

**MINUTES  
SPECIAL MEETING  
OF THE BOARD OF DIRECTORS OF THE  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**

6425 Main Street,  
Georgetown, California 95634

**Monday, November 18, 2024  
3:00 P. M.**

**BOARD OF DIRECTORS**

Mitch MacDonald, President

Donna Seaman, Vice President

Mike Thornbrough, Treasurer

Michael Saunders, Director

Robert Stovall, Director

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**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.
- Ensure fiscal responsibility and accountability are observed by balancing immediate and long-term needs.

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**A full record of this meeting is available on the District channel:**

<https://youtube.com/live/WCUG1Q2QDP4>

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

**President MacDonald called the meeting to order at 3:00 p.m.**

**Roll Call:**

**Present:** Saunders, Stovall, Seaman, Thornbrough, and MacDonald

**Absent:** None

**Director Thornbrough led the Pledge of Allegiance.**

**2. SPECIAL MEETING PUBLIC COMMENT NOTICE:**

It was shared that public comment would be taken with each agenda item.

**3. CONSIDER CANDIDATES FOR THE MOUNTAIN COUNTIES WATER RESOURCE ASSOCIATION (MCWRA) BOARD OF DIRECTORS AND AUTHORIZE STAFF TO SUBMIT THE ASSOCIATED FORMS**

General Manager Nicholas Schneider informed of the Mountain Counties Water Resource Association (MCWRA) and its benefits. The deadline for this nomination was approaching and a decision was necessary. Director Seaman volunteered as a candidate.

**Public Comment:**

No public comments were received.

**President MacDonald Motioned to nominate Director Seaman as a candidate for the Mountain Counties Water Resource Association Board of Directors. Director Stovall seconded the motion.**

**President MacDonald called for the vote:**

**Ayes:** Saunders, Stovall, Thornbrough, Seaman, and MacDonald

**Nays:** None

The motion passed **unanimously**.

**4. PROPOSITION 218 RATE SETTING DISCUSSION AND POSSIBLE DIRECTION**

General Manager Nicholas Schneider introduced the agenda item, providing background and context for the discussion. Sanjay Guar of Water Resource Economics delivered the *Water Rate Scenarios*, outlining potential rate-setting options and the probable variables for consideration that could impact the District in the future.

The Board engaged in a detailed discussion, examining the necessity of adopting a rate cap while considering options to adjust rates below that cap as needed. The conversation centered on determining the most strategic course of action to address both current and anticipated challenges effectively while weighing the factors impacting the District and necessitating the rate increase.

**Public Comment:**

Steven Dowd  
Cherie Carlyon

**Next Meeting Date and Adjournment**

The next Regular Meeting was announced as scheduled for December 12, 2024, at the Cool Community Church at 863 Cave Valley Road, Cool, CA 95614.

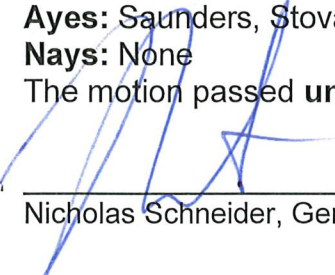
**Director Saunders motioned to adjourn the meeting. Director Thornbrough seconded the motion.**

**President MacDonald called for the vote:**

**Ayes:** Saunders, Stovall, Thornbrough, Seaman, and MacDonald

**Nays:** None

The motion passed **unanimously. The meeting adjourned at 5:28 p.m.**

  
\_\_\_\_\_  
Nicholas Schneider, General Manager

1-7-24  
\_\_\_\_\_  
Date

**Attachments:**

- 1. Director Thornbrough’s 2024 Alternate Rate Increase Presentation

**2024 Alternate Rate Increase by Mike Thornbrough**  
**This is NOT an official Board approved document!**

18-Nov-24

<u>Revenue</u>	FY 24/25	Treated	Irrigation	Treated	Irrigation
		Percent	Percent	Amount	Amount
Treated Water Sales	\$ 3,000,000	100%	0%	\$ 3,000,000	\$ -
Irrigation Water Sales	\$ 380,000		100%	\$ -	\$ 380,000
Penalties	\$ 80,000	88%	12%	\$ 70,400	\$ 9,600
Property Taxes	\$ 2,100,000	88%	12%	\$ 1,848,000	\$ 252,000
Leases	\$ 100,000	88%	12%	\$ 88,000	\$ 12,000
Investment Interest	\$ 350,000	0%	0%	\$ -	\$ -
SMUD	\$ 135,000	88%	12%	\$ 118,800	\$ 16,200
Hydro	\$ 55,000	27%	73%	\$ 14,850	\$ 40,150
Meter Installation Fee	\$ 20,000	100%	0%	\$ 20,000	\$ -
<b>Total</b>	<b>\$ 6,220,000</b>			<b>\$ 5,160,050</b>	<b>\$ 709,950</b>

<u>Expenses</u>	FY 24/25	Treated	Irrigation	Treated	Irrigation
		Percent	Percent	Amount	Amount
Source of Supply (5100)	\$ 725,812	72%	28%	\$ 522,585	\$ 203,227
Raw Water (5200)	\$ 721,139	72%	28%	\$ 519,220	\$ 201,919
Water Treatment (5300)	\$ 949,075	100%	0%	\$ 949,075	\$ -
Treated Water T&D (5400)	\$ 1,210,275	100%	0%	\$ 1,210,275	\$ -
Admin & Customer Service (5600)	\$ 2,172,908	88%	12%	\$ 1,912,159	\$ 260,749
	<b>\$ 5,779,209</b>			<b>\$ 5,113,314</b>	<b>\$ 665,895</b>

**Treated Water Revenue & Expenses**

Rate Increase Year	Proposed Percentage Inc.	Increased Water Sales	Total Water Sales	Mike T's Alt Percent Inc.	Increased Water Sales	Total Water Sales
2025	15%	\$ 450,000	\$ 3,450,000	15%	\$ 450,000	\$ 3,450,000
2026	10%	\$ 345,000	\$ 3,795,000	7%	\$ 241,500	\$ 3,691,500
2027	10%	\$ 379,500	\$ 4,174,500	7%	\$ 258,405	\$ 3,949,905
2028	10%	\$ 417,450	\$ 4,591,950	7%	\$ 276,493	\$ 4,226,398
2029	10%	\$ 459,195	\$ 5,051,145	7%	\$ 295,848	\$ 4,522,246
Total	55%	\$ 2,051,145		43%	\$ 1,522,246	
Actual Rate Increase Percentage	68.4%			50.7%		
Percent Increase of total Treated Revenue	39.8%			29.5%		
Percent Increase, total Treated Rev per yr	8.0%			5.9%		

Treated Water Expense Inflation Adjustments	Annual Increase	Operating Expenses
2025	\$ 255,666	\$ 5,368,979
2026	\$ 268,449	\$ 5,637,428
2027	\$ 281,871	\$ 5,919,300
2028	\$ 295,965	\$ 6,215,265
2029	\$ 310,763	\$ 6,526,028

Projected Annual Inflation Rate	5.0%
Previous Annual Inflation Rate (19% divided by 5 years)	3.8%

**Irrigation Revenue & Expenses**

<b>Rate Increase Year</b>	<b>Proposed Percentage Inc.</b>	<b>Increased Irrig. Sales</b>	<b>Total Irrig. Sales</b>	<b>Mike T's Alt Percent</b>	<b>Increased Irrig Sales</b>	<b>Total Irrig. Sales</b>
2025	15%	\$ 57,000	\$ 437,000	15%	\$ 57,000	\$ 437,000
2026	10%	\$ 43,700	\$ 480,700	7%	\$ 30,590	\$ 467,590
2027	10%	\$ 48,070	\$ 528,770	7%	\$ 32,731	\$ 500,321
2028	10%	\$ 52,877	\$ 581,647	7%	\$ 35,022	\$ 535,344
2029	10%	\$ 58,165	\$ 639,812	7%	\$ 37,474	\$ 572,818
	55%	\$ 259,812		43%	\$ 192,818	
Actual Rate Increase Percentage	68.4%			50.7%		
Percent Increase of total Irrigation Revenue	36.6%			27.2%		
Percent Increase, total Irrigation Rev per yr	7.3%			5.4%		

<b>Irrigation Expenses Inflation Adjustments</b>	<b>Annual Increase</b>	<b>Operating Expenses</b>
2025	\$ 33,295	\$ 699,190
2026	\$ 34,960	\$ 734,150
2027	\$ 36,707	\$ 770,857
2028	\$ 38,543	\$ 809,400
2029	\$ 40,470	\$ 849,870
	<b>\$ 183,975</b>	

<u>Recap</u>	<b>Total</b>	<b>Operating</b>		<b>Investment</b>	<b>Left over</b>	
<b>Proposed Rates Treated Water</b>	<b>Revenue</b>	<b>Expenses</b>	<b>Balance</b>	<b>Interest</b>	<b>for CIP</b>	
2025	\$ 5,698,050	\$ 5,368,979	\$ 329,071	\$ 350,000	\$ 679,071	
2026	\$ 6,131,050	\$ 5,637,428	\$ 493,622	\$ 350,000	\$ 843,622	
2027	\$ 6,598,550	\$ 5,919,300	\$ 679,250	\$ 350,000	\$ 1,029,250	
2028	\$ 7,104,000	\$ 6,215,265	\$ 888,735	\$ 350,000	\$ 1,238,735	
2029	\$ 7,651,195	\$ 6,526,028	\$ 1,125,167	\$ 350,000	\$ 1,475,167	
					\$ 5,265,844	<b>\$ 5,265,844</b>
<b>Proposed Rates Irrigation Water</b>						
2025	\$ 778,950	\$ 699,190	\$ 79,760	0	\$ 79,760	
2026	\$ 834,650	\$ 734,150	\$ 100,500	0	\$ 100,500	
2027	\$ 894,720	\$ 770,857	\$ 123,863	0	\$ 123,863	
2028	\$ 959,597	\$ 809,400	\$ 150,197	0	\$ 150,197	
2029	\$ 1,029,762	\$ 849,870	\$ 179,892	0	\$ 179,892	
					\$ 634,213	<b>\$ 634,213</b>
						<b>\$ 5,900,057</b>
	<b>Target CIP</b>	<b>Collected</b>	<b>Difference</b>			
<b>Total Propoaed Rates over 5 years</b>	\$ 4,215,000	\$ 5,900,057	\$ 1,685,057			

<b>Alternate Rates Treated Water</b>	<b>Total Revenue</b>	<b>Operating Expenses</b>	<b>Balance</b>	<b>Investment Interest</b>	<b>Left over for CIP</b>
2025	\$ 5,698,050	\$ 5,368,979	\$ 329,071	\$ 350,000	\$ 679,071
2026	\$ 6,027,550	\$ 5,637,428	\$ 390,122	\$ 350,000	\$ 740,122
2027	\$ 6,373,955	\$ 5,919,300	\$ 454,655	\$ 350,000	\$ 804,655
2028	\$ 6,738,448	\$ 6,215,265	\$ 523,184	\$ 350,000	\$ 873,184
2029	\$ 7,122,296	\$ 6,526,028	\$ 596,268	\$ 350,000	\$ 946,268
					\$ 4,043,299
					<b>\$ 4,043,299</b>

**Alternate Rates Irrigation Water**

2025	\$ 778,950	\$ 699,190	\$ 79,760	0	\$ 79,760
2026	\$ 821,540	\$ 734,150	\$ 87,390	0	\$ 87,390
2027	\$ 866,271	\$ 770,857	\$ 95,414	0	\$ 95,414
2028	\$ 913,294	\$ 809,400	\$ 103,894	0	\$ 103,894
2029	\$ 962,768	\$ 849,870	\$ 112,898	0	\$ 112,898
					\$ 479,357
					<b>\$ 479,357</b>
					<b>\$ 4,522,656</b>

	<b>Target CIP</b>	<b>Collected</b>	<b>CIP/Reserves Over Target</b>
<b>Total Alternate Rates over 5 years</b>	\$ 4,215,000	\$ 4,522,656	\$ 307,656
<b>Total Propoaed Rates over 5 years</b>	\$ 4,215,000	\$ 5,900,057	\$ 1,685,057

**CIP and Reserves**

	<b>Operating Reserves</b>	<b>CIP</b>	<b>Emergency On hand</b>	<b>Total</b>
2024	\$ 1,907,139			
2025	\$ 288,960	\$ 606,000		\$ 894,960
2026	\$ 303,408	\$ 606,000		\$ 909,408
2027	\$ 318,579	\$ 606,000		\$ 924,579
2028	\$ 334,508	\$ 606,000		\$ 940,508
2029	\$ 351,233	\$ 606,000		\$ 957,233
	\$ 1,596,689	\$ 3,030,000		\$ 4,626,689