45,000	0.00%	32,500	0	32,500	0.00%	0
4040	Leases	70,000	13,637	56,363	19.48%	47,000	18,431	28,569	39.21%	-4,794
4090	Hydro	60,000	25,842	34,158	43.07%	63,000	11,207	51,793	17.79%	14,635
4090	Other (EPA Grant Reimbursement)	1,587,847	4,377	1,583,470	0.28%	1,000		1,000	0.00%	4,377
	Total Nonoperating Revenue	\$3,367,847	482,486	\$2,810,561	14.33%	\$1,655,360	488,172	\$1,185,703	29.49%	-5,686
	Total Revenue Before Transfers In	\$5,443,847	1,259,847	4,109,200	23.14%	\$3,428,140	1,051,955	2,394,700	30.69%	207,892

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Expense Summary*
For the Months Between: 07/01/2016 - 09/30/2016

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Expense Summary*
For The Three Months Ended September 30, 2015

Acct#	EXPENSE CATEGORY	Revised Budget To Date		% of Budget		Balance	Spent	Acct#	EXPENSE CATEGORY	Budget		% of Budget		Difference
		7/1/2016 - 9/30/16	9/30/16	2016-2017	9/30/16					2015-2016	9/30/15	2015-2016	9/30/15	
Operating Expenses:														
5010 Labor		1,153,108	285,216	867,892	25%	1,100,000	247,246	5010 Labor		1,100,000	247,246	22%	852,754	37,970
5019 Overtime		64,000	21,974	42,026	34%	58,500	13,930	5019 Overtime		58,500	13,930	24%	44,670	8,144
5017 Standby		55,500	18,260	37,240	33%	42,500	11,970	5017 Standby		42,500	11,970	28%	30,530	6,290
5011 Temporary Labor		94,000	22,930	71,070	24%	158,800	33,288	5011 Temporary Labor		158,800	33,288	21%	125,512	-10,358
5014 PERS Benefits		117,592	33,126	84,466	28%	115,000	24,776	5014 PERS Benefits		115,000	24,776	22%	90,224	8,349
5016 Payroll Taxes		106,633	28,456	78,177	27%	95,000	22,617	5016 Payroll Taxes		95,000	22,617	24%	72,383	5,839
5018/5 Insurance: Health & Life Plans		271,950	68,469	203,481	25%	260,000	59,017	5018/5 Insurance: Health & Life Plans		260,000	59,017	23%	200,983	9,452
5020 Insurance: Worker's Comp.		94,069	31,927	62,142	34%	75,000	17,914	5020 Insurance: Worker's Comp.		75,000	17,914	24%	57,086	14,013
5027 Audit		22,000	0	22,000	0%	15,000	11,000	5027 Audit		15,000	11,000	73%	4,000	-11,000
5028 Engineering-Studies, including E		0	4,064	(4,064)		40,000	3,587	5028 Engineering-Studies, including E		40,000	3,587	9%	36,413	477
5034 Insurance: General		67,695	15,912	51,783	24%	55,000	14,420	5034 Insurance: General		55,000	14,420	26%	40,580	1,492
5036 Legal-General		121,000	14,514	106,486	12%	80,000	22,182	5036 Legal-General		80,000	22,182	28%	57,818	-7,669
5038 Materials and Supplies		183,650	59,016	124,634	32%	145,000	45,501	5038 Materials and Supplies		145,000	45,501	31%	99,499	13,515
5039 Rentals/ Outsourced Maintenan		27,200	18,109	9,091	67%	6,000	2,414	5039 Rentals/ Outsourced Maintenance		6,000	2,414	40%	3,586	15,695
5040 Office Supplies		48,000	11,309	36,691	24%	25,000	9,802	5040 Office Supplies		25,000	9,802	39%	15,198	1,507
5041 Staff Development		10,500	396	10,104	4%	6,000	419	5041 Staff Development		6,000	419	7%	5,581	-23
5042 Travel-Conference		15,000	45	14,955		10,000	0	5042 Travel-Conference		10,000	0	-	10,000	45
5044 Utilities		198,308	59,987	138,321	30%	175,000	49,500	5044 Utilities		175,000	49,500	28%	125,500	10,488
5046 Vehicle & Equipment Maintenan		51,000	18,661	32,339	37%	47,000	10,079	5046 Vehicle & Equipment Maintenance		47,000	10,079	21%	36,921	8,581
5048 Vehicle Operations		50,200	11,196	39,004	22%	52,000	10,957	5048 Vehicle Operations		52,000	10,957	21%	41,043	239
5060 Bank Fees & Payroll Services		5,000	1,441	3,559	29%	4,000	1,196	5060 Bank Fees & Payroll Services		4,000	1,196	30%	2,804	245
5068 Retiree Health Premiums		132,000	43,072	88,928	33%	120,000	25,716	5068 Retiree Health Premiums		120,000	25,716	21%	94,284	17,356
5070 Director Stipends		24,000	6,000	18,000	25%	24,000	5,200	5070 Director Stipends		24,000	5,200	22%	18,800	800
5076 Building Maintenance		9,500	1,050	8,450	11%	6,000	1,050	5076 Building Maintenance		6,000	1,050	18%	4,950	0
5080 Outside Service/Consultants		133,000	35,572	97,428	27%	140,000	23,695	5080 Outside Service/Consultants		140,000	23,695	17%	116,305	11,877
5084 Govt. Regulation/Lab Fees		170,000	18,093	151,907	11%	110,000	18,199	5084 Govt. Regulation/Lab Fees		110,000	18,199	17%	91,801	-106
5090 Other: Recruitment		2,000	451	1,549	23%	6,000	54	5090 Other: Recruitment		6,000	54	1%	5,946	397
5090 Other: County Tax Admin. Fees		37,000	16,594	20,406	45%	22,000	7,530	5090 Other: County Tax Admin. Fees		22,000	7,530	34%	14,470	9,065
5089 Other: Memberships		16,500	2,758	13,742	17%	16,500	2,729	5089 Other: Memberships		16,500	2,729	17%	13,771	28
5094 Depreciation			158,209	(158,209)			162,823	5094 Depreciation			162,823	0		-4,614
Contingency								Contingency		9,000				0
Total Operating Expense		\$3,280,405	1,006,806	2,273,599	31%	\$3,018,300	858,712	Total Operating Expense		\$3,018,300	858,712	23%	2,322,411	148,095
Non-operating Expenses:														
7010 Interest Expense		\$33,000	6,201	26,799	19%	\$33,000	6,559	7010 Interest Expense		\$33,000	6,559	20%	26,441	-359
7090 Other		\$33,000	0	0		\$143,500	2,806	7090 Other		\$143,500	2,806	7%	(2,806)	-2,806
Total Non-operating Expenses		\$33,000	6,201	26,799	19%	\$143,500	9,365	Total Non-operating Expenses		\$143,500	9,365	7%	134,135	-3,164
Total Expenses Before Transfers		\$3,313,405	1,013,007	2,300,398	31%	\$3,161,800	868,076	Total Expenses Before Transfers		\$3,161,800	868,076	22%	2,456,547	144,930

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
BALANCE SHEET
SEPTEMBER 30, 2016

ASSETS:

Cash Assets:

Cash El Dorado Savings:	\$ 2,183,866.27
Petty Cash & Cash Drawer:	450.00
Cash LAIF:	6,899,986.38
Time Certificate Deposits (Wells Fargo)	200,000.00
SRF Fiscal Agent Accounts:	22,632.84

Total Cash and Investments	9,306,935.49
----------------------------	--------------

Receivables:

MQ Receivable:	55,396.91
Property Tax Receivable	364,686.99
Accounts Receivable Other:	36,520.96
Current Assessed Districts Receivable:	60,678.77
Special District Accrued Interest Receivable:	10,467.56

Total Current Receivables:	527,751.19
----------------------------	------------

Other Current Assets:

Water Fund Suspense (Clearing Acct)	69,962.18
Water Fund Inventory	5,883.06
Prepays:	79,405.80

Total Current Assets:	9,989,937.72
-----------------------	--------------

LONG TERM ASSETS:

Deferred Pension Inflow	305,162.03
Long Term Assessed Districts Receivable:	372,128.44

Fixed Assets:	28,616,025.44
Accumulated Depreciation:	(17,508,455.59)

Total Net Fixed Assets	11,107,569.85
------------------------	---------------

Cell Tower	34,287.08
ALT	943,247.94
Caby Grant - Ditch Repair	23,000.76

Total CIP Account Balance:	1,000,535.78
----------------------------	--------------

Total Long Term Assets:	12,785,396.10
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TOTAL ASSETS:	\$ 22,775,333.82
---------------	------------------

LIABILITIES:

Current Liabilities:

Accounts Payable	\$	42,048.09
Current Bonds and Assessments		48,949.51
Customer Deposits		5,600.00
Accrued Vacation		70,601.58
Contracts Payable		26,371.25

Total Current Liabilities: 193,570.43
=====

Long Term Liabilities:

Long Term Bonds and Assessments Payable	943,927.70
Retiree Fund (Long Term)	4,882,828.98
Stewart Mine, Bayne Rd. Pilot Hill Constr Adv	76,262.79

Total Long Term Liabilities: 5,903,019.47
=====

TOTAL LIABILITIES: 6,096,589.90
=====

FUND BALANCE:

Smud Fund (08)	216,340.00
CABY (09)	19,375.42
Water Fund (10)	9,171,763.32
Retiree Fund (12)	89,522.26
Water Development (17)	398,543.85
SMERFUND (19)	1,033,957.41
Capital Replacement (24)	764,356.54
SRF (29)	(246,434.85)
Hydro Fund (30)	557,414.53
EPA (35)	315,097.95
Garden Valley (37)	107,461.50
Cap Facility Charge (39)	1,641,728.95
Zone (40)	956,454.00
CDS (41)	44,148.79
CDR Reserve (42)	181,289.96
Capital Replacement (43)	1,161,000.00
Kelsey North (51)	30,834.92
Kelsey South (52)	92,008.61
Pilot Hill North (53)	(7,480.80)
Pilot Hill South (54)	47,879.53
Current Earnings:	103,482.03

TOTAL FUND BALANCE: 16,678,743.92
=====

LIABILITIES AND FUND BALANCE: \$ 22,775,333.82
=====

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Auburn Lake Trails ZONE and CDS Summary*
For the Months Between: 07/01/2016 - 09/30/2016

REVENUE CATEGORY	Budget 16-17	To Date 07/01/2016 - 09/30/2016	Balance	% of Budget Earned
Operating Revenue:				
Zone Charges	\$ 313,000	76,453	\$ 236,547	24%
Zone Escrow Fees	30,000	5,200	24,800	17%
Septic Design Fees	1,000	1,800	(800)	-
Soil Evaluations/Loans/Repairs	0		0	-
Total Operating Revenue	344,000	83,453	260,547	24%
Non-Operating Revenue:				
Interest Income	1,000		1,000	-
Reimbursement of Recording Fees		0	0	-
Total Nonoperating Revenue	\$1,000	-	\$1,000	-
Total Revenue	345,000	83,453	261,547	24%
EXPENSE CATEGORY				
Operating Expenses:				
Labor	48,000	14,036	33,964	29%
Overtime	0		0	-
Standby	5,000		5,000	-
Temporary Labor	0		0	-
PERS Benefits		1,509	(1,509)	-
Deferred Compensation	0		0	-
Payroll Taxes	3,936	1,294	2,642	33%
Insurance: Health & Life	2,880	3,866	(986)	134%
Insurance: Worker's Comp.	4,320	853	3,467	20%
Insurance: Dental/Optical			0	-
Audit	1,000		1,000	-
Engineering-Studies			0	-
Insurance: General	5,000	736	4,264	15%
Legal--General	15,000	295	14,705	2%
Materials and Supplies	6,500	328	6,172	5%
Rentals/ Outsourced Maintenance		21	(21)	-
Office Supplies	2,500	939	1,561	38%
Staff Development			0	-
Travel--Conference			0	-
Utilities	10,154	2,212	7,942	22%
Vehicle & Equipment Maintenance	5,000	447	4,554	9%
Vehicle Operations	6,500	757	5,743	12%
Bank Fees & Payroll Services			0	-
Retiree Health Premiums			0	-
Director Remuneration			0	-
Building Maintenance			0	-
Outside Service/Consultants	15,000	4,999	10,001	33%
Public Information			0	-
Govt. Regulation/Lab Fees	50,000	3,163	46,837	6%
Other	0		0	-
Other: Memberships	0	54	(54)	-
Depreciation		6,007.77	(6,008)	
Total Operating Expense	180,790	41,517	139,273	23%
Net Income (Loss)	\$164,210	\$41,936	(\$122,274)	

*Subject to revision with actual audit.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT
Request for Board Approval of Purchase

Board Meeting Date: November 8, 2016	Amount of Purchase: \$ 7,270	Submitted by: Diane Schroeder, Office Manager
Agenda Item #: 6B		General Manager's Signature:

Description of Purchase (invoice attached):

This request is for the purchase of three additional modules for the current accounting system—MOM (Multiple Operations Management): Accounts Receivable Modules, an Inventory Module, and a Purchase Order Module.

Background:

The Accounts Receivable Module will allow the District to provide transparent reporting as required under Generally Accepted Accounting Principal ("GAAP"), a condition of the loan through the ALT-State Revolving Fund.

The Inventory Module would allow staff to generate accurate inventory reporting.

The Purchase Order Module would provide the needed security, as identified in the 2014-15 Audit, for material purchases and identify the appropriate departments for coding. All three modules interface with each other and integrate fully with the General Ledger Cash Management Module currently used by the District.

Justification Statement:

The purchase of these modules would allow the District to meet GAAP requirements, generate accurate inventory reporting, and meet audit corrective action identified in the 2014-15 Audit.

Name of Vendor: CORBIN WILLITS SYSTEMS, INC.	Contact Person:	Title: Sales Rep
Address: 3755 Washington Blvd. Fremont, CA 94538	Phone # (510) 979-5600	Email:

Vendor Vetting Statement (attach additional information, if necessary):

FUND ACCOUNT	Fund 10 General	Fund 24 ALT-WTP	Fund 35 EPA	Fund 39 CFF	Fund 42 CDS	Fund 43 Cap Res	Other:	TOTAL
PERCENTAGE	25%	75%						100%
AMOUNT	\$ 1,820	\$ 5,450						\$7,270
Additional Information	5641 Staff Development Account of the General Fund 10.							

BOARD ACTION	<input type="checkbox"/> Approved	Board Direction to Staff:	Date:
	<input type="checkbox"/> Denied		
	<input type="checkbox"/> Tabled		

CORBIN WILLITS SYSTEMS Inc.

3755 Washington Blvd., Fremont, CA 94538
Phone: (510)979-5600 Fax: (510)979-5613

September 21, 2016

GEO01

Georgetown Divide P.U.D.
ATTN: Diane Schroeder
6425 Main Street
P.O.Box 4240
Georgetown, CA 95634

Phone: (530)333-4356

Fax: (530)333-9442

Engagement for Additional Services	
Project	005478
Application	00 Not Applicable
Initiated by	Curt Richardson
Submitted	09/20/16
Required	//

Description	Rate	Amount	Discount	Balance	S&E Adj
Accounts Receivable Module	Flat Rate	3,500.0	2,000.0	1,500.00	20.00
Inventory	Flat Rate	4,000.0	2,000.0	2,000.00	30.00
Purchase Order	Flat Rate	3,000.0	1,500.0	1,500.00	20.00
Sales Tax 9%	Flat Rate	450.0	.0	450.00	.00
Installation of programs and modlule set up	4 Hours x 130.00	520.0	.0	520.00	.00
Training	10 Hours x 130.0	1,300.0	.0	1,300.00	.00
Totals		12,770.00	5,500.00	7,270.00	70.00

Comments:

Bid to add three new modules. Accounts Receivable, Purchase Order, and Inventory. Accounts Receivable can interface with Inventory, taking items out of Inventory module. Purchase Order can also interface with Inventory, showing items on order and updating cost and item count when PO's are received against. All integrate fully with the General Ledger system. Payments for Accounts Receivables are done through the current Cash Managment module where invoices can be selected and partial payments allowed if needed. Purchase Order can print forms, accomodate Blanket PO"s, and encumber funds for financial reporting, allowing for more accurate budget remaining reports. Price includes deep discounts due to size of entity and bundled price. Training is only an estimate and is billed separately as it is completed and will be billed only for hours used.

Customer Signature _____

Date _____

In the event of any changes on site to any programs by CWS trainer/Tech appropriate time will be allocated at the end of the training to udate Customer application programs on the MOM server. This will be done from Customer site.

Projects that are \$2,000.00 or more require a 50% deposit before any work can be performed.

This estimate is valid for only 30 days and is subject to change if approval is not received by 10/20/16

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Memo

To: Board of Directors

From: Darrell Creeks, Interim General Manager

Date: November 1, 2016

Re: **GENERAL MANAGER'S REPORT**

Board Meeting of November 8, 2016; **Agenda Item #09**

BACKGROUND / DISCUSSION

GM Recruitment Panel

Mike Web has stated that he would attend the interviews as a non-voting member. Director Uso mentioned that Mike may not be able to sit in because he is not bound by the Brown Act.

Audit Committee

Donna Bruss agreed to be part of the Audit Committee. The onsite audit was conducted between October 31 and November 2. The committee met with the auditors on Monday October 31. The audit process will continue with the Auditors collecting additional information from Staff via email, as needed.

RECOMMENDATION

Receive and file this report.

Memo

To: Board of Directors

From: Martin Ceirante, Acting Operations Manager

Date: November 1, 2016

Re: **OPERATIONS MANAGER'S REPORT**

Board Meeting of November 8, 2016; **Agenda Item #10**

BACKGROUND / DISCUSSION

Recoating of Walton Storage Tank #1

The District is moving forward with the recoating process. Staff is doing preparatory site work and drafting the bid documents. The district is holding off signing the professional services contract with Bay Area Coating Consultants until we get a decision on matching funds from El Dorado Water Agency.

Master Production Meter at Walton Lake Treatment Plant

Staff is moving forward with our site work prior to the relocation of the Master Meter transmitter unit by Aqua Sierra Controls, Inc.

Water Loss TAP Team Wave 2 Water Audit Training

The District's water audit preparation team attended the Wave 2 training session remotely from the District's office on October 31st. These training sessions will enable the District to prepare a Level 1 Validated Audit in compliance with SB 555.

Purchase of New Equipment and Vehicles

The District took delivery of the new John Deere excavator and has put it to good use on several projects.

Staff contacted Auburn Ford to get update on the new Ford service truck and pickup. We were informed that the vehicles are scheduled to be built sometime in November and should miss the factory holiday season shutdowns. We should get delivery sometime in December.

Water Treatment (ALT & Walton)

The Auburn Lake Trails Water Treatment Plant produced 18.945 million gallons of potable water for the month of October. This equates to an average of 611,129 gallons per day. This flow is a decrease of 425,371 gallons per day from the month of September. The Walton Lake Water Treatment Plant produced 23.408 million gallons of potable water for the month of September. This equates to an average of 755,096 gallons per day. This flow is a decrease of 276,837 gallons per day from the month of September.

As of July 2014, the District is required to report to the State the amount of total potable water produced through the two plants (ALT and Walton) monthly, and to compare that value with the demands of the prior year over the same reporting period. The table below shows the percentage increase (+) or decrease (-) for 2015/16, together with 2013/16.

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

Month 2016	+/- over 2015	+/- over 2013	Month 2016	+/- over 2015	+/- over 2013
January	-6%	-8%	July	+24%	-22%
February	+5%	-0%	August	+18%	-15%
March	-16%	-15%	September	+18%	-2%
April	+3%	-23%	October	-4%	-22%
May	+6%	-37%	November		
June	+19%	-25%	December		

Water Quality

The District conducted the required water quality monitoring at the treatment plants and in the distribution system and submitted the required water quality monitoring reports to the State Water Resources Control Board (SWRCB). Under contract with the District, Becky Siren prepared the required reports and reviewed key elements of the same with the General Manager prior to submittal.

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

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

The District conducted the quarterly disinfection by products (DBPs) testing. The results showed the systems finished water was well below the maximum contaminant level (MCL)

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

Waste Water: Auburn Lake Trails

Average daily flows in the community disposal system were 29,994 gallons per day. This value is far below the limit of 71,800 gallons per day as identified in the Waste Discharge Requirements.

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

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

Stumpy Meadows Reservoir

The latest measurements collected at Stumpy Meadows Reservoir on November 2, 2016, showed a reservoir elevation of 4,247 feet 0 inches, representing storage of 15,360 acre-feet, or 77% of capacity. This represents a increase in storage of approximately 1,493 acre feet over the prior month.

Current releases from Stumpy on this date were 4.0 CFS. Flow into Stumpy on this date was recorded at 49.2 CFS.

Field Work Activities – Distribution and Maintenance

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

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

The combined Distribution and Maintenance Crews: The crew completed the repair and installation of 80 feet of 48" pipe on the upper canal.

RECOMMENDATION

Receive and file this report.



Memo

To: Board of Directors

From: Darrell Creeks, Interim General Manager

Date: October 25, 2016

SUBJECT: EL DORADO COUNTY WATER AGENCY - COST SHARE FUNDING
Board Meeting of November 8, 2016; **Agenda Item #11**

BACKGROUND / DISCUSSION

Staff has met with Ken Payne, the General Manager of the El Dorado County Water Agency, and Derrick Whitehead, of the Municipal Consulting Group. They have identified additional funding opportunities available to the District. To capture more of the available funding, staff has worked with Ken in the development of three (3) additional projects that would likely qualify for funding under the current 2016-17 fiscal year. It is the understanding of District staff that Ken will present these project funding requests, to their Board for consideration, at the Agency meeting on November 9, 2016. The projects for funding consideration are identified as follows:

They offer a 50/50 split for studies and other project assistance.

- Construction Management of the ALT Water Treatment Plant: Agency Funds = \$50,000 and District Funds = \$50,000.
- Development of plan set and specifications for coating of the Walton Lake Storage Tank: Agency Funds = \$10,500 and District Funds = \$10,500.
- Prepare documentation for hiring consultant, oversee consultant work, work with consultant to collect facility data to update system water master plan and prepare 5-Year Capital Improvement Plan: Agency Funds = \$15,000 and District Funds = \$15,000

It will require District Board approval to exercise these funding opportunities.

RECOMMENDATION

Staff recommends that the Board authorize the Interim General Manager to enter into an agreement with the El Dorado County Water Agency for cost share funding of the above-mentioned projects.



Memo

To: Board of Directors
From: Darrell Creeks, Interim General Manager
Date: October 25, 2016
SUBJECT: **METER REPLACEMENT PROGRAM – REQUEST FOR PROPOSALS**
Board Meeting of November 8, 2016; **Agenda Item # 12**

BACKGROUND / DISCUSSION

At the last regular Board meeting of October 11, 2016, the Board directed Staff to follow up on securing the loan for the meter replacement program with Holman Capital. On October 31, Staff, along with two board members, met with Mark Carey of MC Engineering to discuss the need for a Request for Proposal (RFP).

RECOMMENDATION

Staff recommends that the Board authorize the Interim General Manager to work with Legal Counsel to enter into a Professional Services Agreement with MC Engineering for the development of a Request for Proposals for the Meter Replacement Program in the amount of \$25,180 from Fund Account 39, Capital Facility Charges.



October 26, 2016

Darrell Creeks
Georgetown Divide Public Utility District
6425 Main Street PO Box 4240
Georgetown, CA 95634-4240

RE: Meter Program Implementation Services

Dear Mr. Creeks,

I have prepared the attached proposal based on our discussions, previous studies we have prepared on behalf of the District and a review of the District's recently proposed meter replacement project. The approach entails preparing an initial RFP with consideration of the spatial distribution of your assets, meter types, and compatibility with both AMR (driveby) and AMI (fixed base) meter reading technology. Contractual terms for the project would be included in the RFP along with our help soliciting pricing and alternative technologies for the completion of the system that will include various value-added features. In addition to identifying increases in revenue associated with meter change-outs, we can also leverage our installation experience in an effort to avoid problems during construction.

Since preparing the initial study for the GDPUD, we have successfully completed multiple AMI installations from conception to completion and we are well positioned to help you avoid common pitfalls. Our knowledge of your meter assets, understanding of available options, and our recent meter and AMI installation experience, will help us do so in a timely and cost effective manner.

It is clear to us that the GDPUD will reap considerable benefits from the proposed project including recovery of lost revenue associated with inaccurate meters, considerable labor savings, and the ability to effectively track water losses in the future, further aiding in your ability to identify deficiencies in the distribution system. Ultimately, our goal is to serve as an extension of your staff and, as such, the proposed approach can be modified to meet your specific requests. We would look forward to an opportunity to serve you in this process and are open to modifying our scope and fee to meet your needs.

Sincerely,

Mark A. Carey, PE



Proposed Scope of Services

Task 1, Program Management and Project Management Services

This task includes handling monthly invoices, tracking progress, and providing regular updates to the GDPUD internal Project Manager.

Deliverables: Monthly invoices along with a narrative status update with each invoice, meeting minutes and action items where appropriate, misc. correspondence with GDPUD, management, staff, and select vendors where requested and as needed.

Task 2, Collect and Update Existing Information

Under this task MC Engineering will review all prior test results and historic billing information along with relevant information concerning the proposed meter replacement program. Current GIS shape files will be requested to facilitate preparation of GIS base maps of meter locations. An updated meter list with addresses for each account will also be required for the RFP. After refreshing prior results, any outstanding data will be requested, reviewed, and compiled. All AMI and meter related proposals received to date will be reviewed in the context of the proposed meter replacement program, geographic distribution and type of existing meter assets, available funding, and business case analysis. This may require updating the last 2 years of historic billing data, updates to the overall AWWA Water Audit, etc. To facilitate this effort, a formal data request will be prepared and submitted to the District for processing. One full day of field review by MCE staff is included in an effort to characterize the various box types, lids, etc. that can significantly impact related installation costs.

Deliverables: On-line indexed directory of existing information to be used in developing the final replacement program.

Anticipated District Provided Data: Updated meter and billing history, GIS shape files, information regarding potential tower/collector locations, prior proposals, existing reading cycles and routes, staff related resource information, other pre-existing information as documented under the Task 2 data request.

Task 3, Initial Phase I RFP

This task will include preparing a detailed RFP and installation specifications for the proposed first phase project with input and support from District staff. In addition to specifying replacement meters, registers, lid replacements, radios, etc, the RFP will outline requirements for a potential future system-wide AMI project as approved by the District during prior workshops and analysis.

Deliverables: Phase I RFP for proposed meters and AMI system (if desired after evaluation of benefits by the District) with a request for pricing to ultimately expand any AMI and meter retrofits to the entire District. RFP will include a revised timeline for full buildout of an AMI program while requesting a price guarantee and infrastructure requirements from select vendors along with a performance guarantee for anticipated meter reading success rates.



Task 4, Meter Asset Spatial Analysis and GIS Mapping

Understanding the spatial distribution of meter assets with consideration of current cycles and routes, topography, proposed AMI tower/collector locations, and meter age is considered a critical component to refining the proposed strategy. In addition to meter age, meters will also be reviewed and categorized with consideration of odometer reading, register types, lid retrofit requirements, etc. to more accurately understand the implications of a system-wide replacement program. Initial analysis, based on vendor-supplied propagation studies and test results, will be used to formulate an initial replacement strategy and verify the feasibility of an AMI system deployment in lieu of AMR in select locations.

Deliverables: GIS based maps of meter assets depicting meter age, type, odometer reading, and lid retrofit needs. Where appropriate, the MCE team will conduct a view shed analysis of meter assets to assist in assessing viability of fixed base reading capabilities based on line of sight review of propagation studies by the vendors. An initial TM summarizing the results of the spatial analysis, AMI feasibility, and initial asset assessment will be prepared for review by District staff under Task 4.

Task 5, Meter Type and Meter Reading Technology Review

It is understood that the District has some degree of uncertainty with regard to a preferred meter vendor. This task will take into consideration work under tasks 2 and 3 of this proposal, while presenting a variety of meter types for the District to consider. Past proposals will be reviewed and additional input will likely be needed from select vendors to augment the decision-making process with consideration of the proposed phasing strategy, topography, reading routes, budget constraints, etc. It is anticipated that pricing will be solicited for both drive-by and fixed base reading in select areas.

Deliverables: Technical memo summarizing existing meter assets, boxes, and lids, and their ability to accommodate various vendor AMI technologies along with an overview of available meter retrofits for the proposed replacement program in the context of above considerations. If deemed necessary, additional focused field radio performance tests may be requested by the vendor/s for suspected areas with questionable radio performance due to terrain and other constraints.

Task 6, Meter Replacement Program Refinement

After taking into consideration feedback from the staff workshop under Task 6, a final plan will be prepared with updated maps and specific lists of all assets to be replaced along with an updated cost estimate and summary of cash flow metrics. This information will be used in preparing an initial RFP under Task 8 below.

Deliverables: The proposed meter replacement program will include a refinement of work completed to date by the MCE team and District staff as previously documented in the District's feasibility report originally drafted in 2014.



This will consist of specific lists and maps of meters to be replaced, recommended retrofits, replacements, box and lid requirements, refined cost estimates and overall framework for RFP to be prepared under Task 8.

Task 7, Staff Workshop

Once all of the above information is compiled and the initial updated technical memo is prepared, a workshop will be held with District staff to build consensus on the proposed project. The feedback from these discussions will be used to prepare a refined plan under Tasks 7 and 8. The workshop will review various implementation risks, operations risks, and proposed mitigation strategies to be incorporated into the meter implementation RFP and subsequent program.

Deliverables: Initial Powerpoint workshop presentation to stimulate input from GDPUD staff. Meeting minutes documenting discussions and concerns. Completed matrix of implementation and operations related risks and associated mitigation strategies.

Task 8, Assistance with Vendor and Contractor Selection

This task will include assistance with publishing the RFP in cooperation with District staff, responding to clarifying questions, reviewing and evaluating an estimated 3-4 proposal from select vendors that meet pre-determined selection criteria developed by the MC Engineering and District team. Allowances include attending a one-day set of presentations made by a short list of qualified candidates if requested.

Deliverables: Analysis of bid results, meeting minutes, vendor clarifications, etc. as required and requested by District staff to finalize selection of preferred vendor and installation contractor for initial phase project with consideration of system-wide deployment in subsequent phases.

Task 9, Intermediate and Large Meter Assessment

A related task includes more accurately targeting some of the intermediate meters for replacement based on a field review of select installations after a thorough analysis of the billing history. If done appropriately, criteria other than age should be used for replacing 1.5" and 2" meters while repairing large meters to increase revenues. These criteria should include customer type, usage profile, and meter type. Past test records for large meters will be reviewed and recommendations for third party testing of a select pool of large and intermediate meters will be summarized in the form of a list, completed forms, and RFP for testing. Upon receipt of test results refinements to the business case and replacement strategy will be made. Up to 2 days will be spent reviewing specific meter applications in the field and documenting conditions using existing forms created by MCE. Costs for testing select meters, which will be subject to field surveys and data analysis, are not included in the proposed budget.



Deliverables: Completed field review forms and testing RFP will be prepared. A third party testing firm will be recommended for contracting with the District to test the best candidates. Analysis of test results along with an improved business case will be developed after select intermediate and large meters are tested and/or replaced.

Task 10, Construction Related Services

It is recommended that the District consider additional services associated with managing and implementing the meter construction project. Our team has provided similar services to several agencies in the recent past and has references available upon request.

Proposed Compensation

All work will be performed on a time and materials basis. We have included initial services under Phase I that can be implemented immediately upon receipt of a Notice to Proceed. The estimated time and materials budget for the work is presented below. At the District’s request, MCE can expand the scope and fee to provide construction management services under a revised scope of work. Budget adjustments can be made at the District’s request based on anticipated input required by the MCE team for each task.

Task	PM	PE II	PE I	ADM	ODC	Subtotal
Phase I, Initial Services						
Task 1, Project and Program Management	4			4	\$250.00	\$1,150.00
Task 2, Collect and Update Existing Information	10	16				\$3,360.00
Task 3, Prepare Initial Draft RFP and Conduct Review Meeting	16	24			\$250.00	\$5,450.00
Subtotal:						\$9,960.00
Phase II, Meter Analysis						
Task 4, Meter Asset Spatial Analysis and GIS Mapping	4	12	16			\$3,480.00
Task 5, Meter Type and Meter Reading Technology Review	8	12				\$2,600.00
Task 6, Meter Replacement Program Refinement/Final RFP	8	12	12			\$3,740.00
Subtotal:						\$9,820.00
Phase III, Follow-up Services						
Task 7, Staff Workshop	10	10				\$2,700.00
Task 8, Assistance with Vendor and Contractor Selection	10	10				\$2,700.00
Task 9, Intermediate and Large Meter Assessment						TBD
Task 10, Construction Services						TBD
Subtotal:						\$25,180.00

Abbreviations and Standard Hourly Rates:

PM: Mark Carey, P.E.	\$160.00 \$/hr
PE II: Project Engineer II, Richard Relyea, BSME	\$110.00 \$/hr
PE I, Project Engineer II, Jose Diaz, BSCE	\$95.00 \$/hr
ADM: Administrative	\$65.00 \$/hr
ODC: Other Direct Costs (travel including mileage reimbursed at applicable IRS rates, reproduction costs, etc.)	

Schedule

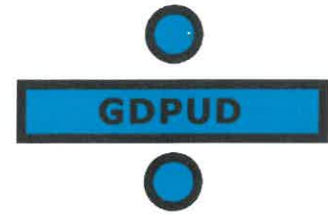
The proposed schedule is presented below. The schedule can be adjusted as needed based on anticipated notice to proceed by the District.

Task Name	Duration	Start	Finish	November			December			January		
				10/30	11/6	11/13	11/20	11/27	12/4	12/11	12/18	12/25
Phase I, Initial Services	46 days?	Tue 11/1/16	Tue 1/3/17									
Notice to Proceed	1 day?	Tue 11/1/16	Tue 11/1/16									
Task 1, Project and Program Management	45 days	Wed 11/2/16	Tue 1/3/17									
Task 2, Collect and Update Existing Information	10 days	Wed 11/2/16	Tue 11/15/16									
Task 3, Prepare Initial Draft RFP and Conduct Review Meet	15 days	Wed 11/2/16	Tue 11/22/16									
Phase II, Meter Analysis	12 days	Wed 11/16/16	Thu 12/1/16									
Task 4, Meter Asset Spatial Analysis and GIS Mapping	10 days	Wed 11/16/16	Tue 11/29/16									
Task 5, Meter Type and Meter Reading Technology Revi	5 days	Wed 11/16/16	Tue 11/22/16									
Task 6, Meter Replacement Program Refinement/Final RFI	2 days	Wed 11/30/16	Thu 12/1/16									
Phase III, Follow-up Services	37 days	Wed 11/23/16	Thu 1/12/17									
Task 7, Staff Workshop	1 day	Wed 11/23/16	Wed 11/23/16									
Bidding Period	20 days	Fri 12/2/16	Thu 12/29/16									
Task 8, Assistance with Vendor and Contractor Selection	10 days	Fri 12/30/16	Thu 1/12/17									

Task		External Milestone		Manual Summary Rollup	
Split		Inactive Task		Manual Summary	
Milestone		Inactive Milestone		Start-only	
Summary		Inactive Summary		Finish-only	
Project Summary		Manual Task		Deadline	
External Tasks		Duration-only		Progress	

Project: Meter Project Schedule
Date: Wed 10/26/16

Memo



To: Board of Directors
From: Darrell Creeks, Interim General Manager
Date: October 25, 2016
SUBJECT: **METER REPLACEMENT – FINANCING PLAN**
Board Meeting of November 8, 2016; **Agenda Item # 13**

BACKGROUND / DISCUSSION

At the regular Board meeting of October 11, 2016 (Agenda Item #5), Frank Gill of Holman Capital gave a presentation which identified funding options available to the District for the replacement of aging water meters. As a result, staff received Board direction to identify a listing of possible sources of revenue to fund the semi-annual loan payments. To assist staff in this effort, Frank Gill has provided an amortization schedule for a loan in the amount of \$2,100,000, at an annual interest rate of 3.6 percent, for a term of 15 years. That schedule is included as EXHIBIT B to this agenda item. The semi-annual payment of \$91,206.01 would equate to an annual payment of \$182,412.

Should this Board decide to move forward with the loan, staff would like to propose funding the loan payments through three revenue sources:

- 1) The major revenue source would be the SMUD payments in the amount of \$100,000+.
- 2) An additional revenue source would be through existing leases, with an annual revenue of \$50,000.
- 3) The final revenue would be gained through added revenue in water sales and a reduction of staff time. This is estimated to be well in excess of the remaining \$32,412 needed to meet the annual loan payment.

In addition to the loan amortization schedule, Frank Gill has provided staff and counsel with several documents relating to the Installment Purchase Agreement together with a sample Ordinance. These documents will need the review of staff and counsel prior to final execution.

It is the understanding of staff that the terms and conditions of the loan are good through the month of November 2016. Frank Gill has agreed to attend this meeting and will provide additional information relating to the loan and respond to questions.

Staff is currently not in the position to immediately finalize construction and bidding documents together with the award of a construction contract. These activities are likely two to four months out.

Meter Replacement – Financing Plan
Board Meeting of November 8, 2016
AGENDA ITEM #13

RECOMMENDATION

Staff recommends the consideration of additional information to be provided by Frank Gill at the meeting with a possible execution of a loan with Homeland Capital in the amount not to exceed \$2,100,000.

EXHIBIT B
2016 INSTALLMENT PAYMENTS

2016 Installment Payment No.	2016 Installment Payment Date	2016 Installment Payment	Amount Attributable to Interest	Amount Attributable to Principal	Purchase Option Price
0	11/30/2016				
1	5/31/2017	\$ 91,206.01	\$ 37,800.00	\$ 53,406.01	\$2,128,457.75
2	11/30/2017	\$ 91,206.01	\$ 36,838.69	\$ 54,367.32	\$2,071,915.74
3	5/31/2018	\$ 91,206.01	\$ 35,860.08	\$ 55,345.93	\$2,014,355.97
4	11/30/2018	\$ 91,206.01	\$ 34,863.85	\$ 56,342.16	\$1,955,760.12
5	5/31/2019	\$ 91,206.01	\$ 33,849.69	\$ 57,356.32	\$1,896,109.55
6	11/30/2019	\$ 91,206.01	\$ 32,817.28	\$ 58,388.73	\$1,835,385.27
7	5/31/2020	\$ 91,206.01	\$ 31,766.28	\$ 59,439.73	\$1,773,567.95
8	11/30/2020	\$ 91,206.01	\$ 30,696.37	\$ 60,509.64	\$1,710,637.93
9	5/31/2021	\$ 91,206.01	\$ 29,607.19	\$ 61,598.82	\$1,646,575.15
10	11/30/2021	\$ 91,206.01	\$ 28,498.42	\$ 62,707.59	\$1,581,359.26
11	5/31/2022	\$ 91,206.01	\$ 27,369.68	\$ 63,836.33	\$1,514,969.48
12	11/30/2022	\$ 91,206.01	\$ 26,220.63	\$ 64,985.38	\$1,447,384.68
13	5/31/2023	\$ 91,206.01	\$ 25,050.89	\$ 66,155.12	\$1,378,583.36
14	11/30/2023	\$ 91,206.01	\$ 23,860.10	\$ 67,345.91	\$1,308,543.61
15	5/31/2024	\$ 91,206.01	\$ 22,647.87	\$ 68,558.14	\$1,237,243.14
16	11/30/2024	\$ 91,206.01	\$ 21,413.82	\$ 69,792.19	\$1,164,659.27
17	5/31/2025	\$ 91,206.01	\$ 20,157.56	\$ 71,048.45	\$1,090,768.88
18	11/30/2025	\$ 91,206.01	\$ 18,878.69	\$ 72,327.32	\$1,015,548.47
19	5/31/2026	\$ 91,206.01	\$ 17,576.80	\$ 73,629.21	\$ 938,974.09
20	11/30/2026	\$ 91,206.01	\$ 16,251.47	\$ 74,954.54	\$ 861,021.37
21	5/31/2027	\$ 91,206.01	\$ 14,902.29	\$ 76,303.72	\$ 781,665.50
22	11/30/2027	\$ 91,206.01	\$ 13,528.83	\$ 77,677.18	\$ 700,881.23
23	5/31/2028	\$ 91,206.01	\$ 12,130.64	\$ 79,075.37	\$ 618,642.85
24	11/30/2028	\$ 91,206.01	\$ 10,707.28	\$ 80,498.73	\$ 534,924.17
25	5/31/2029	\$ 91,206.01	\$ 9,258.30	\$ 81,947.71	\$ 449,698.55
26	11/30/2029	\$ 91,206.01	\$ 7,783.24	\$ 83,422.77	\$ 362,938.87
27	5/31/2030	\$ 91,206.01	\$ 6,281.63	\$ 84,924.38	\$ 274,617.51
28	11/30/2030	\$ 91,206.01	\$ 4,753.00	\$ 86,453.01	\$ 184,706.38
29	5/31/2031	\$ 91,206.01	\$ 3,196.84	\$ 88,009.17	\$ 93,176.84
30	11/30/2031	\$ 91,206.01	\$ 1,612.89	\$ 89,593.12	\$ -
Grand Totals		\$2,736,180.30	\$ 636,180.30	\$2,100,000.00	

Effective Interest Rate: 3.60%

INDEX TO CLOSING DOCUMENTS

**\$2,100,000.00 2016 INSTALLMENT PURCHASE AGREEMENT
FINANCING THE WATER METER REPLACEMENT PROJECT
ISSUED BY THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT TO
HOLMAN CAPITAL CORPORATION**

Lease Documents:

- Tab A: Exhibit A-1 – 2016 Installment Purchase Agreement;
- Tab B: Exhibit B-1 – Authorizing Resolution of the Georgetown Divide Public Utility District;
- Tab C: Exhibit C-1 – General Certificate of the District;
- Tab D: Exhibit D-1 – Tax Agreement and Arbitrage Certificate;
- Tab E: Exhibit E-1 – Opinion of Issuer’s Counsel;
- Tab F: Exhibit F-1 – Form 8038-G;
- Tab G: Exhibit G-1 – Bank Qualified Certificate;
- Tab H: Exhibit H-1 – Closing Memorandum;
- Tab I: Exhibit I-1 – Insurance Certificate
- Tab J: Exhibit J-1 – Escrow Agreement, together with related exhibits

Assignment Documents (Lessor and Investor Only):

- Tab K: Assignment Agreement with Schedule A thereto.



HOLMAN CAPITAL CORPORATION

TAB A:

INSTALLMENT PURCHASE AGREEMENT

between

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

and

HOLMAN CAPITAL CORPORATION

Dated November 30, 2016

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, dated November 30, 2016, between the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, a public utility district of the State of California (the "District"), and HOLMAN CAPITAL CORPORATION, a corporation duly organized and existing under the laws of the State of Delaware (the "Corporation"), (each individually a "Party" and collectively the "Parties"). There are no other parties to this Installment Purchase Agreement.

W I T N E S S E T H:

WHEREAS, the District owns and operates an enterprise comprising property and facilities necessary to provide domestic water service within the District (the "Water System");

WHEREAS, the District has determined to undertake the acquisition, construction, equipping, and furnishing of certain improvements to its facilities (collectively, the "2016 Project") as more particularly described in Exhibit A, attached hereto and by this reference incorporated herein;

WHEREAS, the District and the Corporation are entering into this Installment Purchase Agreement, pursuant to which the Corporation will finance the acquisition of the 2016 Project and sell it to the District upon the terms and conditions set forth herein;

WHEREAS, the District and the Corporation have duly authorized the execution of this Installment Purchase Agreement;

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement;

NOW, THEREFORE, in consideration of these promises and of the mutual agreements and covenants contained herein and for other valuable consideration, the Parties hereto do hereby agree as follows:

ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

Accountant's Report means a report signed by an Independent Certified Public Accountant.

Assignee means American River Bank, as assignee of the Corporation's interests hereunder, and its successors and assigns.

Assignment Agreement means the Assignment Agreement dated November 30, 2016, between the Corporation and the Assignee.

Board President means the President of the Board of Directors of the District, or any other person designated by the Board President to act on behalf of the Board President.

Corporation means Holman Capital Corporation, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware.

District means the Georgetown Divide Public Utility District, a public utility district of the state of California, which is a body corporate and politic and a political subdivision duly organized and existing under and by virtue of the laws of the State of California.

Effective Interest Rate means the rate of interest per annum specified in Exhibit B.

Engineer's Report means a report signed by an Independent Engineer.

Escrow Agreement means the Escrow Agreement dated November 30, 2016, between the District, the Corporation and American River Bank, as escrow agent.

Escrow Fund means the fund by that name established pursuant to the Escrow Agreement.

Event of Default means an event described in Section 8.1.

Fiscal Year means the period beginning on July 1 of each year and ending on June 30 of each year, or any other twelve-month period selected and designated as the official Fiscal Year of the District.

Funding Date means November 30, 2016.

Independent Certified Public Accountant means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State of California, appointed and paid by the District, and who, or each of whom:

- (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the District;
- (2) does not have a substantial financial interest, direct or indirect, in the operations of the District; and
- (3) is not connected with the District as a member, officer or employee of the District, but who may be regularly retained to audit the accounting records of and make reports thereon to the District.

Independent Engineer means a registered engineer or firm of registered engineers generally recognized to be well-qualified in engineering matters relating to water systems, appointed and paid by the District, and who:

- (1) is in fact independent and not under the domination of the District or any member thereof;
- (2) does not have a substantial financial interest, direct or indirect, in the operations of the District; and
- (3) is not connected with the District as an officer or employee of the District or any member thereof, but who may be regularly retained to make reports to the District.

Installment Payment Dates mean twice annually, on the thirty-first (31st) day of each May, and on the thirtieth (30th) day of each November, commencing May 31, 2017.

2016 Installment Payments means the installment payments of interest and principal scheduled to be paid by the District under and pursuant to this Installment Purchase Agreement.

Installment Purchase Agreement means this Installment Purchase Agreement dated November 30, 2016, between the District and the Corporation, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Manager means the General Manager of the District, or any other person designated by the General Manager to act on behalf of the General Manager.

Net Proceeds means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

Net Water Revenues means, for any Fiscal Year, the income, rents, rates, fees, charges, taxes and other moneys generated by the District, less operating and maintenance expenses.

Operation and Maintenance Costs means all expenses and costs of management, operation, maintenance and repair of the Water System and all incidental costs, fees and expenses properly chargeable to the Water System (but excluding debt service or other similar payments on Parity Debt or other obligations and depreciation and obsolescence charges or reserves therefor and amortization of intangibles and inter-fund transfers or other bookkeeping entries of a similar nature).

Parity Debt means the payments made pursuant to any other indebtedness or other obligations (including leases and installment sale agreements), currently outstanding or hereafter issued or incurred, which are payable from and secured by a pledge of and lien on Net Water Revenues equally and ratably with the 2016 Installment Payments.

Purchase Price means the principal amount plus interest thereon owed by the District to the Corporation under the terms hereof as provided in Section 3.3.

Resolution means the resolution adopted by the District's Board of Directors on November 8, 2016, approving this Installment Purchase Agreement, approving the financing, and approving related documents.

Water Revenues means all gross income and revenue received by the District from the ownership and operation of the Water System, including, without limiting the generality of the foregoing,

- (1) all income, rents, rates, fees, charges or other moneys derived from the Water Service;
- (2) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is limited by or pursuant to the law to the Water System; and
- (3) the proceeds derived by the District directly or indirectly from the sale, lease or other disposition of a part of the Water System; and
- (4) but excluding customers' deposits or any other deposits subject to refund until such deposits have become the property of the District.

Water Service means the water furnished, made available, or provided by the Water System.

Water System means the whole and each and every part of the water supply, treatment, and delivery system owned and operated by the District, including all additions, betterments, extensions and improvements to the Water System or any part thereof hereafter acquired or constructed.

Section 1.2. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District or the Corporation any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Corporation shall be for the sole and exclusive benefit of the other Parties.

Section 1.3. Successor Is Deemed Included in all References to Predecessor. Whenever either the District or the Corporation is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Corporation, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Corporation shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 1.4. Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the 2016 Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 1.5. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 1.6. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District or the Corporation shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Corporation hereby declare that they would have executed this Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 1.7. California Law. This Installment Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 1.8. Notices. All written notices to be given hereunder shall be given by mail to the Party entitled thereto at its address set forth below, or at such other address as such Party may provide to the other Party in writing from time to time, namely:

If to the District: Georgetown Divide Public Utility District
6425 Main Street
Georgetown, CA 95634
Attention: General Manager

If to the Corporation: Holman Capital Corporation
25201 Paseo de Alicia, Suite 290
Laguna Hills, CA 92653
Attention: Lance S. Holman

If to the Assignee: American River Bank
2240 Douglas Blvd.
Suite 100
Roseville, CA 95661
Attention: Chief Credit Officer

Section 1.9. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ARTICLE II REPRESENTATIONS BY THE DISTRICT AND THE CORPORATION

Section 2.1. Representations by the District. The District makes the following representations:

- (a) The District is a duly organized and existing public utility district under and pursuant to the laws of the State of California, and is a political subdivision and body corporate and politic of the State of California;
- (b) The District has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out its obligations hereunder;
- (c) With the exception of the pledge of the Net Water Revenues hereunder and any pledge made with respect to Parity Debt, the Net Water Revenues have not otherwise been pledged and there are no other liens against the Net Water Revenues;
- (d) The District is not currently, and has not been at any time, in default under any long-term debt obligations;
- (e) The District's audited financial statements for the period ended June 30, 2015, present fairly the financial condition of the District and the Water System as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Assignee, there has been no change in the financial condition of the District or the Water System since June 30, 2015, that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Installment Purchase Agreement. All information provided by the District to the Assignee with respect to the financial performance of the Water System is accurate in all material respects as of its respective date and does not omit any information necessary to make the information provided not misleading. However, Corporation and Assignee are advised that rates for public services, such as water and sewer service, are subject to certain legal restrictions in

the State of California, including but not limited to Propositions 218 and 26 which require that majority protest and other procedures and limitations be followed.

- (f) As currently conducted, the District's activities with respect to the Water System are in all material respects, to the District's best knowledge, in compliance with all applicable laws, administrative regulations of the State and of the United States and any agency or instrumentality of either, and any judgment or decree to which the District is subject; and
- (g) By proper action, the District has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

Section 2.2. Representations by the Corporation. The Corporation makes the following representations and warranties:

- (a) The Corporation is a corporation duly organized and existing under the laws of the State of Delaware.
- (b) The Corporation has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out its obligations hereunder.
- (c) By proper action, the Corporation has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

**ARTICLE III
ACQUISITION OF THE 2016 PROJECT; PURCHASE OF THE 2016 PROJECT;
2016 INSTALLMENT PAYMENTS**

Section 3.1. Acquisition of the 2016 Project. (a) Funding. To fund the acquisition of the 2016 Project and associated financing costs, the Corporation hereby agrees to cause to be deposited or paid the following amounts:

- (a) Project Cost: \$2,095,000.00 deposited into the Escrow Fund for the acquisition costs associated with the 2016 Project, and
- (b) Costs of Issuance: \$5,000.00 deposited in the Escrow Fund to pay costs associated with the delivery of this Installment Purchase Agreement, and

(b) Acquisition Process. The Corporation hereby agrees to cause the 2016 Project to be acquired by the District as its agent. The District shall enter into contracts and provide for, as agent for the Corporation, the complete acquisition of the 2016 Project. The District hereby agrees that it will cause the acquisition of the 2016 Project to be diligently performed, and that it will use its best efforts to cause the acquisition of the 2016 Project to be completed within three years from the date of execution of this Installment Purchase Agreement, unforeseeable events or delays beyond the reasonable control of the District excepted. It is hereby expressly understood and agreed that the Corporation shall be under no liability of any kind whatsoever for the payment of any cost of the 2016 Project and that all such costs and expenses shall be paid by the District, regardless of whether the amount deposited in the Escrow Fund is sufficient to pay all such costs and expenses associated with the 2016 Project.

(c) Changes to the 2016 Project. The District may delete capital facilities that are portions of the 2016 Project described in Exhibit A hereto and substitute other facilities therefor, provided that the following conditions are met:

(i) the District provides written notice to the Corporation of the capital facilities of the 2016 Project to be deleted and substituted, which notice shall include a statement that the estimated cost of acquisition of any substituted capital facilities are not less than such costs for the capital facilities deleted; and

(ii) the District shall deliver an opinion of bond counsel to the effect that the substitution will not adversely affect the exclusion by the recipients of the 2016 Installment Payments of the interest portion thereof from gross income for federal income tax purposes.

(d) Title. All right, title, and interest in each component of the 2016 Project shall vest in the District immediately upon acquisition or construction thereof. Such vesting shall occur automatically without further action by the Corporation or the District, but the Corporation shall, if requested by the District or if necessary to assure vesting of title to each component of the 2016 Project in the District, deliver any documents required to assure vesting of title to each component of the 2016 Project in the District.

Section 3.2. Purchase of the 2016 Project. The Corporation hereby transfers its interest in and title to the 2016 Project to the District, and the District hereby purchases the 2016 Project from the Corporation at the Purchase Price set forth in Section 3.3 (Purchase Price) herein.

Section 3.3. Purchase Price. (a) Aggregate Purchase Price. The Purchase Price to be paid by the District is the sum of the aggregate principal amount of the District's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article IV (Prepayment of 2016 Installment Payments) herein.

(b) Principal Component. The principal amount of the 2016 Installment Payments to be made by the District hereunder is Two Million, One Hundred Thousand Dollars (\$2,100,000.00), including the Five Thousand Dollar (\$5,000.00) cost of issuance deposit.

(c) Interest Component. The interest to accrue on the unpaid balance of such principal amount of 2016 Installment Payments is set forth in Exhibit B hereto. The interest components of the 2016 Installment Payments are paid as, and constitute, interest on the principal amount of the District's obligations hereunder.

Section 3.4. 2016 Installment Payments. The District shall, subject to any rights of prepayment provided in Article IV (Prepayment of 2016 Installment Payments) herein, pay the Purchase Price in 2016 Installment Payments, which comprise principal and interest components, in immediately available funds, on the dates and in the amounts set forth in Exhibit B.

Each 2016 Installment Payment shall be paid to the Assignee, as assignee of the Corporation pursuant to the Assignment Agreement, in lawful money of the United States of America by check or wire transfer of immediately available funds. If the District fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the District until such amount shall have been fully paid, and the District agrees to pay the same plus interest thereon at the Effective Interest Rate.

Section 3.5. Obligation to Pay. (a) Obligation Limited to Net Water Revenues. Notwithstanding any other provisions contained herein, the obligation of the District to make the 2016 Installment Payments is a special obligation of the District payable solely from Net Water Revenues and does not constitute a debt of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

The District shall not be required to advance any moneys derived from any source of income other than the Net Water Revenues for the payment of the 2016 Installment Payments or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

(b) Obligation Otherwise Unconditional. The obligation of the District to make the 2016 Installment Payments from the Net Water Revenues is absolute and unconditional; and, until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article 5 (Discharge of Obligations) herein), the District will not abate, discontinue, or suspend any 2016 Installment Payments required to be made by it under this Installment Purchase Agreement when due, whether or not the 2016 Project or any part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, whether by reason of material damage to, material destruction of, taking under the power of eminent domain (or sale to any entity threatening the use of such power), material title defect, or other reason. The 2016 Installment Payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

Section 3.6. Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely during the term hereof the 2016 Installment Payments and all other payments required hereunder, free of any deductions and without any abatement, diminution, counterclaims, or set-off whatsoever.

Section 3.7. Late Payments. Whenever any rental payment or other amount payable to Corporation by District hereunder is not paid within ten (10) days after such due date, District agrees to pay Corporation a late charge on the delinquent amount at the "Default Rate," which is one percent (1%) per month, or the maximum amount permitted under applicable law, whichever is less. Such amount(s) shall be payable solely from legally available funds in addition to all amounts payable by District as a result of the exercise of any of the remedies herein provided.

ARTICLE IV

PREPAYMENT OF 2016 INSTALLMENT PAYMENTS

Section 4.1. Prepayment. (a) The District may or shall, as the case may be, prepay principal components of the unpaid 2016 Installment Payments as a whole or in part (such that the remaining 2016 Installment Payments after such partial prepayment are substantially equal) on any date from Net Proceeds as provided herein at a prepayment price equal to the sum of the principal components prepaid plus accrued interest thereon to the date of prepayment.

(b) Optional Prepayment. On any Installment Payment Date, the District may prepay its obligations hereunder in whole, but not in part, by paying to the Corporation the 2016 Installment Payment due on such date together with the amount shown as the "Purchase Option Price" for such date on Exhibit B, plus the amount of any 2016 Installment Payments then in default, together with all past due amounts, additional interest, and late charges (if any).

Section 4.2. Notice of Prepayment. Before making any prepayment pursuant to Article 4 (Prepayment of 2016 Installment Payments) herein, the District shall give written notice to the Corporation not less than thirty (30) calendar days prior to the date of prepayment, or such shorter time as is consented to by the Corporation. The District may provide a conditional notice of prepayment to satisfy the requirements of this Section. 4.2.

**ARTICLE V
DISCHARGE OF OBLIGATIONS**

Section 5.1. Discharge of Obligations. (a) Payment of All 2016 Installment Payments. If the District shall pay or cause to be paid all the 2016 Installment Payments at the times and in the manner provided herein and also pay or cause to be paid all other sums payable hereunder by the District, then the right, title, and interest of the Corporation herein shall cease, terminate, become void, and be completely discharged and satisfied. Notwithstanding the satisfaction and discharge of this Installment Purchase Agreement, the covenants of the District to preserve the exclusion of the interest component of the 2016 Installment Payments from gross income for federal income tax purposes contained in Section 7.10 (Tax Covenant) shall survive.

(b) Prepayment Escrow. All or any portion of unpaid 2016 Installment Payments shall, prior to their scheduled payment dates, be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section 5.1 (except that the District shall remain liable for the 2016 Installment Payments, but only out of the money or securities deposited as described below for their payment), if there shall have been irrevocably deposited with an escrow agent or other fiduciary sufficient moneys and securities guaranteed by the full faith and credit of the United States the principal of and interest on which when due will provide money sufficient to pay such 2016 Installment Payments when due or prepay such 2016 Installment Payments in accordance with Section 4.1(b) (Optional Prepayment) herein.

**ARTICLE VI
SECURITY**

Section 6.1. Pledge of Net Water Revenues & Lien on Escrow Fund. The District hereby irrevocably pledges all of the Net Water Revenues to the payment of the 2016 Installment Payments. This pledge shall constitute a first priority lien on the Net Water Revenues for the payment of the 2016 Installment Payments and any Parity Debt. Additionally, the District hereby irrevocably grants to Corporation a first, priority and perfected lien and security interest in the 2016 Project Proceeds in the Escrow Fund, until such time as the funds therein are used to complete the 2016 Project.

Section 6.2. Additional Debt. (a) No Superior Obligations. The District shall not issue or incur any additional or future obligations secured by a pledge of Water Revenues or Net Water Revenues that is superior to the pledge securing the 2016 Installment Payments, without the prior written consent of the Corporation and Assignee.

(b) Additional Parity Debt. The District shall not incur additional Parity Debt unless:

(1) the District is not in default under the terms of this Installment Purchase Agreement, and

(2) the Net Water Revenues for the latest Fiscal Year or any more recent 12-month period selected by the District ending not more than 60 days prior to the adoption of the resolution approving the instrument pursuant to which such proposed Parity Debt is to be issued or incurred, plus, at the option of the District, the additional allowance described below, shall have amounted to at least 1.25 times the sum of the amount of the 2016 Installment Payments becoming due and payable in the current or future Fiscal Year in which that amount is at its maximum and the maximum annual debt service on all Parity Debt outstanding immediately subsequent to the incurring of such additional obligations, as evidenced by a calculation prepared by a qualified Accounting firm.

Either or both of the following items may be added to Net Water Revenues by the District for the purpose of applying the restriction in Subsection (b)(2) above:

(1) An allowance for revenues from any additions to or improvements or extensions of the Water System to be constructed with the proceeds of such additional obligations, and also for net revenues from any such additions, improvements or extensions, but that, during all or any part of such Fiscal Year, were not in service, all in an amount equal to 100% of the estimated additional average annual Net Water Revenues to be derived from such additions, improvements and extensions for the first 36-month period following closing of the proposed Parity Debt, all as shown by the certificate or opinion of a qualified independent consultant employed by the District; and/or

(2) An allowance for earnings arising from any increase in the charges made for service from the Water System that has become effective prior to the incurring of such additional obligations but that, during all or any part of such Fiscal Year, was not in effect, in an amount equal to 100% of the amount by which the Net Water Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year and any period prior to the incurring of such additional obligations, as shown by the certificate or opinion of an Independent Engineer.

(c) Refundings. The District may incur obligations secured by the Net Water Revenues to discharge or defease any Parity Debt, if the District either meets the requirements of subsection (b) above or an Accountant's Report is filed with the Corporation to the effect that the Debt Service for each future Fiscal Year following such discharge or defeasance shall be less than or equal to the Debt Service for that Fiscal Year if such discharge or defeasance did not occur.

(d) Subordinate Obligations. The District may incur obligations secured by the Net Water Revenues on a junior or subordinate basis, if the District meets the requirements of subsection (b) above but reducing the coverage ratio required therein from 1.25 to 1.00.

ARTICLE VII COVENANTS OF THE DISTRICT

Section 7.1. Compliance with Installment Purchase Agreement and Resolution. The District will punctually pay the 2016 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate the Installment Purchase Agreement for any cause. The District will faithfully observe and perform all the agreements, conditions, covenants and terms contained in the Resolution resolved therein to be observed and performed by it.

Section 7.2. Compliance with Law and Contracts; Preservation of Rights. The District will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on its operation of the Water System by contract, or prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right, or privilege now owned or hereafter acquired by it, including its right to exist and carry on its business, to the end that such franchises, rights, and privileges shall be maintained and preserved and shall not become abandoned, forfeited, or in any manner impaired.

Section 7.3. Against Sale or Other Disposition of Property. The District will not sell, lease, encumber, or otherwise dispose of the Water System, the 2016 Project, or any part thereof, or interest therein essential to the proper operation of the Water System or to the maintenance of the Water Revenues.

The District will not enter into any agreement or lease that impairs the operation of the Water System or any part thereof necessary to secure adequate Water Revenues for the payment of the 2016 Installment Payments or that would otherwise impair the rights of the Corporation with respect to the Water Revenues or the operation of the Water System. The District may sell or otherwise dispose of any real or personal property that has become nonoperative or that is not needed for the efficient and proper operation of the Water System or any material or equipment that has become worn out.

Section 7.4. Operation and Maintenance of the Water System. The District will maintain and preserve the Water System in good repair and working order at all times and will operate the Water System in an efficient and economical manner and will pay all Operation and Maintenance Costs of the Water System as they become due and payable.

Section 7.5. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies that, if unpaid, might become a lien on the Water Revenues or any part thereof or on any funds in the hands of the District prior or superior to the lien of the 2016 Installment Payments or that might impair the security of the 2016 Installment Payments.

Section 7.6. Insurance; Application of Net Proceeds.

(a) Casualty and Liability Insurance. The District will procure and maintain or cause to be procured and maintained insurance on the Water System with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with water systems similar to the Water System so long as such insurance is available from reputable insurance companies. In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair, or replacement of the damaged or destroyed portion of the Water System. The District shall begin such reconstruction, repair, or replacement promptly after such damage or destruction shall occur; shall continue and properly complete such reconstruction, repair, or replacement as expeditiously as possible; and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair, or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens. If such Net Proceeds exceed the costs of such reconstruction, repair, or replacement, then the excess Net Proceeds may be applied in part to the prepayment of 2016 Installment Payments as provided in Article 4 (Prepayment of 2016 Installment Payments) and in part to such other fund or account as may be appropriate and used for the retirement of Parity Debt. If such Net Proceeds are sufficient to enable the District to retire the entire obligation evidenced hereby prior to the final due date of the 2016 Installment Payments as well as the entire obligations evidenced by Parity Debt Contracts then remaining unpaid prior to their final respective due dates, the District may elect not to reconstruct, repair, or replace the damaged or destroyed portion of the Water System, and thereupon such Net Proceeds shall be applied to the prepayment of 2016 Installment Payments as provided in Article 4 (Prepayment of 2016 Installment Payments) and to the retirement of such Parity Debt.

(b) Other Insurance. The District will procure and maintain such other insurance that it deems advisable or necessary to protect its interests and the interests of the Corporation, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with Water systems similar to the Water System.

(c) Self-Insurance. Any insurance required to be maintained pursuant to paragraph (a) above and any insurance maintained pursuant to paragraph (b) above will be maintained under a self-insurance or pooled risk program so long as such self-insurance or pooled risk program is maintained in the amounts and manner usually maintained in connection with Water systems similar to the Water System.

(d) Notice of Cancellation. All policies of insurance required to be maintained herein shall provide that the Corporation shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 7.7. Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied as follows:

(a) If (1) the District obtains and files with the Corporation an Engineer's Report or Accountant's Report showing (i) the estimated loss of annual Net Water Revenues, if any, suffered or to be suffered by the District by reason of such eminent domain proceedings, (ii) a general description of the additions, betterments, extensions, or improvements to the Water System proposed to be acquired and constructed by the District from such Net Proceeds, and (iii) an estimate of the additional annual Net Water Revenues to be derived from such additions, betterments, extensions, or improvements, and (2) the District, on the basis of such Engineer's Report or Accountant's Report filed with the District, determines that the estimated additional annual Net Water Revenues will sufficiently offset the estimated loss of annual Net Water Revenues resulting from such eminent domain proceedings so that the ability of the District to meet its obligations hereunder will not be substantially impaired (which determination shall be final and conclusive) then the District shall promptly proceed with the acquisition and construction of such additions, betterments, extensions, or improvements substantially in accordance with such Engineer's Report or Accountant's Report and such Net Proceeds shall be applied for the payment of the costs of such acquisition and construction, and any balance of such Net Proceeds not required by the District for such purpose shall be deposited in the District's water enterprise fund.

(b) If (1) the District obtains and files with the Authority an Engineer's Report or Accountant's Report containing an estimate of annual Net Water Revenues after the taking by eminent domain and (2) the District, on the basis of such Engineer's Report or Accountant's Report, determines that Net Water Revenues will equal at least one hundred twenty-five per cent (125%) of the 2016 Installment Payments and debt service on all Parity Debt outstanding for each Fiscal Year in which 2016 Installment Payments are due, then the District may use such Net Proceeds for any lawful purpose.

(c) If the conditions of neither of the foregoing subsections are met, then such Net Proceeds shall be applied in part to the prepayment of 2016 Installment Payments as provided in Article IV (Prepayment of 2016 Installment Payments) and in part to such other fund or account as may be appropriate and used for the retirement of Parity Debt in the same proportion as the aggregate unpaid principal balance of 2016 Installment Payments then bears to the aggregate unpaid principal amount of such Parity Debt. For avoidance of doubt, any prepayment triggered under this Section 7.7 may be in whole or in part, with partial prepayments being made in the pro rata portion of the Purchase Option Price.

Section 7.8. Rates, Fees and Charges.

(a) The District covenants that it shall prescribe, revise and collect such charges for the Water Service that, after allowances for contingencies and error in the estimates, shall produce Water Revenues sufficient in each Fiscal Year to provide Net Water Revenues equal to at least 125% of the sum of (1) the 2016 Installment Payments becoming due and payable in such Fiscal Year, and (2) all debt service and any additional payments required with respect to Parity Debt for such Fiscal Year.

(b) The District will have in effect, at all times, rules and regulations requiring each customer located on any premises connected with the Water System to pay the rates, fees and charges applicable to

the Water Service to such premises and providing for the billing thereof and for a due date and a delinquency date for each bill. The District will not permit any part of the Water System or any facility thereof to be used or taken advantage of free of charge by any corporation, firm or person, or by any public agency (including the United States of America, the State of California and any city, county, district, political subdivision, public corporation or agency of any thereof); provided, that the District may without charge use the Water Service.

(c) The District covenants and agrees to raise water rates (subject to the legal restrictions and requirements incumbent thereon) and take other legally available steps necessary to not only cover operating expenses, capital expenditures, and maintenance expenses, but also to faithfully and punctually pay and perform all of its obligations under this Installment Purchase Agreement, including, without limitation, meeting all debt service, rate and other financial covenants contained herein.

Section 7.9. Protection of Security and Rights of the Corporation. The District will preserve and protect the security hereof and the rights of the Corporation to the 2016 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 7.10. Tax Covenant. The District shall at all times do and perform all acts and things permitted by law (and not permit any omissions required under applicable laws) that are necessary and desirable in order to assure that interest paid with respect to the 2016 Installment Payments will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. District agrees to (a) execute and deliver to Corporation, upon Corporation's request, a tax certificate and agreement in form and content acceptable to Corporation and District, relating to the establishment and maintenance of the excludability from gross income of the interest component of the installment payments hereunder for federal income tax purposes; (b) complete and file in a timely manner an information reporting return as required by the Internal Revenue Code of 1986 (as from time to time amended, the "Code"); and (c) make any arbitrage, yield, or rebate payments (if applicable) to the federal government if required by, and in accordance with, Section 148(f) of the Code, and make the determinations and maintain the records required by the Code. For avoidance of doubt, the representations and warranties of the District in the Tax and Arbitrage Certificate related hereto is incorporated by reference herein.

The District represents that it does not have on hand any property, including cash and securities, that is legally required or otherwise restricted (no matter where held or the source thereof) to be used directly or indirectly to purchase the 2016 Project. The District has not and will not establish any funds or accounts (no matter where held or the source thereof) the use of which is legally required or otherwise restricted to pay directly or indirectly 2016 Installment Payments hereunder. The District further certifies that, so long as any installment payments hereunder remain unpaid, moneys on deposit in the Escrow Fund will not be used in a manner that will cause this Installment Purchase Agreement to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code.

Should the District take any act or omit to take any action that would result in the income for the 2016 Installment Payments being included in the gross income of the Corporation, its Assignee, or any subsequent assignee hereunder, the District agrees to pay promptly after any such determination of taxability and on each rental payment date thereafter to Corporation, its Assignee, or any assignee thereof an additional amount determined by Corporation, its Assignee, or any assignee thereof to compensate such owner or owners for the loss of such excludability (including without limitation, compensation relating to interest expense, penalties or additions to tax), which determination shall be conclusive (absent manifest error). The covenants and agreements in this Section 7.10 will survive the payment in full of the 2016 Installment Payments.

Section 7.11. Indemnification of the Corporation. The District shall, to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the Corporation and its directors, officers, and employees from and against any and all liability, obligations, losses, claims, and damages whatsoever, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest, arising out of or as the result of the actions or omissions of District related to entering into of this Installment Purchase Agreement or any other agreement entered into in connection herewith or therewith, the design or ownership of the 2016 Project, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any part of the 2016 Project, or any accident in connection with the operation, use, condition, possession, storage, or return of any item of the 2016 Project resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Corporation; any claim for patent, trademark, or copyright infringement; and any claim arising out of strict liability in tort. Notwithstanding the forgoing, this indemnification and hold harmless shall not include any liability arising out of or resulting from the negligence, willful misconduct, or wrongful acts of the Corporation, its directors, officers, employees, or agents. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations under this Installment Purchase Agreement or the termination of the term of this Installment Purchase Agreement for any reason. The District and the Corporation mutually agree to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

Section 7.12. Additional Information. The District agrees to furnish to the Assignee (i) the audited financial statements of the District within six (6) months of the end of the Fiscal Year, or as soon as practicable thereafter, together with a certificate that the District is in compliance with the covenants contained herein, and (ii) promptly, from time to time, but no more than one (1) time per quarter, such information regarding the operations, financial condition and property of the District and the Water System as the Assignee may reasonably request. Any audited financial statements furnished to the Assignee shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the District's financial condition as of the date of the statements.

Section 7.13. Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Corporation of the rights and benefits provided to it herein.

Section 7.14. Opinion of District's Attorney. The District will cause to be delivered an opinion of the District's Attorney dated the Funding Date and addressed to the Corporation and the Assignee to the effect that:

(i) the District is a public utility district duly organized and existing under the laws of the State of California;

(ii) the Resolution was duly adopted at a meeting of the Board of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(iii) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of such counsel after reasonable investigation, threatened against or affecting the District, to restrain or enjoin the payment of the 2016 Installment Payments under this Installment Purchase Agreement, or in any way contesting or affecting the validity of the Resolution or this Installment Purchase Agreement, and

(iv) the execution of this Installment Purchase Agreement, the consent to the Assignment Agreement, the adoption of the Resolution and compliance by the District with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a Party or by which it is bound (that are known to the District's Attorney) or any existing law, regulation, court order or consent decree to which the District is subject.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES OF THE CORPORATION

Section 8.1. Events of Default and Remedies. (a) Events of Default. The following shall be Events of Default hereunder:

(1) Failure by the District to pay any 2016 Installment Payment or debt service on any Parity Debt at the time specified herein.

(2) Failure by the District to observe and perform any covenant, condition or agreement on its part contained herein or in agreement or instrument pursuant to which Parity Debt is issued, other than in clause (1) of this subsection, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation; provided, however, that the Corporation and the District may agree that action by the District to cure such failure may be extended beyond such thirty-day period.

(3) Any violation of any applicable rule, regulation, law, statute or ordinance applicable to the District or the Water System or the Parity Debt that could lead to a breach under subsections (1) and/or (2) and that are not cured in accordance with subsections (1) and/or (2)

(b) Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Corporation shall have the right, at its option upon notice to the District, to:

(1) declare the entire principal amount of the unpaid 2016 Installment Payments and the accrued interest thereon to be accelerated and immediately due and payable, whereupon the same shall immediately become due and payable; and/or

(2) for the account of the District, incur and pay reasonable expenses for repair, maintenance, and operation of the Water System and such other reasonable expenses as may be necessary to cure the cause of default; and/or

(3) take all actions and pursue all other rights and remedies that Corporation may have, at law or in equity, including, without limitation, seeking a mandamus, requesting specific performance, or taking action to enjoin the District from taking any action not permitted or contradictory to the express terms, conditions and requirements hereunder.

The provisions of the preceding clause (1) are subject to the condition that if, at any time after the principal amount of the unpaid 2016 Installment Payments shall have been so declared due and payable pursuant to the preceding clause (1), and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Corporation a sum sufficient to pay the unpaid principal amount of the 2016 Installment Payments coming due prior to such declaration, and the reasonable expenses of the Corporation, and any and all other defaults known to the Corporation (other

than in the payment of the entire principal amount of the unpaid 2016 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Corporation or provision deemed by the Corporation to be adequate shall have been made therefor, then and in every such case the Corporation, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.2. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.1, all Water Revenues thereafter received by the District shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Water Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Corporation if any, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel;

Second, to the payment of the Operation and Maintenance Costs; and

Third, to the payment of the entire principal amount of the unpaid 2016 Installment Payments and the unpaid principal amount of any other obligations secured by the Net Water Revenues and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the 2016 Installment Payments and such other obligations if paid in accordance with their respective terms.

Section 8.3. Other Remedies of the Corporation. The Corporation shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District, and to compel the District to carry out its duties under the agreements and covenants required to be performed by it contained herein;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Corporation; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its board members, officers and employees to account as the trustee of an express trust.

Section 8.4. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the 2016 Installment Payments to the Corporation at the respective due dates or upon prepayment, or shall affect or impair the right of the Corporation, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Corporation shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Corporation to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Corporation by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Corporation.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Corporation, the District and the Corporation shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.5. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the law.

ARTICLE IX ASSIGNMENT; AMENDMENTS

Section 9.1. Assignment.

(a) The District hereby consents to the assignment by the Corporation of its rights under this Installment Purchase Agreement to the Assignee, which rights are evidenced by the Assignment Agreement. The District will not assign its duties and obligations under this Installment Purchase Agreement without the prior written consent of the Corporation, the Assignee, or any permitted assignee thereof, and such assignment by the District will be subject to the holder's then existing credit underwriting criteria and require an opinion from a nationally recognized tax or bond counsel that such transfer or assignment will not cause the interest paid with respect to the 2016 Installment Payments to be included in the gross income calculations of the Corporation, Assignee, or any assignee thereof for federal income tax purposes.

(b) The Assignee may further assign its right, title and interest in this Installment Purchase Agreement, the 2016 Installment Payments and other amounts due hereunder in whole to one or more assignees or subassignees at any time, without the consent of the District. Upon such assignment the assignee of such assignment shall be entitled to all rights of the Assignee set forth herein and shall be entitled to all notices required to be sent to the Assignee pursuant to this Installment Purchase Agreement. The District shall cooperate with the Assignee either now or hereafter by acknowledging any agreement relating thereto which in no way will alter or affect the terms and conditions of this Installment Purchase Agreement and the assignment of this Installment Purchase Agreement by the Assignee. No such assignment shall be effective as against the District unless and until the entity or person making the assignment shall have filed with the District written notice thereof. During the term of this Installment Purchase Agreement, the District shall keep a record of all such notices of assignment and shall make payments to the assignee. Subject always to the foregoing, this Installment Purchase Agreement inures to the benefit of, and is binding upon the successors and assigns of the Parties hereto.

Section 9.2. Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Corporation and the District and of the Assignee may be modified or amended at any time but only with the written consent of the District and Assignee. No such modification or amendment shall (1) extend the payment dates for the 2016 Installment Payments or reduce the amounts thereof without the consent of the District and the Assignee, or (2) modify any of the rights or obligations of the Corporation or the Assignee (as applicable) without its written consent thereto.

(b) This Installment Purchase Agreement and the rights and obligations of the Corporation and the District and of the Assignee may also be modified or amended at any time, with the consent of the

Assignee and the District, but only to the extent permitted by law and only for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Corporation or the District contained in this Installment Purchase Agreement other covenants and agreements thereafter to be observed or to surrender any right or power herein reserved to or conferred upon the Corporation or the District, and that shall not adversely affect the interests of the Assignee;

(2) to cure, correct or supplement any ambiguous or defective provision contained in this Installment Purchase Agreement or in regard to questions arising under this Installment Purchase Agreement, as the Corporation or the District may deem necessary or desirable and that shall not adversely affect the interests of the Assignee; and

(3) to make such other amendments or modifications as may be in the best interests of the Assignee.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

**GEORGETOWN DIVIDE PUBLIC UTILITY
DISTRICT**

HOLMAN CAPITAL CORPORATION

By: _____
Name: Darrell Creeks
Title: Interim General Manager

By: _____
Name: Lance Holman
Title: President & CEO

[Signature Page to Installment Purchase Agreement]

EXHIBIT A

DESCRIPTION OF THE 2016 PROJECT

The District would like to install approximately 3,681 new water meters and an Advanced Metering Infrastructure/Automated Meter Reading (AMI/AMR) system to read water meters in an automated and cost effective manner. Aging water meters often understate water consumption. The new water meters will improve accuracy, lower operating cost, and boost District revenues. The AMI/AMR system transmits water consumption data to the District that lowers operating cost and saves time. Thus, the District is able to detect leaks, identify high water users, and better manage the water system.

A more detailed breakdown is as follows:

Description	Quantity	Unit Cost	Total Cost	% of Total
5/8" Water Meter and Antenna	2,565	\$ 280.00	\$ 718,200.00	34.20%
3/4" Water Meter and Antenna	975	\$ 295.00	\$ 287,625.00	13.70%
1" Water Meter and Antenna	130	\$ 300.00	\$ 39,000.00	1.86%
1.5" Water Meter and Antenna	7	\$ 540.00	\$ 3,780.00	0.18%
2" Water Meter and Antenna	2	\$ 560.00	\$ 1,120.00	0.05%
4" Water Meter and Antenna	2	\$ 3,295.00	\$ 6,590.00	0.31%
AMR Hardware and Software	1	\$ 45,000.00	\$ 45,000.00	2.14%
Installation of Meter System	3,830	\$ 95.00	\$ 363,850.00	17.33%
Lids Replacement	1,000	\$ 65.00	\$ 65,000.00	3.10%
Breakage @ 10%	1	\$ 40,425.00	\$ 40,425.00	1.93%
Gateway Collectors with Install	16	\$ 12,000.00	\$ 192,000.00	9.14%
Server and Software	1	\$ 15,000.00	\$ 15,000.00	0.71%
Sales Tax	1	\$ 146,651.18	\$ 146,651.18	6.98%
Contingency			\$ 170,758.82	8.13%
HCC Documentation Fee			\$ 5,000.00	0.24%
Net Financing Amount			\$ 2,100,000.00	100.00%

EXHIBIT B
2016 INSTALLMENT PAYMENTS

2016 Installment Payment No.	2016 Installment Payment Date	2016 Installment Payment	Amount Attributable to Interest	Amount Attributable to Principal	Purchase Option Price
0	11/30/2016				
1	5/31/2017	\$ 91,206.01	\$ 37,800.00	\$ 53,406.01	\$2,128,457.75
2	11/30/2017	\$ 91,206.01	\$ 36,838.69	\$ 54,367.32	\$2,071,915.74
3	5/31/2018	\$ 91,206.01	\$ 35,860.08	\$ 55,345.93	\$2,014,355.97
4	11/30/2018	\$ 91,206.01	\$ 34,863.85	\$ 56,342.16	\$1,955,760.12
5	5/31/2019	\$ 91,206.01	\$ 33,849.69	\$ 57,356.32	\$1,896,109.55
6	11/30/2019	\$ 91,206.01	\$ 32,817.28	\$ 58,388.73	\$1,835,385.27
7	5/31/2020	\$ 91,206.01	\$ 31,766.28	\$ 59,439.73	\$1,773,567.95
8	11/30/2020	\$ 91,206.01	\$ 30,696.37	\$ 60,509.64	\$1,710,637.93
9	5/31/2021	\$ 91,206.01	\$ 29,607.19	\$ 61,598.82	\$1,646,575.15
10	11/30/2021	\$ 91,206.01	\$ 28,498.42	\$ 62,707.59	\$1,581,359.26
11	5/31/2022	\$ 91,206.01	\$ 27,369.68	\$ 63,836.33	\$1,514,969.48
12	11/30/2022	\$ 91,206.01	\$ 26,220.63	\$ 64,985.38	\$1,447,384.68
13	5/31/2023	\$ 91,206.01	\$ 25,050.89	\$ 66,155.12	\$1,378,583.36
14	11/30/2023	\$ 91,206.01	\$ 23,860.10	\$ 67,345.91	\$1,308,543.61
15	5/31/2024	\$ 91,206.01	\$ 22,647.87	\$ 68,558.14	\$1,237,243.14
16	11/30/2024	\$ 91,206.01	\$ 21,413.82	\$ 69,792.19	\$1,164,659.27
17	5/31/2025	\$ 91,206.01	\$ 20,157.56	\$ 71,048.45	\$1,090,768.88
18	11/30/2025	\$ 91,206.01	\$ 18,878.69	\$ 72,327.32	\$1,015,548.47
19	5/31/2026	\$ 91,206.01	\$ 17,576.80	\$ 73,629.21	\$ 938,974.09
20	11/30/2026	\$ 91,206.01	\$ 16,251.47	\$ 74,954.54	\$ 861,021.37
21	5/31/2027	\$ 91,206.01	\$ 14,902.29	\$ 76,303.72	\$ 781,665.50
22	11/30/2027	\$ 91,206.01	\$ 13,528.83	\$ 77,677.18	\$ 700,881.23
23	5/31/2028	\$ 91,206.01	\$ 12,130.64	\$ 79,075.37	\$ 618,642.85
24	11/30/2028	\$ 91,206.01	\$ 10,707.28	\$ 80,498.73	\$ 534,924.17
25	5/31/2029	\$ 91,206.01	\$ 9,258.30	\$ 81,947.71	\$ 449,698.55
26	11/30/2029	\$ 91,206.01	\$ 7,783.24	\$ 83,422.77	\$ 362,938.87
27	5/31/2030	\$ 91,206.01	\$ 6,281.63	\$ 84,924.38	\$ 274,617.51
28	11/30/2030	\$ 91,206.01	\$ 4,753.00	\$ 86,453.01	\$ 184,706.38
29	5/31/2031	\$ 91,206.01	\$ 3,196.84	\$ 88,009.17	\$ 93,176.84
30	11/30/2031	\$ 91,206.01	\$ 1,612.89	\$ 89,593.12	\$ -
Grand Totals		\$2,736,180.30	\$ 636,180.30	\$2,100,000.00	

Effective Interest Rate: 3.60%

TAB B:

Form of Resolution Provided by District, Bond Counsel or Holman.

TAB C:

GENERAL CERTIFICATE

2016 Installment Purchase Agreement Financing the
Water Meter Replacement Project
in the
Aggregate Principal Amount of \$2,100,000.00

The undersigned is the Interim General Manager of the Georgetown Divide Public Utility District (the “Issuer”), certifies as follows:

I

I am the duly appointed Interim General Manager and as such am familiar with its books and corporate records.

II

The District is a duly created and validly existing public utility district, which constitutes a political subdivision of the State of California vested with the rights and powers conferred upon public utility districts by the laws of California.

III

A duly noticed meeting of the Board was duly called and held on November 8, 2016. At such meeting, the Board held a public hearing, duly noticed, for the issuance of certain indebtedness. Attached hereto as Exhibit A is a certificate of the public hearing notice, with its dates of publication. Following the public hearing, the Board considered a resolution for the issuance of certain indebtedness and attached hereto as Exhibit B is a true and complete copy of a resolution dated November 8, 2016 adopted by a majority of the members of the Board present and voting during such meeting (the “Resolution”) relating to such matters. A summary of the members present or absent at such meeting, and the recorded vote with respect to the Resolution, is included therewith. The Resolution constitutes the only ordinance or resolution adopted by the Board relating to the matters referred to therein. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

III

Except as otherwise been disclosed to the Purchaser, no litigation or other proceedings are pending or, to our knowledge, threatened against the Issuer in any court or other tribunal of competent jurisdiction, State or Federal, in any way (i) restraining or enjoining the issuance, sale, execution or delivery of the IPA, or (ii) questioning or affecting the validity of the IPA or the Resolution, or (iii) questioning or affecting the validity of any of the proceedings for the authorization, sale, execution, issuance or delivery of the IPA

IV

All other representations and warranties of the Issuer in the Resolution are correct as of the date

hereof.

V

There has been no material adverse change in the financial condition of the Issuer since the copies of its financials were last published following the Fiscal Year ending June 30, 2015.

VI

The following is a correct list of the names of the members of the Issuer's Board of Directors and of the date of expiration of their respective terms of office:

<u>NAME</u>	<u>TITLE</u>	<u>ENDING DATE OF CURRENT TERM</u>

Each of the persons named above has qualified for office by taking the oath, if any, required by law on or before the day on which his or her term of office began.

VII

I have been the Interim General Manager of the Issuer since MM-DD-YY.

VIII

The Issuer has complied with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Resolution and as required by applicable law.

IX

The Resolution has been duly adopted and has not been repealed, revoked, rescinded or altered in any manner.

X

The Issuer is not in default, and has not been in default at any time as to principal of and interest on any of its indebtedness.

XI

The IPA is signed with the manual signatures of the (Authorized Representative) of the Issuer, and the foregoing specimen is his genuine and correct signature:

_____.

XII

Issuer agrees: (a) that it has not been and it will continue to ensure that it will not be, listed on the Specially Designated Nationals and Blocked Person List maintained by the Office of Foreign Assets Control, Department of Treasury, and/or any other similar lists maintained by the Office of Foreign Assets Control; (b) that it will comply with the USA Patriot Act, and international trade control and anti-money laundering laws, as applicable; and (c) that it will not be a person designated under Section 1(b), (c), or (d) of Executive Order No. 13224 (9/23/01) or under any related enabling legislation or any other similar Executive Orders. Issuer also agrees to comply with all Bank Secrecy Act laws, regulations and governmentally imposed guidelines on or in connection with Bank Secrecy Act compliance, and on the prevention and detection of money laundering violations.

IN WITNESS WHEREOF, I hereby certify attest to the foregoing information as of this 30th day of November, 2016.

Darrell Creeks
Interim General Manager

Attest:

Diane Schroeder, Office Manager

TAB D:

TAX AND ARBITRAGE CERTIFICATE

2016 Installment Purchase Agreement Financing the
Water Meter Replacement Project
in the
Aggregate Principal Amount of \$2,100,000.00

The undersigned is the Interim General Manager of the Georgetown Divide Public Utility District (the "Issuer"), being duly charged, with others, with the responsibility for issuing the Issuer's \$2,100,000.00 2016 Installment Purchase Agreement (Financing the 2016 Project), the ("IPA"), HEREBY CERTIFY, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and Sections 148-0 through 148-11 of the Income Tax Regulations (the "Regulations"), as follows:

1. The IPA is being issued pursuant to the Constitution and laws of the State of California and that certain resolution adopted on November 8, 2016 at the Issuer's Board of Directors Meeting (the "Resolution"). Unless otherwise specifically defined, all capitalized terms used in this Certificate shall have the meanings as set forth in the IPA. The proceeds of IPA will be used for the purpose of:
 - a.) financing the acquisition and installation of water meters and solar-powered data collectors to communicate with the District's existing system (collectively, the "2016 Project");
 - b.) paying the costs of issuing the IPA (the "Issuance Expenses")
2. On the basis of the facts, estimates and circumstances in existence on the date hereof, we reasonably expect the following with respect to the IPA being issued this day and as to the use of the proceeds thereof:
 - a.) Proceeds in the amount of \$2,100,000.00 (the "Sale Proceeds") are expected to be derived by the Issuer from the sale of the IPA to the Purchaser and are expected to be needed and fully expended as follows:
 - (i) \$5,000.00 of said proceeds will be deposited into the Escrow Fund and used to pay the Issuance Costs;
 - (ii) \$2,095,000.00 of said proceeds will be deposited into the Escrow Fund and used to acquire and equip the 2016 Project and expended within three years from the date hereof to pay for the 2016 Project and Issuance Costs.
 - b.) The total Sale Proceeds to be received from the sale of the IPA to the Purchaser do not exceed the amount necessary for the purposes described above.
 - c.) The Issuer does not expect to sell or otherwise dispose of any property compromising a part of the 2016 Project financed with the proceeds of the IPA prior to the final maturity date of the IPA.

3. Binding contracts or commitments obligating the expenditure of not less than 5 percent of the Sale Proceeds of the IPA toward the cost of the 2016 Project will be entered into by the Issuer's within 6 months from the date hereof. Work on the 2016 Project will proceed with due diligence. It is expected that the 2016 Project will be acquired/completed and at least 85 percent of the Sale Proceeds of the IPA will be allocated to 2016 Project expenditures within three years of the date hereof.
4. Not more than 50 percent of the proceeds of the IPA will be invested in obligations having a substantially guaranteed yield for 4 years or more.
5. The IPA provides that the Issuer will utilize Net Water Revenues on each payment 2016 Installment Payment Dates on the IPA sufficient to pay principal of and interest on the IPA. No separate funds or accounts will be held or reserved by the Issuer from which payments of principal and interest on the IPA will be made.
6. There are no funds or accounts established pursuant to the IPA or the Resolution or otherwise which are reasonably expected to be used to pay debt service on the IPA, or which are pledged as collateral for the IPA (or subject to a negative pledge) and for which there is a reasonable assurance on the part of the Purchaser that amounts therein will be available to pay debt service on the IPA if the Issuer encounters financial difficulties.
7. Except for preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs, proceeds of the IPA will not be used to reimburse the Issuer of the 2016 Project costs paid prior to 60 days before November 30, 2016.
8. In the event that amounts drawn under the IPA are not immediately used to pay or reimburse costs of the 2016 Project, the following represents the expectations of the Issuer with respect to the investment of such proceeds of the IPA:
 - a.) Proceeds derived from the sale of the IPA to be applied to pay Issuance Expenses may be invested at an unrestricted yield for a period not to exceed three years from the date hereof.
 - b.) Proceeds derived from the sale of the IPA deposited into a 2016 Project fund (if any) to pay 2016 Project costs may be invested at an unrestricted yield for a period of time not to exceed three years from the date hereof;
 - c.) Investment earnings on obligations acquired with amounts described in subparagraphs (a) and (b) above may be invested at an unrestricted yield for a period of three years from the date hereof or one year from the date of receipt, whichever period is longer
 - d.) Amounts described in subparagraphs (a) through (c) that may not be invested at an unrestricted yield pursuant to such subparagraphs, may be invested at an unrestricted yield to the extent such amounts do not exceed \$100,000 (the "Minor Portion"); and
 - e.) Amounts described in subparagraph (d), not invested at an unrestricted yield pursuant to such subparagraph, shall be invested at a yield not in excess of the yield on the IPA plus 1/8 of one percentage point

To the extent that any amounts described in this Paragraph 8 are not permitted to be invested at an

unrestricted yield, the Issuer may satisfy the applicable yield restriction by causing the appropriate amount of yield reduction payments to be made to the United States as permitted by Section 1.148-5 c of the Regulations.

9. For purposes of this Certificate, “yield” means that yield which when used in computing the present worth of all payments of principal and interest to be paid on an obligation produces an amount equal to the purchase price of such obligation. The yield on obligations acquired with the proceeds derived from the sale of the IPA and the yield on the IPA shall be calculated by the use of the same frequency interval of compounding interest. In the case of the IPA, the purchase price is \$2,100,000.00. The purchase price of the IPA and the interest rate thereon were arrived at as a result of an arm’s length negotiation between the Issuer and the Purchaser. The Purchaser is acquiring the IPA primarily for its own account and is not acting as a broker or other intermediary for the purpose of reselling the IPA to other investors, except that such IPA will be immediately assigned to the Assignee as defined in the IPA. Any investments acquired with amounts that may not be invested at an unrestricted yield pursuant to Paragraph 8 above shall be purchased at prevailing market prices and shall be limited to securities for which there is an established market, shall be United States Treasury Obligations- State and Local Government Series, or shall be tax-exempt obligations under 103(a) of the Code the interest on which is not an item of tax preference within the meaning of Section 57(a) (5) of the Code.
10. No portion of the proceeds of the IPA will be used as a substitute for other moneys of the Issuer which were otherwise to be used to acquire or construct the 2016 Project and which have been or will be used to acquire directly or indirectly, obligations producing a yield in excess of the yield on the IPA.
11. There are no other obligations of the Issuer that (i) are being sold at substantially the same time as the IPA (within 15 days) (ii) are being sold pursuant to a common plan of financing together with the IPA, and (iii) will be paid out of substantially the same source of funds as the IPA.
12. The Issuer has covenanted in the IPA that so long as the IPA remains outstanding, the moneys on deposit in any fund or account maintained in connection with the IPA, will not be used in any manner that would cause the IPA to be “arbitrage IPAs” within the meaning of Section 148 of the Code or IPA not described under Section 103(a) of the Code and the applicable regulations promulgated from time to time thereunder.
13. Neither the Issuer nor any person related to the Issuer has entered or is expected to enter into any hedging transaction (such as an interest rate swap, cap or collar transaction) with respect to the IPA.
14. The weighted average maturity of the IPA does not exceed 120 percent of the reasonably expected economic life of the 2016 Project (within the meaning of Section 147(b) of the Code).
15. None of the proceeds of the IPA will be used (directly or indirectly) to acquire any property which prior to its acquisition was used (or held for use) by a person other than a state or local governmental unit in connection with an output facility. For purposes of this Certificate, the term “output facility” means electric and gas generation, transmission, and related facilities.
16. None of the proceeds of the IPA will be used (directly or indirectly) to make or finance loans to any person.

17. Not more than 10% of the proceeds of the IPA will be used (directly or indirectly) in a trade or business (or to finance facilities which are used in a trade business) carried on by any person other than a governmental unit. Not more than 5% of the proceeds of the IPA will be used (directly or indirectly) in trade or business (or to finance facilities which are used in a trade or business) carried on by any person other than a governmental unit which private business use is not related to any governmental use or is disproportionate to governmental use, all as described in Section 141(b)(3) of the Code (“Unrelated or Disproportional Use”). For the purpose of this Paragraph, use by nongovernmental person as a member of the general public shall not be taken into account.
18. Paragraph 17 shall apply only if the payment of 10% or more (5% or more in the case of Unrelated or Disproportional Use) of the principal of or interest on the IPA is (under the terms of such IPA or any underlying arrangement) directly or indirectly secured by any interest in property used or to be used for a private business use or in payments in respect of such property or derived from payments whether or not to the Issuer in respect of property or borrowed money used or to be used for a private business use.
19. The Issuer reasonably expects that the 2016 Project will be owned and operated throughout the term of the IPA in a manner which complies with the requirements set forth in Paragraph 17 above. The Issuer will not change the ownership or use all or any portion of the Project manner that fails to comply with Paragraph 17 above, unless it receives an opinion of Issuer Counsel that such change of ownership or use will not adversely affect the exclusion of interest on the IPA from the gross income for federal income tax purposes.
20. The payment of the principal or interest on the IPA is not and will not be guaranteed directly or indirectly by the federal government within the meaning of Section 149(b) of the Code.
21. This Certificate is, in part, to serve as a guideline in implementing the requirements of Sections 141 to 150 of the Code. If regulations, rulings, announcements and notices validly promulgated under the Code contain requirements which differ from those outlined here which must be satisfied for the IPA to be tax-exempt or in order to avoid the imposition of penalties under Section 148 of the Code, pursuant to the covenants contained in the IPA, the Issuer is obligated to take such steps as are necessary to comply with such requirements. If under those pronouncements, compliance with any of the requirements of this Certificate is not necessary to maintain the exclusion of interest on the IPA from gross income and alternative minimum taxable income (except to the extent of certain adjustments applicable to corporations) or to avoid the imposition of penalties on the Issuer under Section 148 of the Code, the Issuer shall not be obligated to comply with that requirement. The Issuer has been advised to seek the advice of competent counsel with a nationally recognized expertise in matters affecting exclusion of interest on municipal bonds from gross income in fulfilling its obligations under the Code to take all steps as are necessary to maintain the tax-exempt status of the IPA.
22. The Issuer will timely file for each payment schedule issued under the IPA a Form 8038-G relating to the IPA with the Internal Revenue Service in accordance with Section 149(e) of the Internal Revenue Code of 1986, as amended (the “Code”).
23. The Issuer has not issued, and reasonably anticipates that it and its subordinate entities, if any, will not issue, tax-exempt obligations (including the IPA) in the amount of more than \$10,000,000 during the current calendar year. The Issuer hereby designates the IPA as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code and

agrees that it and its subordinate entities, if any, will not designate more than \$10,000,000 of their obligations as “qualified tax-exempt obligations” during the current calendar year.

24. The Issuer has adopted, or will adopt in a reasonable period post-closing, by resolution, separate written procedures regarding ongoing compliance with federal tax requirements necessary to keep, ensure and maintain the interest portions of the payments under the IPA as excluded from Purchaser’s gross income for federal income tax purposes, and will, on an annual basis, conduct an audit of the IPA to ensure compliance with such procedures
25. To the best of our knowledge, information and belief, the above expectations are reasonable.

[Signature Page Follows]

IN WITNESS WHEREOF, we have hereunto set our hands this 30th day of November, 2016

GEORGETOWN DIVIDE PUBLIC UTILITY
DISTRICT

By: _____
Darrell Creeks
Interim General Manager

[Signature Page to Tax and Arbitrage Certificate]

TAB E:

(PRINT ON LEGAL COUNSEL'S LETTERHEAD)

FORM OF OPINION OF ISSUER'S COUNSEL

November 30, 2016

Lance S. Holman
Holman Capital Corporation
25201 Paseo de Alicia
Suite 290
Laguna Hills, CA 92653

Loren Hunter
American River Bank
2240 Douglas Blvd.
Suite 100
Roseville, CA 95661

2016 Installment Purchase Agreement Financing the
Water Meter Replacement Project
in the
Aggregate Principal Amount of \$2,100,000.00

Ladies and Gentlemen:

I have participated as counsel for the Georgetown Divide Public Utility District (the "District") in connection with the issuance of its \$2,100,000.00 2016 Installment Purchase Agreement dated November 30, 2016 between the District and Holman Capital Corporation (the "IPA"), pursuant to the Constitution of the State of California, as amended, other applicable provisions of California law, and a Resolution duly adopted by the Board of Directors of the Issuer on November 8, 2016 (the "Resolution"). Any capitalized terms used herein not otherwise defined shall have the meaning set forth in the Resolution.

In rendering this opinion, I have examined such proceedings and records of District and made such inquiry of the District as I deem necessary.

In giving the opinions expressed below, I do not purport to be an expert in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction (including, but not limited to, the laws of the United States) other than the laws of the State of California.

Based on such participation, examination, and inquiry, I am of the opinion, as of the date hereof, that:

1. The District is a duly formed and validly existing public utility district of the State of California, which makes it a body corporate and politic and a political subdivision of the State of California, as such term is defined under the Section 103 of the Internal Revenue Code of 1986, as amended, with the

full right, power, and authority to adopt the Resolution, to issue the IPA, to perform its obligations under the IPA and under the Resolution and to consummate the transactions contemplated by such instruments.

2. The Resolution was duly adopted by the Board of Directors of the District at a duly called meeting following proper notice, and has not been otherwise amended or repealed and is in full force and effect as of the date hereof. The Resolution and IPA constitute legal, valid and binding obligations of the District enforceable in accordance with their terms.

3. The IPA has been duly authorized, executed, and delivered by the District and constitutes a legal, valid and binding obligation of the District enforceable in accordance with its terms (subject only to enforceability of any remedies to any applicable bankruptcy or insolvency laws or other laws affecting creditor's rights generally, from time to time in effect).

4. The adoption of the Resolution, and the authorization, execution, and delivery of the IPA, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, any law, administrative regulations, consent, decree, ordinance, resolution, constitutional provision, or any agreement or other instrument to which the District was or is subject, as the case may be, nor will such enactment, adoption, execution, delivery authorization or compliance result in the creation or imposition of an invalid, illegal or unauthorized lien, charge, or other security interest or encumbrance of any nature whatsoever upon any property or assets of the District, or under the terms of any law, administrative regulation, ordinance, resolution or instrument, except as expressly and legally provided for in the IPA.

5. All approvals, consents, authorizations and order of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the performance by the District of its obligation under the IPA and Resolution have been obtained and are in full force and effect.

6. The District is lawfully empowered to acquire, complete and engage in all manners incidental to the 2016 Project and to pay associated costs of issuance.

7. There is no litigation pending or threatened, to restrain or enjoin the issuance or sale of the IPA, or in any way, affecting any authority for or the validity of the IPA, the Resolution, or the pledge of and covenants related to the Net Water Revenues.

8. Neither the corporate existence nor the title of any present Director, the Board President, the General Manager, or other officials thereof to their respective office is being contested.

This opinion may be relied upon by addressees hereof as well as by their successors and assigns, but only respect to the matters expressly set forth herein.

Very truly yours,

TAB F:

[IRS Form 8038-G is to be prepared by Holman Capital Corporation]

TAB G:

BANK-QUALIFIED DESIGNATION

The GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, as issuer, (the "*District*") under that certain Installment Purchase Agreement (the "IPA") dated as of November 30, 2016 to which this Designation is attached, hereby designates the IPA as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The District hereby represents that the District reasonably anticipates that the District and other entities that the District controls will not issue tax-exempt obligations (including the IPA) the aggregate principal amount of which exceed \$10,000,000 during the calendar year in which the IPA is executed and delivered and interest commences to accrue thereunder.

This Designation is attached to and made a part of the IPA and inures to the benefit of the Purchaser and its successors and/or assigns.

EXECUTED as of this November 30, 2016.

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

By: _____
Name: Darrell Creeks
Title: Interim General Manager

TAB H:

CLOSING MEMORANDUM

**\$2,100,000.00 2016 INSTALLMENT PURCHASE AGREEMENT
FINANCING THE WATER METER REPLACEMENT PROJECT
ISSUED BY THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT TO
HOLMAN CAPITAL CORPORATION**

Pre-Closing: Pre-Closing will be held on or before November 28, 2016 as all documents will be executed and originals will be overnighted to Holman Capital, Attn: Aditya Kajaria, 25201 Paseo de Alicia, Suite 290, Laguna Hills, California 92653, and held in trust until such time as the wires and original documents are released by the Parties.

Closing: By wire transfer, the morning of November 30, 2016. Counsel for each of the Parties will confirm by e-mail the release of all original documents held in trust, when such funds and/or documents are in the possession of each of the Parties. On the morning of November 30, 2016, American River Bank will and is authorized by District to wire for the purchase of the District's 2016 Installment Purchase Agreement, per the wire transfer instructions herein, in the amount of \$2,100,000.00) in 2016 Project Proceeds to American River Bank, as escrow agent:

Bank Name: American River Bank
ABA #
Account No:
Account Name: Georgetown Divide Public Utility District

Following receipt of the 2016 Project Proceeds, the Escrow Agent is hereby authorized and directed to pay the Costs of Issuance to Holman Capital Corporation pursuant to the instructions in the Escrow Agreement and the Invoice attached hereto.

Bank Name: Community Business Bank
ABA # 121144191
Account No: 201008281
Account Name: Holman Capital Corporation

Sources and Uses of Funds:

Par Value/Principal Amount of IPA	\$2,100,000.00
TOTAL SOURCES	\$2,100,000.00
2016 Project Costs	\$2,095,000.00
Costs of Issuance	\$ 5,000.00
TOTAL IPA PROCEEDS	\$2,100,000.00

Attest:
GEORGETOWN DIVIDE PUBLIC UTILITY
DISTRICT

By: _____
Darrell Creeks, Interim General Manager

TAB I:

Insurance Certificate Provided by the District

ESCROW AGREEMENT

CORPORATION:

Holman Capital Corporation
25201 Paseo de Alicia
Suite 290
Laguna Hills, CA 92653

ESCROW AGENT:

American River Bank
2240 Douglas Blvd., Suite 100
Roseville, CA 95661

DISTRICT:

Georgetown Divide Public Utility District
6425 Main Street
Georgetown, CA 95634

THIS ESCROW AGREEMENT (this "*Escrow Agreement*") is made as of November 30, 2016, between Holman Capital Corporation ("*Corporation*"), Georgetown Divide Public Utility District ("*District*"), and American River Bank (the "*Escrow Agent*").

Corporation and District have heretofore entered into that certain Installment Purchase Agreement dated November 30, 2016 (the "*Purchase Agreement*"). The Purchase Agreement contemplates that certain real or personal property described therein (the "*2016 Project*") is to be acquired from the vendor(s) or manufacturer(s) thereof. On or about November 30, 2016, the Purchase Agreement and the Escrow Agreement will be assigned to American River Bank (the "*Assignee*").

After acceptance of the 2016 Project by District, the 2016 Project is to be financed by Corporation for the District pursuant to the terms of the Purchase Agreement.

The Purchase Agreement contemplates that Corporation will deposit with the Escrow Agent cash in the amount of \$2,100,000.00 (the "*Deposit Amount*"), for deposit into the escrow fund (the "*Escrow Fund*"), to be held in escrow by the Escrow Agent and applied on the express terms and conditions set forth herein. Such deposit into the Escrow Fund, together with all interest and additions received with respect thereto, is to be applied from time to time to pay the vendor(s) or manufacturer(s) of the 2016 Project its invoice cost (a portion of which may, if required, be paid prior to final acceptance of the 2016 Project by District). The Escrow Fund is to be held for the account and benefit of District, and, by its execution hereto, the District has granted to Corporation a first, priority and perfected lien on the Deposit Amount and security interest in the Escrow Fund.

The parties desire to set forth the terms on which the escrow is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1. The Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The Escrow Agent agrees that the Escrow Fund shall be held irrevocably for the account and benefit of District, but subject to the Corporation's first position priority and perfected lien and security interest therein, and all interest earned with respect to the Escrow Fund shall accrue to the benefit of District and shall be applied as expressly set forth herein.

To the limited extent required to perfect the first, priority security interest hereby granted by District to Corporation in the cash and negotiable instruments from time to time held in the Escrow Fund, Corporation hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash and negotiable instruments on behalf of Corporation.

2. On such day as determined to the mutual satisfaction of the parties (the "Commencement Date"), Corporation shall deposit with the Escrow Agent cash in the amount of the Deposit Amount to be held by the Escrow Agent on the express terms and conditions set forth herein. The Escrow Agent agrees to accept the deposit of the Deposit Amount by Corporation with the Escrow Agent, and further agrees to hold the amount so deposited together with all interest and other additions received with respect thereto in escrow on the express terms and conditions set forth herein.
3. The Escrow Agent shall at all times segregate the Escrow Fund into an account maintained for that express purpose, which shall be clearly identified on the books and records of the Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments held in the Escrow Fund from time to time shall be held or registered in the name of the Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by Corporation).
4. District hereby directs the Escrow Agent to invest the cash held in the Escrow Fund from time to time in the [REDACTED] or, in the event such fund is not at the time available, such other investments as District may specify in writing, to the extent the same are at the time legal for investment of the funds being invested. Interest or other amounts earned and received by the Escrow Agent with respect to the Escrow Fund shall be deposited in and become a part of the Escrow Fund. No investment shall be made that would cause the Purchase Agreement to be deemed to be an arbitrage bond within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended.
5. Corporation and District hereby authorize the Escrow Agent to take the following actions with respect to the Escrow Fund:
 - a. From time to time, the Escrow Agent shall pay the vendor or manufacturer of the 2016 Project payments then due and payable, or reimburse District for amounts that it has paid to the vendor or manufacturer of the 2016 Project, upon receipt of the following: (a) a duly executed Certificate of Acceptance and Payment Request in the form attached as Exhibit A hereto, (b) the vendor(s) or manufacturer(s) invoice(s) specifying the acquisition price of the 2016 Project described in the requisition request, and (c) any additional documentation required by Corporation.
 - b. On the Commencement Date, the Escrow Agent shall pay to Holman Capital Corporation a documentation fee in the amount of \$5,000.00, pursuant to the wire instructions contained in the invoice of the Corporation. Escrow Agent will not receive a fee with respect to the ordinary services it provides under this Escrow Agreement, but shall be entitled to reimbursement for all extraordinary services, investments and actions taken in connection herewith.
 - c. If Corporation provides to the Escrow Agent written notice of the occurrence of an Event of Default or breach of any term, condition or covenant by District under the Purchase Agreement, the Escrow Agent shall thereupon promptly remit to Corporation the entire

balance of the Escrow Fund.

- d. Upon receipt by the Escrow Agent of a duly executed Certificate of Acceptance and Payment Request identified as the final such request, the Escrow Agent shall transfer the then remaining balance of the Escrow Fund to District, upon the express condition that District hereby agrees to use such excess amount solely for capital expenditures as shall be approved by District or, at the written direction of District, for application against the interest component of the District's payment obligation under the Purchase Agreement, as provided therein, unless otherwise agreed by Corporation.
6. The Escrow Agent shall have no liability for acting upon any written instruction presented by District and Corporation in connection with this Escrow Agreement that the Escrow Agent in good faith believes to be genuine. Furthermore, the Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own gross negligence, willful misconduct, or bad faith. The Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investments made pursuant to Section 4.
7. To the extent authorized by law, District hereby agrees to indemnify and save the Escrow Agent harmless against any liabilities that it may incur in the exercise and performance of its powers and duties hereunder and that are not due to the Escrow Agent's gross negligence or willful misconduct. No indemnification will be made under this Section or elsewhere in this Escrow Agreement for damages arising solely out of gross negligence, willful misconduct, or bad faith by the Escrow Agent, its officers, agents, employees, successors or assigns.
8. The Escrow Agent may at any time resign by giving at least 30 days' prior written notice to District and Corporation, but such resignation shall not take effect until the appointment of the successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Corporation and District. In addition, the Escrow Agent may be removed at any time, with or without cause, by instrument in writing executed by Corporation and District. Such notice shall set forth the effective date of the removal. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Corporation and District. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Corporation, District and the predecessor Escrow Agent.

Upon the effective date of resignation or removal, the Escrow Agent will transfer the Escrow Fund then held by it to the successor Escrow Agent selected by Corporation and District.
9. This Escrow Agreement shall terminate upon receipt by the Escrow Agent of the written notice from Corporation specified in Section 5(c) or Section 5(d) hereof.
10. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown on page 1 of this Escrow Agreement or at such other address as such party shall from time to time designate in writing to the other parties; and shall be effective on the date of receipt.
11. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of the Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of Corporation and District.
12. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification, or change of terms hereof shall

bind any party unless in writing signed by all parties.

13. The Escrow Agent may employ agents, attorneys and accountants in connection with its duties hereunder and shall not be liable for any action taken or omitted in good faith in accordance with the advice of counsel, accountants, or other skilled persons.
14. This Escrow Agreement shall be governed by and be construed and interpreted in accordance with the internal laws of the State of California.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed as of the day and year first above set forth.

CORPORATION:
HOLMAN CAPITAL CORPORATION

DISTRICT:
GEORGETOWN DIVIDE PUBLIC UTILITY
DISTRICT

By: _____
Lance S. Holman
President & CEO

By: _____
Darrell Creeks
Interim General Manager

ESCROW AGENT:
AMERICAN RIVER BANK

By: _____
Name: Loren Hunter
Title: Executive Vice President, American River Bank

[Signature Page of Escrow Agreement]

EXHIBIT A

CERTIFICATE OF ACCEPTANCE AND PAYMENT REQUEST

The following payment request is directed to American River Bank (the "*Escrow Agent*"), as escrow agent under that certain Escrow Agreement dated November 30, 2016 (the "*Escrow Agreement*"), between the Georgetown Divide Public Utility District ("*District*"), Holman Capital Corporation ("*Corporation*"), and the Escrow Agent. Because Holman Capital Corporation has assigned all of its right, title, and interest in and to the Escrow Agreement to the American River Bank, all references herein to "*Corporation*" shall mean American River Bank.

The Escrow Agent is hereby requested to pay from the Escrow Fund established and maintained under the Escrow Agreement the amount set forth below to the named payee(s). The amount shown is due and payable under a purchase order or contract (or has been paid by and not previously reimbursed to District). The portion of the 2016 Project described below is part or all of the 2016 Project financed pursuant to that certain Installment Purchase Agreement November 30, 2016 (the "*Purchase Agreement*"), between Corporation and District:

QUANTITY	DESCRIPTION OF 2016 PROJECT	AMOUNT	PAYEE
----------	--------------------------------	--------	-------

District hereby certifies and represents to and agrees with Corporation as follows with respect to the 2016 Project described above: (i) the 2016 Project has been delivered to the location(s) set forth in the Purchase Agreement; (ii) a present need exists for the 2016 Project, which need is not temporary or expected to diminish in the near future; (iii) the 2016 Project is essential to and will be used by District only for the purpose of performing one or more governmental functions of District consistent with the permissible scope of District's authority; (iv) the estimated useful life of the 2016 Project based upon the manufacturer's representations and District's projected needs is not less than the term of the Purchase Agreement; (v) District has conducted such inspection and/or testing of the 2016 Project as it deems necessary and appropriate and hereby acknowledges that it accepts the 2016 Project for all purposes as of the date of this Certificate; (vi) the 2016 Project is covered by insurance in the types and amounts required by the Purchase Agreement; (vii) no Event of Default, as those terms are defined in the Purchase Agreement, and no event that with the giving of notice or lapse of time or both, would become an Event of Default, has occurred and is continuing on the date hereof; and (viii) sufficient funds have been appropriated by District for the payment of all Installment Payments due under the Purchase Agreement during District's current Fiscal Year.

Based on the foregoing, the Escrow Agent is hereby authorized and directed to fund the acquisition of the 2016 Project set forth above by paying, or causing to be paid, the manufacturer(s)/vendor(s) the amounts set forth on the attached invoices from the Escrow Fund held under the Escrow Agreement in accordance with its terms.

The following documents are attached hereto and made a part hereof: (a) Original Invoice(s) and (b) Copies of Certificate(s) of Ownership, designating Corporation as legal owner, and evidence of filing.

IF REQUEST IS FINAL REQUEST, CHECK HERE . The undersigned hereby certifies that the items of 2016 Project described above, together with the items of 2016 Project described in and accepted by Certificates of Acceptance and Payment Requests previously filed by District with Corporation

constitute all of the 2016 Project subject to the Purchase Agreement.

Date: _____

Approved:

AMERICAN RIVER BANK, as Corporation

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT,
as District

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

NOTICE AND ACKNOWLEDGEMENT OF
ASSIGNMENT OF ESCROW AGREEMENT

Holman Capital Corporation ("*Corporation*"), Georgetown Divide Public Utility District ("*District*"), and American River Bank ("*Escrow Agent*") have entered into an Escrow Agreement dated November 30, 2016 (the "*Escrow Agreement*"), pursuant to which Corporation has deposited cash into the Escrow Fund established thereunder, which funds are to be used by District to pay the Issuance Costs and acquire/complete the 2016 Project.

Escrow Agent is hereby notified that Corporation has assigned all of its right, title, and interest in and to, but not its obligations under, the Escrow Agreement to American River Bank ("*Assignee*"), including, in particular, but without limitation, Corporation's security interest in the Escrow Fund and Corporation's right to approve all payment requests submitted by District.

Date: November 30, 2016

CORPORATION:
HOLMAN CAPITAL CORPORATION

DISTRICT:
GEORGETOWN DIVIDE PUBLIC UTILITY
DISTRICT

By: _____
Lance S. Holman
President &CEO

By: _____
Darrell Creeks
Interim General Manager

Acknowledged:

AMERICAN RIVER BANK

By: _____
Authorized Representative

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority If Amended Return, check here

1 Issuer's name Georgetown Divide Public Water District	2 Issuer's employer identification number (EIN) 94-6003909
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)	3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 6425 Main Street	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Georgetown, CA 95634	7 Date of issue November 30, 2016
8 Name of issue \$2,100,000.00 Water Meter Replacement Project	9 CUSIP number None
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Darrell Creeks, Interim General Manager	10b Telephone number of officer or other employee shown on 10a (530) 333-4356

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15	2,100,000	00
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box			<input type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	11/30/2031	\$ 2,100,000.00	\$ N/A: ISA	8.42 years	3.60 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22		
23 Issue price of entire issue (enter amount from line 21, column (b))	23	2,100,000	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24		
25 Proceeds used for credit enhancement	25		
26 Proceeds allocated to reasonably required reserve or replacement fund	26		
27 Proceeds used to currently refund prior issues	27		
28 Proceeds used to advance refund prior issues	28		
29 Total (add lines 24 through 28)	29		
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	2,100,000	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	_____
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		_____

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
- 41a** If the issuer has identified a hedge, check here and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	Signature of issuer's authorized representative	Date	Darrell Creeks, Interim General Manager	
			Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	Firm's name ▶	Firm's EIN ▶		
	Firm's address ▶	Phone no.		

Georgetown Divide Public Utility District Finance Committee

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

PROPOSED MEETING AGENDA

Meeting Date: November 15, 2016
Location: GDPUD Board Room
Scheduled Time: 4:00- 6:00 PM

ITEM NO:

1. **Adopt the November 15th Agenda**
2. **Approve the July 19th Minutes**
3. **Election of Officers:**
 - **Chairperson**
 - **Vice Chairperson**
 - **Secretary**
4. **Open Forum**
5. **RCAC Water Rate Study Objectives and Methodology**
6. **Meter Replacement Program**



Memo

To: Board of Directors

From: George Sanders, Engineering Consultant

Date: November 2, 2016

Re: **ALT WATER TREATMENT PLANT**

Board Meeting of November 8, 2016; **Agenda Item #15**

BACKGROUND / DISCUSSION

Staff is in receipt of good news regarding the loan from Joshua Reuhlig, our Project Manager at the Water Board. In a message received from Joshua on Nov 2nd he states the following: "The agreement is on its final review with our Deputy Director. I foresee it being issued to GDPUD this week." It is important to note, what will be issued is their final version of the loan agreement which will still need to be reviewed by staff and counsel, together with the adoption of a Board Resolution prior to final execution of the Installment Sale Agreement. We are almost there!

It is likely staff will request a Special Meeting later this month to finalize the loan and Contract Documents with Myers & Sons Construction.

Staff continues to remain in contact with Myers & Sons, LP, the contractor, on matters relating to the construction work activities. Representatives from Myers are currently reviewing the contract documents, as prepared by Churchwell White, in preparation for signature.

The El Dorado County Air Quality Management District has issued their approval of the Fugitive Dust Plan and an Asbestos Dust Mitigation Plan. The need for these plans and compliance with the same are identified Project Mitigation Monitoring and Reporting Program.

Updates to the Stormwater Pollution Prevention Plan (SWPPP) have been made by Foothill Associates and they are under contract to perform the necessary worker training.

Staff will contract with the YOUNGDAHL Consulting Group, on a time and materials basis, to perform the necessary soils and materials testing. This would include testing of material for the presence of naturally occurring asbestos, compaction testing for the earthwork, and compression testing for the concrete.

Possible Board Action – Receive and file.