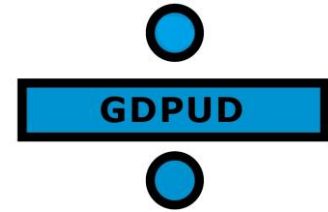


**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF NOVEMBER 15, 2022  
AGENDA ITEM NO. 9.A**



**AGENDA SECTION: ACTION ITEMS**

**SUBJECT: UPDATE ON MOSQUITO FIRE INCIDENT**

**PREPARED BY:** Adam Brown, Operations Manager

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

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**BACKGROUND**

On September 6, 2022, the Mosquito Fire started near Oxbow Reservoir in Placer County. By the 100 percent containment date of and by October 31, a total of 76,788 thousand acres burned that impacted approximately 3.5 miles of the District upper conveyance system from Tunnel Hill to Structure #1. District staff has actively been working with various property owners, funding agencies and state and federal agencies since the beginning of the Mosquito Fire incident. The collaborative approach is to identify risk areas, secure funding sources and mitigate the risk in an effort to continue to provide reliable and safe drinking water to the Georgetown Divide Community

**DISCUSSION**

Damage assessments completed by the District and other agencies as detailed in the October board meeting included;

1. Maintain water supply flows;
2. Levee road repair;
3. Water quality;
4. Erosion control;
5. Infrastructure repair; and
6. Tree mitigation.

During the month of October, the District focused on levee road repair, erosion control, infrastructure repair and tree mitigation.

1. Levee road repair included three sections between Structure #2 and Structure #3 which included road rehabilitation and bank stabilization.



2. Infrastructure repair included the covering of the Tunnel Hill flume inlet. The location was identified by the Watershed Emergency Response Team (WERT) as a value-at-risk (VAR). The project is in progress as the District has entered into a funding agreement with the Natural Resources Conservation Service (NRCS) to cover the entire section and is scheduled to be completed in November. Sponsor letter is included in Attachment A.



- 
3. Two tree mitigation projects are being completed along the upper canal. Beginning on October 15, the United States Forest Service (USFS) began clearing their properties between Structure #1 and Structure #3. District staff has been working closely with the USFS in order to protect infrastructure and advise on high risk areas. Areas with significant slope, tree material is not being removed to mitigate adverse erosion impacts. Between Structure #6 and Tunnel Hill the District has contracted with and is guiding Dave's Tree Service to fall and scatter selected trees along the upper and lower sections of the canal, also with the intent to mitigate adverse erosion impacts.



**FISCAL IMPACT**

The District has developed a specific project associated with the Mosquito Fire Response. A total of \$78,577.21 has been expended to date with an additional \$53,046.66 in encumbrances.

The NRSC agreement to repair the Tunnel Hill flume is valued at \$43,490 with District contributing in-kind labor at a value of \$10,872.50.

In the short-term the District is continuing to pursue California of Operating Emergency Service (CalOES) and California Department of Forestry and Fire Protection (CalFire) funding opportunities and long-term funding strategies through large Federal sources.

## **Update on Mosquito Fire Emergency**

4 of 4

Board Meeting of November 15, 2022

AGENDA ITEM 9.A.

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### **CEQA ASSESSMENT**

As part of the Tunnel Hill Flume repair project NRCS staff completed a basic environmental review process. Other work associated with Mosquito Fire emergency is being completed under emergency declaration.

### **RECOMMENDED ACTION**

Staff recommends that the Board of Directors receive and file this report.

### **ATTACHMENTS**

1. NRCS Sponsor Letter



GEORGETOWN DIVIDE  
Public Utility District

P.O. BOX 4240

GEORGETOWN, CALIFORNIA 95634-4240

PHONE (530) 333-4356

FAX (530) 333-9442

gd-pud.org

11/1/2022

Carlos Suarez  
State Conservationist  
Natural Resources Conservation Service  
430 G St., #4164  
Davis, CA 95616-4164

Dear Mr. Suarez:

We request Federal assistance under the provisions of section 216 of the Flood Control Act of 1950, Public Law 81-516 or section 403 of the Agricultural Credit Act of 1978, Public Law 95-334, to restore damages sustained in El Dorado County by the Mosquito Wildfire on or about September 6<sup>th</sup> thru 26<sup>th</sup>. This work is needed to safeguard lives and property from an imminent hazard of erosion resulting in the loss of water supply to a community of 10,000 residents. If this fix is not made it could result in the need to provide bottled water or other means to supply the community's water needs. The fix required is to provide a cover on a flume adjacent to a drainage that was been damaged by the fire. This area is further prone to erosion from the burning of all vegetation that provided control of the erosion in the area. The District has identified the need to cover the flume with steel plates.

We are a unit of local government with a legal interest in or responsibility for the values threatened by the watershed emergency. We understand, as sponsors of emergency watershed protection measures, that our responsibilities will include:

- Contributing a share of the project costs, as determined by NRCS, by providing funds or eligible services necessary to undertake the activity.
- Obtaining any necessary real property rights, water rights, and regulatory permits.
- Agreeing to provide for any required operation and maintenance of the completed emergency measures.

We have exhausted or have insufficient funding or other resources available to provide adequate relief from applicable hazards. We acknowledge that NRCS will not provide funding for activities undertaken by a sponsor prior to the signing of an agreement between NRCS and the sponsor.

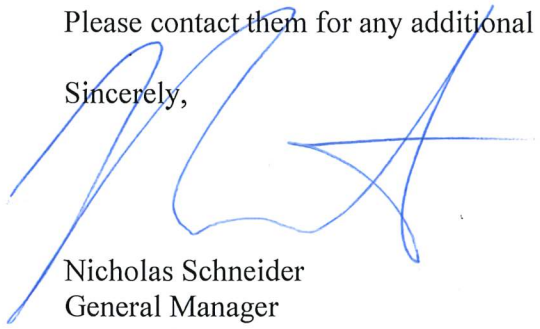
The names, addresses, and telephone numbers of the administrative and technical contact persons in our organization are as follows:

Adam Brown  
Operations Manager  
[abrown@gd-pud.org](mailto:abrown@gd-pud.org)  
530-333-4356

Nicholas Schneider  
General Manager  
[gm@gd-pud.org](mailto:gm@gd-pud.org)  
530-957-4413

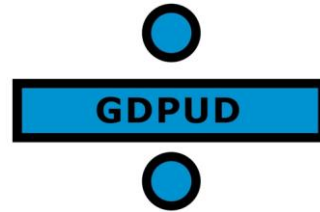
Please contact them for any additional information that you might need in assessing our request.

Sincerely,



Nicholas Schneider  
General Manager

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF NOVEMBER 15, 2022  
AGENDA ITEM NO. 9.B.**



**AGENDA SECTION: ACTION ITEM**

**SUBJECT: REVIEW THE DISTRICT'S INVESTMENT POLICY AND  
CONSIDER AUTHORIZING THE ISSUANCE OF A REQUEST  
FOR PROPOSALS FOR FINANCIAL ADVISORY SERVICES**

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

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

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**BACKGROUND**

The Board of Directors of the Georgetown Divide Public Utility District (Board) took the following initial actions to address investment opportunities for the District:

- On March 9, 1993, the Board approved an agreement with Rauscher Pierce Refsnes, Inc., for investment services, financial advisory, and underwriting services (Attachment 1).
- On May 10, 1994, the Board authorized the investment of district reserve funds in the GDPUD Local Agency Fund (Attachment 2)

On December 12, 1995, the Board adopted an Investment Policy pursuant to California Government Code Section 53600 et seq. (Attachment 3). This policy was adopted to serve as a guideline for the prudent investment of the District's unrestricted funds. It requires a review of the policy at least once a year and allows for modifications, as necessary. Official records do not clearly show that the Board has reviewed the investment policy annually, however, the Board has received monthly cash/investment financial reports for several years.

On January 12, 2016, the Board modified the Investment Policy (Attachment 4) which had been ratified on February 4, 2013, according to the 2016 staff report. (Note: No record of the February 4, 2013, policy being adopted has been found in the electronic files.) The modifications approved by the Board included the deletion of the CalTrust Investment Trust of California and the California Asset Management Program and an update to the Certificates of Deposits to reflect FDIC aggregate coverage of \$250,000. A search of the adopted modified policy in the electronic document files has not produced the document nor a resolution confirming this board action.

This issue was also discussed in 2019, however, the item was never brought before the Board for consideration.

During the FY 2020-2021 Budget Review, the Board requested a description of fund accounts (Attachment 5), identifying restricted and unrestricted funds to determine investment opportunities.

### **DISCUSSION**

The current Board has previously requested a review of the Investment Policy. Additionally, the Finance Committee recommended a review of the District's investment efforts on September 13, 2022. The Board directed Staff to provide a review of the investment policy and prepare a Request for Proposals (RFP) for financial advisory services.

As a first step to addressing the District's investment policy, Staff developed an RFP for financial advisory services. This draft RFP was presented to the Finance Committee for review at its October 27, 2022, meeting. The committee's recommended changes to the RFP are included in the draft RFP for the Board's consideration (Attachment 6).

The main deliverables to be received from the financial advisor include the following:

1. Analysis of current Investment Policy
2. Confirm correct accounts are being used.
3. Provide an analysis on how the District can maximize its investment portfolio.
4. Provide the services required to facilitate these investments.

The intention is for this process of review by a financial advisor working with staff, and a review by the Finance Committee, to allow the Board to consider an updated Investment Policy during the January regular Board meeting.

### **FISCAL IMPACT**

The objective is to develop prudent investment strategy that will result in additional revenue for the District.

### **CEQA ASSESSMENT**

This is not a CEQA Project.

### **RECOMMENDED ACTION**

Staff recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) receive the update on the Investment Policy and adopt the attached Resolution (Attachment 7) authorizing the issuance of a Request for Proposals for Financial Advisory Services.

### **ALTERNATIVES**

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

### **ATTACHMENTS**

1. Resolution 1993-12 Approving Agreement for Investment Services
2. Resolution 1994-12 Authorizing Investment of Reserve Monies
3. Resolution 1995-15 Adopting an Investment Policy
4. 2019 Draft Revised Investment Policy (not adopted)
5. Description of Fund Accounts and Current Balance
6. Draft RFP for Financial Advisory Services
7. Draft Resolution 2022-XX Approving Issuance of RFP



RESOLUTION 93-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
APPROVING THE AGREEMENT FOR INVESTMENT SERVICES  
WITH RAUSCHER PIERCE REFSNES, INC.  
A CORPORATION


BE IT RESOLVED that the President of the Board of Directors is hereby authorized to sign an Agreement for Investment, Financial Advisory, and Underwriting Services for the proposed development of a detailed plan to finance the upper canal project and other capital improvements with an investment firm called, RAUSCHER PIERCE REFSNES, INC. a corporation, said agreement marked as "Exhibit A" is attached hereto and made a part thereof.

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT on the 9th day of March, 1993, by the following

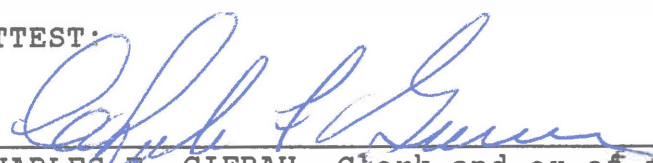
AYES: Directors Arthur E. Smoot, Wade B. Milner, Troey Daffern, John C. Lampson and Robert E. Flynn.

NOES: None.

ABSENT: None.

  
\_\_\_\_\_  
ROBERT E. FLYNN, President  
Board of Directors  
GEORGETOWN DIVIDE PUBLIC  
UTILITY DISTRICT

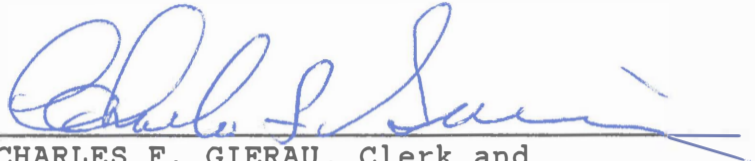
ATTEST:

  
\_\_\_\_\_  
CHARLES F. GIERAU, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

(SEAL)

CERTIFICATE

I hereby certify that the foregoing is a full, true and correct copy of Resolution 93-12, duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, El Dorado County, California.



CHARLES F. GIERAU, Clerk and  
ex officio Secretary  
Board of Directors  
GEORGETOWN DIVIDE PUBLIC  
UTILITY DISTRICT

**AGREEMENT BETWEEN THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
AND RAUSCHER PIERCE REFSNES, INC.  
FOR EXCLUSIVE INVESTMENT BANKING SERVICES IN CONNECTION WITH  
FINANCING OF CAPITAL IMPROVEMENTS**

THIS EXCLUSIVE INVESTMENT BANKING SERVICES AGREEMENT (hereinafter "Agreement"), made and entered into this 9th day of March, 1993 by and between the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, a body politic and corporation of the State of California (hereinafter "District") and RAUSCHER PIERCE REFSNES, INC., a corporation (hereinafter "Investment Banker").

WHEREAS, the District is contemplating development of a detailed plan to finance the upper canal project and other capital improvements (the "Project"); and

WHEREAS, the District desires to retain the services of an investment banker to develop a detailed plan of financing that will, among other things, result in issuance of municipal securities (the "Securities"), if deemed advisable, to provide funds necessary to complete the Project, and Investment Banker represents to District that it is qualified and competent to assist District in providing financial advisory and underwriting services;

NOW, THEREFORE, for and in consideration of the mutual promises hereinafter set forth, the parties hereto do hereby agree as follows:

**1. Services Provided by Investment Banker**

Investment Banker shall confer and consult with District, its representatives, staff, and attorneys for the purpose of developing a detailed plan of financing that will, if deemed advisable and necessary, result in providing funds to finance the Project. Specifically, to the extent that it is legally and financially feasible to do so and to assure that the financing will be consummated, Investment Banker shall, at the request of District, perform in a diligent manner the following services:

- a. Investment Banker shall analyze all legally available financing alternatives and present a written analysis of the advantages and disadvantages of each alternative, including but not limited to Certificates of Participation, Lease Revenue, and Special Assessment Bonds;
- b. Investment Banker shall act as managing underwriter for the sale of any Securities;

c. Investment Banker shall advise and counsel with District, its representatives, staff, attorneys, and the approving bond counsel as to the sufficiency and pertinency of the various required documents from an investment banking standpoint and shall recommend such changes as Investment Banker considers advisable in order to improve the marketability of the Securities;

d. Investment Banker shall, as required, confer with Moody's Investors' Service, Inc., and/or Standard & Poor's Corporation with regard to the possible assignments of investment ratings on the Securities and, in connection therewith, Investment Banker shall present to them relevant data and information to permit said rating services to evaluate and rate the Securities prior to their offering;

e. Investment Banker shall, if deemed necessary or desirable by District meet with insurers of municipal securities;

f. Investment Banker shall, if deemed necessary or desirable by District confer and consult with select foreign and domestic financial institutions regarding potential methods of credit enhancement; solicit and evaluate credit enhancement proposals and recommend to the District the exact terms and conditions under which credit enhancement should be utilized and structured;

g. Investment Banker shall develop and present specific recommendations as to the protective and other covenants to be included in the required legal documents, including maturity schedules, call features and security provisions; all of the provisions to be contained in the required legal documents shall be subject to the mutual satisfaction of District, bond counsel, Investment Banker, and Investment Banker's counsel;

h. Investment Banker shall make available for conference and consultation such of its personnel as may be reasonably requested by District, given sufficient notice, to allow District to proceed promptly in an efficient and expeditious manner in the development of the financing;

i. In cooperation with District, its representatives, staff and attorneys, Investment Banker shall assist in preparing the Preliminary Official Statement and Final Official Statement to be used in connection with the financing, and shall arrange for all necessary publication and printing requirements;

j. Investment Banker shall present specific suggestions as to the time for the sale of the Securities, taking into account market conditions and other known offerings of similar issues; and

k. Investment Banker shall, upon final approval by District of financing details, and upon direction by District to do so, market the Securities and present to the District a Contract of Purchase which will detail the conditions and circumstances under which the District will be obligated to sell and Investment Banker will be obligated to purchase the Securities, if District desires to proceed with the sale. Under no circumstances shall District be required to sell the Securities at the date of sale, and if the District determines not to proceed with said sale, the Contract of Purchase shall be null and void.

**2. Duties of District**

District agrees to:

(i) cooperate with bond counsel and other attorneys who will prepare legal documents and proceedings, advise and counsel with respect to any litigation affecting the financing, review contracts and other legal documents and render an approving legal opinion of the Securities,

(ii) make available to Investment Banker all personnel, information, reports, records, statistical data, financial statements, and legal documents and opinions that District has or obtains with respect to the Securities which may be reasonably requested by Investment Banker in connection with the performance of its obligations hereunder.

**3. Structure of Financing**

The structure of the financing shall be that method or combination of methods which, in the opinion of Investment Banker and the District, is legally and financially the most feasible and beneficial method of financing available to the District. The interest rate or rates borne by the Securities shall be at a rate or rates determined by the investment rating of the Securities and the market conditions at the time of issuance.

4. **Requirements for Issuance of Securities**

The Securities, at the time of delivery, shall be accompanied by an approving legal opinion in form acceptable to the Investment Banker of nationally recognized bond counsel as to the validity of the Securities and the exemption of interest thereon from Federal and California income taxes, together with a non-litigation certificate and other usual closing papers in customary form. Expenses (except as described in Paragraph 7 below) incurred in connection with the issuance of said Securities shall be paid from proceeds of the Securities.

5. **Compensation**

a. In the event Securities are sold pursuant to this Agreement, Investment Banker shall be compensated for its participation as managing underwriter by receiving a percentage of the face (par) value of the Securities purchased by the Investment Banker pursuant to this Agreement. Said percentage of the face (par) value (herein referred to as "discount"), shall be agreed to by the District and Investment Banker and shall be contained in the Contract of Purchase which shall be signed by both the District and Investment Banker at the time of the sale of the Securities.

6. **Exclusivity of Agreement**

- a. Both parties hereto agree that the Investment Banker shall have the exclusive right to provide investment banking services with respect to the proposed financing.
- b. District reserves the right to cancel this Agreement for cause at any time upon seven (7) days written notice to Investment Banker in the event that Investment Banker fails to pursue its obligations under this contract with due diligence. Investment Banker's failure to act with due diligence shall be presumed in the event that Investment Banker has taken no action or fails to respond to the District's request for advice or information for any period of time of 30 days duration or greater after notice from the District to take any such action, or provide the District with any such advice or information.

7. **Costs and Expenses**

In the event that said sale of Securities is not consummated for any reason, District shall not

be required to compensate Investment Banker for professional services rendered in the performance of this Agreement; except that the following costs, which are incidental to this financing, are to be borne by the District whether or not the proposed financing is consummated: fees and expenses of other consultants including bond counsel, trustee, trustee's counsel or escrow agent, printing and camera-ready preparation cost for the preliminary and final official statements and bond certificates, fees for credit ratings, credit enhancement fees including but not limited to municipal bond insurance premiums and fees charged by letter of credit providers, interest costs to wire funds at closing, and such other expenses incurred toward the issuance of the Securities as are agreed upon in writing by Investment Banker and the General Manager of the District or his designated representative. Investment Banker shall bear its out-of-pocket expenses (including payment to underwriter's counsel) not covered above, if the financing is consummated; however, if no securities are sold for any reason, the District shall compensate the Investment Banker and its counsel only for out-of-pocket expenses at cost.

**8. Conditions for Performance of Investment Banker's Obligations**

Investment Banker's obligations hereunder shall be subject:

- (i) to District's performance of its obligations at or prior to the issuance and delivery of the Securities, and
- (ii) to the accuracy of District's representations in all material respects based on the Investment Banker's judgment as of the time of the issuance and delivery of the Securities.

**9. Cancellation of Agreement by Investment Banker**

Investment Banker shall have the right to cancel its obligations hereunder if between the date hereof and the date of issuance and delivery of the Securities:

- (i) Legislation shall be enacted by the House of Representatives or the Senate of the Congress of the United States, or favorably reported for passage to either the House of Representatives or the Senate by any committee to either such body to which such legislation has been referred for consideration, or a decision by a court established under Article III of the Constitution of the United States, or by the Tax Court of the United States, shall be rendered or by a ruling, regulation or order of the Treasury Department of the United States

of the Internal Revenue Service shall be issued or a draft circulated with a retroactive effective date having the purpose or effect of imposing Federal income taxation, or any event shall have occurred which results in the imposition of Federal income taxation, upon revenues or other income of the general character to be derived by the District, which in the Investment Banker's opinion, materially adversely affects the marketability or market price of said Securities, or the marketability or market price generally of obligation of the general character of the tax-exempt securities;

(ii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency of the State of California, or a decision by any court of competent jurisdiction within the State of California shall be rendered which, in the Investment Banker's opinion, might materially adversely affect the marketability or market price of the Securities;

(iii) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission shall be proposed or made to the effect that the issuance, offering or sale of obligations of the general character of the Securities is in violation or would be in violation (unless registered or otherwise qualified under any provisions) of the Securities Act of 1933, as amended and as then in effect, or the Securities are required to be registered under the Securities Exchange Act of 1934, as amended and as then in effect, or the legal documents are required to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect;

(iv) legislation shall be introduced in, or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission (including a no-action or interpretive letter of the staff thereof) or other governmental agency having jurisdiction of the subject matter shall be made or proposed to the effect that an obligation or obligations of the general character of the Securities is not exempt from registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect;

(v) in the Investment Banker's judgment, the market price of the Securities, or the market price generally of obligations of the general character of the Securities, might be adversely



affected because:

- (a) additional material restrictions not in force as of the effective date thereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;
- (b) the New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to the Securities or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, underwriters;
- (c) a general banking moratorium shall have been established by Federal, New York, Texas or California authorities;
- (d) a war involving the United States of America shall have been declared which, in the opinion of the Investment Banker, might materially adversely affect the marketability or market price of the Securities; or
- (vi) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Securities or in any way contesting or affecting any authority for or the validity of the Securities, or the existence or powers of the District in the State of California.

**10. Entire Agreement**

This Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior agreements and understanding, both written and oral, between the parties with respect to the subject matter hereof and is made solely for, and shall bind and inure to, the benefit of the signatories and their respective successors and assigns, and no other person shall have or acquire any rights hereunder or by virtue hereof.

APPROVED AS TO FORM:

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
A body politic and corporation of the State of California

By: Wm M. Wright  
General Counsel

By: [Signature]  
Title:

"DISTRICT"

RAUSCHER PIERCE REFSNES, INC.  
A corporation

By: Virginia L. Horler  
Virginia L. Horler  
Managing Director

One Market Plaza  
1100 Steuart Street Plaza  
San Francisco, California 94111

"INVESTMENT BANKER"

RESOLUTION 94-12

A RESOLUTION OF THE BOARD OF DIRECTORS  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
AUTHORIZING INVESTMENT OF GEORGETOWN DIVIDE  
PUBLIC UTILITY DISTRICT RESERVE MONIES IN  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
LOCAL AGENCY INVESTMENT FUND

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED, that the following GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

Robert E. Flynn

Arthur E. Smoot

Charles F. Gierau


President

Treasurer

Clerk of Board and  
General Manager

  
(signature)

  
(signature)

  
(signature)

PASSED AND ADOPTED, by the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT, El Dorado County, State of California on the 10th day of May, 1994, by the following vote:

AYES: Directors Robert E. Flynn, Wade B. Milner, Arthur E. Smoot and John C. Lampson.

NOES: None.

ABSENT: Troey Daffern.

  
ROBERT E. FLYNN, President  
Board of Directors

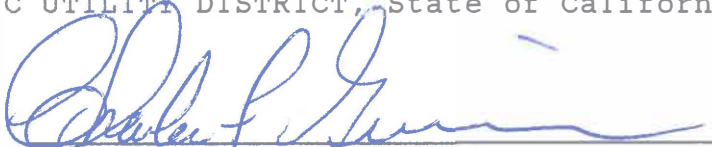
ATTEST:

  
CHARLES F. GIERAU, Clerk and ex officio  
Secretary, Board of Directors

(SEAL)

CERTIFICATE

I hereby certify that the foregoing is a full,  
true and correct copy of Resolution 94-12, duly and  
regularly adopted by the Board of Directors of the GEORGE-  
TOWN DIVIDE PUBLIC UTILITY DISTRICT, State of California.



CHARLES F. GIERAU, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC  
UTILITY DISTRICT

RESOLUTION 95-24

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
ADOPTING AN INVESTMENT POLICY


The Board of Directors of the GEORGETOWN DIVIDE  
PUBLIC UTILITY DISTRICT hereby resolves to adopt the Invest-  
ment Policy attached as Exhibit A.

PASSED AND ADOPTED at a Regular Meeting of the  
Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY  
DISTRICT on the 12th day of December, 1995, by the following  
vote:

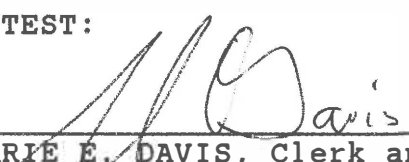
AYES: Directors Robert E. Flynn, Wade B. Milner and  
Arthur E. Smoot.

NOES: None.

ABSENT: John C. Lampson and Troey Daffern.

  
\_\_\_\_\_  
ROBERT E. FLYNN, President  
Board of Directors  
GEORGETOWN DIVIDE PUBLIC  
UTILITY DISTRICT


ATTEST:

  
\_\_\_\_\_  
MARIE E. DAVIS, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

agree.res/jl

CERTIFICATE

I hereby certify that the foregoing is a full, true and correct copy of Resolution 95-24, duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, El Dorado County, California.

  
\_\_\_\_\_  
Marie E. Davis, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE  
PUBLIC UTILITY DISTRICT

GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
ANNUAL STATEMENT OF INVESTMENT POLICY AND GUIDELINES

Adopted: December 12, 1995

INTRODUCTION

The following is the annual statement of investment policy of the Board of Directors of the Georgetown Divide Public Utility District, presented in accordance with Section 53600 et seq. of the Government Code.

This statement is intended to provide a guideline for the prudent investment of District money not immediately required to meet the financial obligations of the District. District money, as discussed herein, includes General Fund money, and money that is set aside in the various reserve funds that have been established by the Board of Directors.

Basic Policy and Statement of Objectives

In order of importance, three fundamental criteria shall be followed in the investment program:

A. Safety of Principal - investments shall be undertaken in a manner which first seeks to ensure the preservation of principal in the portfolio. The Clerk of the Board shall evaluate or cause to have evaluated each potential investment, seeking both quality in issuer and in underlying security or collateral.

B. Liquidity - investments shall be made whose maturity date is compatible with cash flow requirements and which will permit easy and rapid conversion into cash without a substantial loss of value.

C. Return on Investment - investments shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

Management will put forth its best efforts to forecast accurately the revenues and cash needs of the District, in order to provide for the investment of monies to the fullest extent possible.

The District's pool of investments will be operated under the Prudent Person Standard, which is that any investment shall be made as if it is one which would be purchased by a prudent person using the same discretion and intelligence that a person would use in managing his own affairs and certainly not for speculation.

Specifically, investments will be made only in securities and with financial institutions in which the District is legally empowered to invest such funds, in accordance with the terms and conditions of Sections 53600 through 53693 of the Government Code of California.

Investments of general fund and miscellaneous reserve fund moneys shall normally be limited to maturities of one year or less, in order to provide for a high degree of liquidity.

#### ACCEPTABLE INVESTMENT INSTRUMENTS

The District's portfolio may include investments only in the following instruments:

1. Passbook Savings Accounts and Money Market Checking Accounts. These savings accounts may be maintained in local branches of commercial banks and/or savings and loan associations. Amounts maintained in such accounts shall be fully insured by the United States Government or collateralized in accordance with California Government Code Section 53600 et seq.
2. State Local Agency Investment Fund. Investments with the Local Agency Investment Fund (LAIF) may be made up to the maximum amount permitted by State Treasury policy.
3. Certificates of Deposit. Cash may be invested only in Federally insured or fully collateralized certificates of deposit. Collateral for a given investment, when applicable, must be in accordance with California Government Code Section 53600 et seq. The District elects not to waive FDIC coverage up to \$100,000 in the aggregate per institution.

The investment institution must be located in California and at least five years old.

#### SUMMARY

The District will strive to maintain the level of investment of funds not immediately active as near to 100 percent as possible. However, the basic premise underlying the District's investment philosophy is to insure the safety of principal and to provide funds when needed.

In order that the Board of Directors may monitor management's handling of invested funds, a full report detailing all investments shall be given to the Board each month, in accordance with Section 53646(b) of the Government Code.

The Board of Directors will review the investment policy at least once a year, and may modify the policy as appropriate to District needs and current law.

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# Georgetown Divide Public Utility District | 2019 Policy Manual

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**POLICY TITLE:** Investment Policy

**POLICY NUMBER:** 2130(?)

**2130.1 Premise:**

- a) The State Legislature has declared the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (Government Code (GC) § 53600.6 and § 53630.1); and,
- b) Government Code Sections 53601, et seq., allow the legislative body of a local agency to invest surplus monies not required for the immediate necessities of the local agency; and,
- c) The fiscal officer of a local agency is required to annually prepare and submit a statement of investment policy and such policy, and any changes thereto, is to be considered by the local agency's legislative body at a public meeting (GC § 53646(a)).
- d) For these reasons, and to ensure prudent and responsible management of the public's funds, it is the policy of the District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of District funds.

**2130.2 Scope:**

This investment policy applies to all financial assets of the District. These funds are accounted for in the monthly financial reports and the annual audited financial statements of the District.

**2130.2.1 Exceptions:**

Three exceptions exist regarding investment of: bond reserve funds, grant funds. Bond reserve and grant funds will be invested in accordance with the statutory provisions governing the issuance of the bond(s) or grant(s), or the actual bond or grant documents, as applicable. Investment of District pension trust funds is governed by California Government Code 53125 – 53224. Investment of post-employment health benefit trust funds are governed by California Government code 53620 – 53622.

**2130.2.2 Pooling of Funds:**

With the exception of cash in restricted and special funds, the District will consolidate cash balances from all funds to the extent practicable in order to maximize investment earnings and minimize fees.

**2130.3 Prudence:**

The Board and persons authorized to make investment decisions subject to these policies are trustees and therefore fiduciaries subject to the prudent investor standard (GC § 53600.3). When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of

a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in the next issued quarterly treasury report and appropriate action are taken to control adverse developments. When a deviation poses a significant risk to the District's financial position, the Board shall be notified immediately.

#### **2130.4 Objectives:**

As specified in GC §53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives of the investment activities, in priority order, shall be:

- a) Safety. Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the whole portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b) Liquidity. An adequate percentage of the portfolio should be maintained in liquid short-term securities, which can be readily converted to cash as necessary to meet cash requirements.
- c) Yield. Yield shall be considered only after the basic requirements of safety and liquidity have been met.
- d) Diversification. The investment portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types.
- e) Public Trust. All participants in the investment process shall act as do custodians of the public trust.

#### **2130.5 Delegation of Authority**

Authority to manage the District's investment program is derived from the California Government Code, commencing with Section 53600. Management responsibility for the investment program is hereby delegated, pursuant to Section 53607 of the Government Code, to the District General Manager, who shall establish written procedures for the operation of the investment program consistent with this investment policy. This responsibility includes authority to select Brokers, establish safekeeping accounts, enter into wire transfer agreements, banking service contracts, and collateral/depository agreements that are consistent with and subject to this Policy. The General Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. This delegation shall be subject to annual renewal in accordance with Section 53607.

**2130.6 Investment Procedures**

The General Manager will establish written investment procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: safekeeping, wire transfer agreements, banking service contracts and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the established procedures.

**2130.7 Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. The General Manager must file applicable annual financial disclosures as required by the Fair Political Practices Commission (FPPC) and/or the District’s Conflict of Interest Code.

**2130.8 Authorized Financial Dealers and Institutions**

The District shall transact business only with banks, associations, and with broker/dealers licensed by the State of California. The broker/dealers should be primary government dealers regularly reporting to the New York Federal Reserve Bank. Exceptions will be made only upon written authorization by the General Manager. Investment staff shall investigate dealers who wish to do business with the District to determine if they are adequately capitalized, have pending legal action against the firm or the individual broker and make markets in the securities appropriate to the District’s needs. The General Manager, in his/her discretion, may require that any broker/dealer complete and file an annual financial disclosure form consistent with the District’s conflict of interest policy.

The General Manager shall annually send a copy of the current investment policy to all broker/dealers approved to do business with the District. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the District’s investment policies and intends to sell the District only appropriate investments authorized by this investment policy.

**2130.9 Authorized and Suitable Investments**

Investment of District funds is governed by the California Government Code Sections commencing with 53600 in which the following investments are authorized:

<b>Investment Type</b>	<b>Percentage or Amount</b>	<b>Maximum Maturity</b>
U.S. Treasury Bonds/Notes/Bills	0 to 100%	5 Years
U.S. Government Agency Securities and Instrumentality’s of Government-Sponsored Corporations	0 to 100%	5 Years
Bankers’ Acceptances	0 to 40%	180 Days
Commercial Paper must be rated P-1 (Moody’s, A-1 (Standard & Poor’s)	0 to 25%	270 Days
Negotiable Certificates of Deposit	0 to 30%	5 Years
Local Agency Investment Fund (LAIF)	\$0 to \$50,000,000	Upon Demand
Public Funds Checking or Savings Account	0 to 100%	Upon Demand

# Georgetown Divide Public Utility District | 2019 Policy Manual

Investment Type	Percentage or Amount	Maximum Maturity
State of California Bonds/Notes	0 to 30%	5 Years
California Local Agency Bonds/Notes	0 to 30%	5 Years
Outside California Local Agency Bonds/Notes	0 to 30%	5 Years
Medium Term Corporate Notes	0 to 30%	5 Years
Mutual Funds/Money Market Funds	0 to 15%	Upon Demand
Mortgage/Pass-Through Security	0 to 20%	5 Years

### 2130.10 Prohibited Investments

In accordance with the provisions of California Government Code Sections 53601.6 and 53631.5, the District shall not invest in inverse floaters, range notes, mortgage-derived interest only strips, or any security that could result in zero interest accrual.

Any State of California legislative action that further restricts allowable maturities, investment types or percentage allocations will be effective upon enactment and deemed incorporated into the District's Investment Policy and supersedes any and all previous applicable language. If the District is holding an investment that is subsequently prohibited by a legislative change, and provided such action is allowable under the applicable legislation, the District may hold that investment if it is deemed prudent by the General Manager until the maturity date to avoid an unnecessary loss.

### 2130.11 Diversification and Maximum Maturities

The District will diversify its investments by security type and institution. With the exception of U. S. Treasury securities, U. S. Agency Obligations and authorized pools (e.g. LAIF), no more than 50% of the District's total investment portfolio will be invested in a single security type or with a single financial institution. The diversification of the portfolio will be dependent upon current and future cash flow requirements. To the extent possible, the District will strive to match its investment maturities with anticipated cash flow requirements. The District will not directly invest in securities with a maturity greater than 5 years unless pursuant to 2130.2.1 Exceptions.

### 2130.12 Investment Pools/Mutual Funds

The General Manager shall have a thorough understanding of the operational areas listed below for each pool and/or fund prior to investing and on a regular basis:

- Authorized investments
- Fee schedule, when/how assessed
- Safeguarding of investments
- Investment Policy and objectives
- Eligibility for holding bond proceeds
- Settlement process
- Interest calculations/distribution
- Frequency of statements
- Deposit/withdrawal limitations
- Investment limitations
- Treatment of gains and losses
- Utilization of reserves by fund

### 2130.13 Collateralization

Collateral is required for investments in certificates of deposit, repurchase agreements and reverse repurchase agreements. In order to reduce market risk, the collateral level will be at least 102% of market value of principal and accrued interest.

The only securities acceptable as collateral shall be direct obligations which are fully guaranteed as to principal and interest by the United States Government or any agency or government sponsored enterprise of the United States.

#### **2130.14 Safekeeping and Custody**

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the District shall be held in safekeeping by a third party custodian, acting as agent for the District under the terms of a trust or custody agreement executed by the General Manager. All security transactions will settle delivery vs. payment (DVP) through the District's safekeeping agent. Securities purchased from brokers/dealers shall be held in third party safekeeping by the trust department of the District's main bank, or by another third party trustee designated by the General Manager. Securities held in custody for the District shall be independently audited annually to verify investment holdings.

#### **2130.15 Investment Earnings Allocation and Marking to Market**

Investment earnings that are collected from investments authorized in this policy will be allocated monthly to the various program areas based upon their respective participation and in accordance with generally accepted accounting principles. The market value of the portfolio will be calculated at least quarterly, with a statement of market value issued. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed consistent with the GFOA Recommended Practice on "Mark-To-Market Practices for State and Local Government Investment Portfolios and Investment Pools."

#### **2130.16 Reporting and Internal Control**

In accordance with California Government Code Section 53646(b), the General Manager will issue a quarterly report within 30 days following the end of the quarter to the Board of Directors showing the type of investment, issuer and/or institution, date of maturity, amount of investment, current market value for all securities, rate of interest, and other relevant data that may be required. The quarterly report shall list any contract authorized by the General Manager under the authority delegated under Section 2130.5 of the Investment Policy.

The quarterly report shall certify compliance of the investment portfolio with the Investment Policy and shall include a statement denoting the ability of the District to meet its pool expenditure requirements for the next six months. The quarterly report shall further report any instance where the General Manager determined any investment of the investment portfolio might have deviated from the District's Investment Policy and the actions taken by the General Manager as a result of such determination. The General Manager shall also, in accordance with Government Code 53607, issue a monthly report of transactions to invest or to reinvest funds of the District, and to sell or exchange securities so purchased. The annual audit will include an independent review by the external auditor to confirm proper internal controls exist. The District's CAFR will report, on an annual basis, those components that demonstrate compliance with the Investment Policy.

**2130.17 Performance Standards**

Investment performance is continually monitored and evaluated by the General Manager. The performance of the investment portfolio shall be measured against a market-average rate of return of the U.S. Constant Maturity Treasury (CMT) which is the closest to the weighted average maturity of the District's portfolio and to the earnings on the LAIF Pooled Investment Fund.

**2130.18 Investment Policy Adoption, Revision and Legislative Changes**

The Investment Policy will be adopted by resolution of the District's Board of Directors. The policy will be reviewed and updated as needed for Board approval when economic conditions warrant or legislative changes necessitate.

**2130.19 Glossary of Cash Management Terms**

Accrued Interest: Interest earned but not yet received.

Agencies: Federal agency securities and/or Government-sponsored enterprises.

Asked: The price at which securities are offered.

Banker's Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bid: The price offered by a buyer of securities.

Bond: A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Broker: A person assisting in the buying and selling of investments for a commission.

Corporate Notes- Medium Term Notes: Debt instrument issued by a private corporation, as distinct from one issued by a government agency or a municipality.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate; large-denomination CD's are typically negotiable.

Commercial Paper: Short term obligations with maturities ranging from 2 to 270 days that are issued by banks, corporations and other borrowers to investors with temporarily idle cash.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also securities pledged by a bank to secure public money deposits.

Comprehensive Annual Financial Report (CAFR): The official annual report for the District which includes statements prepared in conformity with Generally Accepted Accounting Principles (GAAP). It also includes supporting schedules necessary to demonstrate

compliance with finance-related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

**Coupon:** The annual rate of interest on a debt security that a bond issuer promises to pay the bondholder on the bond's face (or par) value.

**Dealer:** A person or firm acting as a principal in a securities transaction, buying and selling for his own account.

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Diversification:** Dividing investment funds among a variety of securities offering independent returns.

**Federal Agency Securities:** Securities issued by agencies of the Federal Government such as Federal Farm Credit Bank (FFCB) and the Tennessee Valley Authority (TVA), Federal National Mortgage Association (FNMA) that are not general obligations of the U.S. treasury but are sponsored by the government and therefore have high safety ratings.

**Liquidity:** The ability to buy or sell an asset quickly and in large volume without substantially affecting the asset's price.

**Local Agency Investment Fund (LAIF):** The California pool of local agency assets, which is managed by the State Treasurer. Limits apply to each agency's deposit of general fund reserves; however no limits on amount of deposit apply to bond proceeds. Funds in this pool are considered very liquid.

**Market Value:** Current market price of a security- as indicated by the latest trade recorded.

**Mark to the Market:** The adjustment of the valuation of a security or portfolio to reflect current market values.

**Maturity:** The date upon which the principal or stated value of an investment becomes due and payable.

**Money Market:** The market in which short term debt instruments (bills, commercial paper, bankers' acceptances) are issued and traded.

**Mortgage Pass-Through Obligations:** a government guaranteed security that represents pooled debt obligations repackaged as shares, that passes income from homeowners principal and interest payments through a government agency or bank to investors.

**Negotiable Certificates of Deposit:** A large denomination time deposit with a specific maturity evidenced by a certificate. These are traded like other fixed income securities.

**Portfolio:** A collection of securities held by an investor.

**Premium:** The amount by which a bond sells above its face (par) value.

**Repurchase Agreements:** Agreement between a seller and a buyer, usually of government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and at a stated time. The security buyer in effect lends cash money to the security seller for the period of the agreement and the terms of the agreement are structured to compensate the security buyer for this transaction. Similarly, reverse repurchase agreements are an agreement where a dealer agrees to buy the securities and the investor agrees to buy them back on a specific date.

**Safekeeping:** A service rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**Secondary Market:** Exchanges and over-the-counter markets where securities are bought and sold subsequent to original issuance, which took place in the primary market. Proceeds of secondary market sales accrue to the selling dealers and investors, not to the companies that originally issued the securities.

**Securities and Exchange Commission (SEC):** The Federal Agency created by Congress to protect investors in security transactions by administering securities legislation.

**Settlement Date:** The date by which an executed order must be settled, either by a buyer paying for the securities with cash or by a seller delivering the securities and receiving the proceeds of the sale for them.

**Treasury Bills:** A non-interest bearing discount security issued by the U.S. Treasury to finance national debt. Most bills are issued to mature in three (3), six (6), or twelve (12) months.

**Treasury Bonds:** Medium-term interest bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two (2) to ten (10) years.

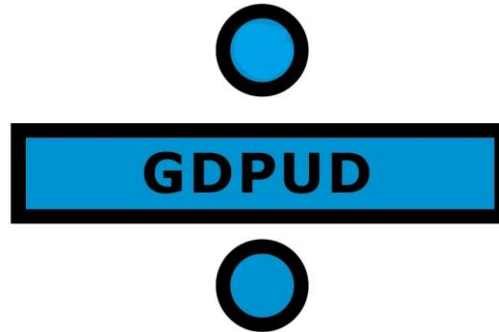
**Yield:** The rate of return on an investment expressed as a percentage that takes into account the total of annual interest payments, the purchase price, the redemption value and the amount of time remaining until maturity.



**CODE OF ACCOUNTS**

<b>FUND CODES</b>			
<b>New Code</b>	<b>Fund</b>	<b>Description</b>	<b>Old Code</b>
<b>WATER OPERATING FUNDS</b>			
Fund 100	Water Operating	General Fund for all water related and administrative activities.	Fund 10
Fund 101	Retiree Health	<b>Restricted.</b> Funds accumulated to fund retiree obligations calculations based on GASB 45 calculation.	Fund 12
Fund 102	SMUD	<b>Unrestricted Reserve Funds.</b> Revenue under an agreement between Sacramento Municipal Utility District and El Dorado parties (El Dorado County, El Dora County Water Agency, GDPUD, El Dorado Irrigation District, and El Dorado Water and Power Authority) executed on November 22, 2005, relating to FERC Relicensing. ATTACHMENT 08 - El Dorado SMUD Cooperative Agreement.	Fund 08
Fund 103	Hydroelectric	<b>Unrestricted Reserve Funds.</b> Funds related to hydroelectric activity	Fund 30
<b>WATER CAPITAL FUNDS</b>			
Fund 110	Capital Replacement	<b>Unrestricted Reserve Funds.</b> USDA-required sub-fund for the Auburn Lake Trails Retrofit. It was originally set up with an estimate of the funds needed to be on hand to replace the existing asset with replacement lives of less than 15 years.	Fund 24
Fund 111	Capital Reserve	<b>Unrestricted Reserve Funds.</b>	Fund 43
Fund 112	ALT	<b>Restricted.</b> Includes supplemental charge revenue, a portion of ALTWTP construction expenses, and SRF loan draws.	Fund 20
Fund 113	CABY Grant	<b>Restricted.</b> Funding for Water Conservation, Supply Reliability, Enviromental Protection (ditch-lining) project.	Fund 09
Fund 114	Restricted P/L	<b>Restricted.</b> Grant funding for improvements to the Auburn Lake Trails Water Treatment Plant. Grant Awarded: 4/23/2015 Amount: 1,433,600 ID #: XP-96966501	Fund 35
<b>WATER DEBT SERVICE</b>			
Fund 120	State Revolving Fund	<b>Restricted.</b> SRF Loan for Walton Lake treatment plant.	Fund 29
Fund 121	SMER Fund	<b>Unrestricted Reserve Funds.</b> Stumpy Meadows Emergency Reserve Fund as a requirement of the contract entered into with the Dept of Reclamation related to the dam at Stumpy Meadows. The Otter Creek interest free loan is paid from the interest earned in this fund.	Fund 19
<b>WASTEWATER OPERATING</b>			
Fund 200	Zone Fund	<b>Restricted.</b> Funds related to all activities in the Auburn Lake Trails Waste Water System.	Fund 40

<b>WASTEWATER CAPITAL</b>			
Fund 210	CDS Capital Reserve	<b>Restricted.</b> CDS Reserve for expansion. Activities of the CDS connection fees (Acct # 4185) and the annual transfer of funds for the Wastewater General Fund representing depreciation portion of CDS customer's fees paid.	Fund 42
Fund 211	CDS M&O Fund	<b>Restricted.</b> Self-balancing fund used to track the activity of tank replacements and repairs to individually owned ALT septic systems.	Fund 41
<b>WASTEWATER DEBT SERVICE</b>			
<b>COMMUNITY FACILITY CHARGES</b>			
Fund 400	Capital Facility Charge	<b>Restricted.</b> Sub-fund for water activities to account for the non-water development portion of the Capital Facility Charges enacted 7/1/07 by Ordinance 2007-01.	Fund 39
Fund 401	Water Development Fund	<b>Restricted.</b> Sub-fund for receipt and development portion of the Capital Facility Charges	Fund 17
<b>ASSESSMENT DISTRICTS</b>			
Fund 500	Stewart Mine	<b>Restricted.</b> Sub-fund for Stewart Mine debt service	Fund 14
Fund 501	Garden Valley	<b>Restricted.</b> Revenues and expenditures of the Garden Valley Fund from County tax rolls.	Fund 37
Fund 502	Kelsey North	<b>Restricted.</b> Sub-fund for the activity of the debt.	Fund 51
Fund 503	Bayne Road	<b>Restricted Indirect Debt.</b> Sub-fund for various 1915 Act Assessment Districts: 21-Greenwood; 22-Cool Cherry Acres; 23-Spanish Dry Diggins; 24-Line Extension 77-5; 25 - Bayne Road ?????	Fund 25
Fund 504	Kelsey South	<b>Restricted.</b> Sub-fund for the activity of the debt.	Fund 52
Fund 505	Pilot Hill North	<b>Restricted.</b> Sub-fund for the activity of the debt. Paid off in April 2012. Closed during FY 2012-2013.	Fund 53
Fund 506	Pilot Hill South	<b>Restricted.</b> Sub-fund for the activity of the debt.	Fund 54



## **GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**

### **REQUEST FOR PROPOSALS**

#### **Financial Advisory Services**

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Responders to this Request for Qualifications (RFQ) must deliver one signed original, two (2) copies, and one electronic copy of the proposal.

**Proposal Submission Deadline (date/time): December 21, 2022, no later than 2:00pm**

**Submit Proposal to: Georgetown Divide Public Utility District Office  
6425 Main Street  
Georgetown, CA 95634**

#### **REGISTERING YOUR EMAIL ADDRESS**

##### **FOR QUESTIONS CONCERNING THIS REQUEST FOR PROPOSAL:**

Potential respondents who want to receive changes, additions, and deletions to the RFP, as well as a copy of all the questions and responses by the Georgetown Divide Public Utility District, should register online by following the link on the GDPUD website. The link to open RFPs is at the following website: [http://gd-pud.org/#Bids\\_&\\_Proposals](http://gd-pud.org/#Bids_&_Proposals)

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### ATTACHMENTS

- A. Sample Professional Services Agreement

# REQUEST FOR PROPOSALS

## Financial Advisory Services

### SECTION 1 — INTRODUCTION

The Georgetown Divide Public Utility District (District) is seeking proposals from firms interested in providing Financial Advisory Services, as defined in the Scope of Services included herein. This Request for Proposals describes the background, scope of services, content of proposals, selection criteria, and proposal submission instructions and schedule.

The District will use a “Qualifications Based Selection” process in determining which consultant to be selected for the professional services agreement (PSA). The process will include an evaluation and ranking of proposers based on set evaluation criteria. Top-ranking proposers may be asked to participate in an oral interview.

The District will open and review the proposal of the top-ranked proposer. If for any reason an acceptable contract cannot be negotiated with the top-ranked proposer, negotiations will commence with the next-ranked firm.

The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

Proposals submitted will be evaluated by individuals from the District and/or outside agencies. During the evaluation process, the District reserves the right, where it may serve the District’s best interest, to request additional information from proposers, or to allow corrections of errors or omissions.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the Agreement between the District and the firm selected. The District reserves the right, without prejudice, to reject any or all proposals

#### 1.1 General Description of RFP

This RFP describes the general Scope of Services, necessary RFP components, the selection process, and the required format of the RFP, as well as a sample copy of the District’s Professional Services Agreement, included in Attachment A.

#### 1.2 RFP Schedule

Advertisement of RFP	November 15, 2022
Deadline for Questions	December 7, 2022
Response to Questions	December 14, 2022
<b>Deadline for RFP Submittal</b>	<b>December 21, 2022, No later than 2:00 PM</b>
Final Consultant Selection	Anticipated Board approval January Board Meeting

### 1.3 General Selection Process

The District intends to select a financial advisor based on demonstrated competence and qualifications for the types of services to be performed at a fair and reasonable price to the public. The District will review all proposals and evaluate them according to the following criteria:

<b>Evaluation Criteria</b>	<b>Weight</b>
Qualifications of Team	30
Understanding of Services Requested and Innovation	20
Similar Experience/References	50

Consultant may be either selected based on information included in the proposal or the Consultant may be requested to interview prior to final selection.

### SECTION 2 — GDPUD BACKGROUND

The Georgetown Divide Public Utility District (GDPUD or District) was established as an independent special district pursuant to Public Utilities Code §15501-18055. The District was formed on June 4, 1946; however, the origins of District facilities can be directly traced back to 1852 and the El Dorado, Pilot and Rock Creek Canal Companies, one of the first established water purveyors in the State of California – a result of James Marshall’s discovery of gold in nearby Coloma. Following the decline in gold production, agriculture and lumbering became the staple industries on the Divide for many years.

Since its formation in 1946, the District has grown to over 4,100 connections and supplies approximately 12,000 acre-feet of water per year. This qualifies the District as an Urban Water Supplier subject to the regulations of the State Water Resources Control Board. As a Public Utility District, GDPUD is also subject to regulations of the California Public Utilities Commission. GDPUD is situated on the west slope of the Sierra Nevada foothills, approximately 45 miles northeast of Sacramento, California in El Dorado County. It straddles a ridge which separates the drainage basin of the Middle Fork American River and the Rubicon River (a tributary to the Middle Fork of American River) to the north from the South Fork American River to the south. Access is through Highway 50 and Interstate 80 which allows for easy access to metropolitan areas in the Sacramento Valley and recreational activities in the Lake Tahoe region.

The communities of Georgetown, Garden Valley, Kelsey, Greenwood, Cool and Pilot Hill make up the majority of the District's customers. With the exception of Georgetown and Cool, the majority of parcels within the District are greater than two acres, reflective of a large geographical distribution of customers. The Auburn Lake Trails subdivision, located in the community of Cool, has approximately 1,200 customers, and makes up nearly one-third of the District's customer base. The District estimates the total population to be roughly 10,000.

### **SECTION 3 -- SCOPE OF SERVICES**

The financial advisor shall work with the District to provide professional financial advisory services including evaluating bond markets, potential debt issuance for pension obligation bonds or other resources, debt management, maintaining credit ratings, long-term strategic planning, and managing bond issuance.

The District is seeking the following financial advisory services:

1. Preparation of an Investment Policy for the District that establishes procedures that are formulated in compliance with governing provisions of law (Cal Govt Code Sections 53600 et seq.) for a prudent and systemic investment program in support of the District's overall mission. This includes an annual statement of investment policy by the General Manager of such policy, and any changes thereto, for review by the Finance Committee and for consideration by the Board at a public meeting.
2. Recommendation and facilitation of the proper investment of approved funds pursuant to the California Government Code, the Investment Policy and stated investment objectives that promotes financial sustainability and maintains adequate debt coverage and reserve levels.
3. Evaluation of the District's debt position on an on-going basis. This includes actively monitoring the market and notifying the Authority when the market conditions are beneficial for the Authority to issue, refinance or redeem debt.
4. Advice for the District in issuing debt in the form of Pension Obligation Bonds, General Obligation Bonds, Tax Revenue Anticipation Notes, Certificates of Participation, third party-tax exempt leases, private placements, and other related financial services.
5. Development of financial options for the District by conducting studies and analyses determining the appropriate and cost-effective financial methods, terms, security, and repayment structures.
6. Assistance for the District in developing credit rating strategies and coordination of presentations with rating agencies.

7. Financial advice for the District on information gathered from entities interested in designing, building, financing, and/or operating hydroelectric plants.

The firm selected as financial advisor will not be considered for any underwriter or broker-dealer role with the District during the time it acts as financial advisor, or within six months of ceasing to function as the financial advisor. The firm that is selected will be prohibited from engaging in activities on behalf of the issuer that produce a direct or indirect financial gain for the financial advisor, other than the agreed-upon compensation, without the issuer's informed consent.

Through these financial services, the District expects to receive the following main deliverables:

1. Analysis of current Investment Policy.
2. Confirmation that correct accounts are being used.
3. Report on potential earnings through investments.

#### **SECTION 4 — PROPOSAL SUBMITTAL REQUIREMENTS**

The intent of these requirements is to assist proposers in the preparation of their proposal and to simplify the review process for the District. One signed original, two (2) copies, and one electronic copy of the proposal must be received, and date stamped by GDPUD no later than **December 21, 2022 no later than 2:00 PM**. If a proposal is sent by mail or other delivery system, the sender is completely responsible for the mail or delivery system delivering the proposal to the District on or before the deadline.

Proposals shall be clearly marked "Request for Proposals for Financial Advisory Services," and submitted to:

**Nicholas Schneider, General Manager  
Georgetown Divide Public Utility District  
6425 Main Street  
PO Box 4240  
Georgetown, CA 95634**

Note: Late submittals or submittals delivered to the wrong location will be rejected.

The District requires the proposer to submit a concise proposal clearly addressing all the requirements outlined in this RFP. The proposal must be signed by the firm's representative authorized to execute a Professional Services Agreement between the District and firm. The proposal must include, at a minimum, the following sections; however, the proposer is encouraged to expand on the scope as needed:



## **A. Cover Letter**

- List the name, address, and telephone number of the firm.
- Signed by an authorized representative of the firm. The Proposer shall furnish documentation that the person signing the proposal is empowered with signatory authority for the firm. The form could be a Corporate Resolution.
- State the proposal is firm for a 90-day period from the proposal submission deadline.
- Provide the name, title, address and telephone number of the individual to whom correspondence and other contacts should be directed during the selection process.
- Provide the location of the firm's headquarters, and the location of any local support offices which will provide the service to the District.
- Acknowledge that the proposer will provide the insurance and indemnification required per the attached Professional Service Agreement.

## **B. Legal Proceedings**

Answer the questions regarding legal proceedings in connection with any offering of municipal securities:

- Are there any pending legal action alleging violations of law in connection with an offering of municipal securities against the firm, any partner of the firm, or any employee of the firm? Describe each such pending action.
- Have there been any settlements or judgements involving such actions within the last five years? Describe each settlement or judgment, including the nature of the action and the amount of recovery.
- Are there any pending legal or disciplinary matters involving such actions against the firm, any partner of the firm, or any employee of the firm by any Federal or state regulatory agency? Describe each such action.
- Provide information about any criminal indictments or convictions against the firm or its employees where the charges involved an offering of municipal securities, and any material pending legal action, settlement, or judgement involving a claim of fraud, whether civil or criminal.
- Disclose all contractual or informal financial arrangements/agreements, including joint accounts, fee-splitting, profit sharing and consulting agreements of your firm that could impact the District. The disclosure must be complete, accurate, and in sufficient detail to permit the District to make an informed decision as to with whom business is being conducted.

## **C. Project Team Information**

The proposer must provide the names and positions of all staff proposed to provide the services. The proposal should also designate who will be the financial advisor who will be the District's contact. It is allowable for a single individual to fulfill multiple roles on the financial advisor's staff.

#### **D. Relevant Experience and References**

The proposer must state the qualifications and experience of the proposed team, emphasizing the specific qualifications and experience acquired while providing services similar to those being sought by the District, particularly for the financial advisor and other key project staff members. The firm should have experience with special districts.

For all staff members, describe their role giving not only their title but also the specific services they will perform and clearly illustrate the applicability of the individual's background, education, and experience to his or her assigned role.

Provide a brief description of at least three similar projects for which the firm has provided services during the past five years. For all referenced projects list the:

- Client (contact person, address and phone number)
- Description of services by firm
- Total value of services provided by firm
- Firm's lead financial advisor
- Key personnel involved
- Sub consultant employed

#### **E. Rate Schedule**

Rate schedule of most current rates for personnel identified in project team information. A rate schedule (one copy) for the financial advisory services must be submitted in a separately sealed envelope marked "Rate Schedule" and will be the basis for which the Consultant will be compensated. The rates quoted will remain in effect for the duration of the Agreement, unless approved by the District. Rates shall be included for all employment categories necessary to perform the work outlined in this RFP in accordance with applicable State of California Industrial Labor Rate Standards.

Failure to provide a rate schedule in a separately sealed envelope can be grounds for the District, at its sole discretion, to determine the submittal to be non-responsive and the proposal may be rejected.

### **SECTION 5 — SELECTION PROCESS AND EVALUATION CATEGORIES**

Qualifications submitted will be evaluated by individuals from the District and/or outside agencies. During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information from proposers, or to allow corrections of errors or omissions.

#### **5.1 Selection Criteria**

The District intends to select a Consultant based on demonstrated competence and qualifications for the types of services to be performed at a fair and reasonable price to the public. The District will review all proposals and evaluate them according to the following criteria:

- Qualifications of team;
- Understanding of services requested; and
- Similar Experience / References.

Consultant may be either selected based on information included in the proposal or the Consultant may be requested to interview prior to final selection.

## **SECTION 6 — GENERAL TERMS AND CONDITIONS**

### **6.1 Limitation**

This RFP does not commit the District to award a contract, to pay any cost incurred in the preparation of the Consultant's RFP response, or to procure or contract for services or supplies. The District is not responsible for proposals that are delinquent, lost, mismarked, and sent to an address other than that given above, or sent by mail or courier service. The District reserves the right to accept or reject any or all RFP responses received because of this request or to cancel all or part of this RFP.

### **6.2 Public Records**

All proposals shall become the property of the District and will become public records and, as such, may be subject to public review.

### **6.3 Contract Agreement**

Once a proposed contract agreement is accepted, the Consultant will be required to sign the Agreement for Consultant Services and submit all other required certifications and documentation within ten (10) calendar days of the Notice of Selection from the District.

The contents of the submitted proposal will be relied upon and incorporated into the awarded contract and shall become a contractual obligation. Failure of the Consultant to agree to include the proposal as part of the contractual agreement will result in the cancellation of the award. The District reserves the right to reject those parts that do not meet with the approval of the District, or to modify the Scope of Services, as agreed by Consultant, in the final negotiated contract.

A sample agreement that will be used for this contract is included as Attachment A. The District will require the selected Consultant to provide the indemnification and insurance required per the attached sample agreement. Consultant is advised to pay close attention to the indemnification and insurance requirements.

## **SECTION 7 — QUESTIONS**

If you have any questions regarding this RFQ, prior to July 29, 2022, please email:  
Nicholas Schneider, General Manager  
Email: [gm@gd-pud.org](mailto:gm@gd-pud.org)

**ATTACHMENT A**  
**SAMPLE PROFESSIONAL SERVICES AGREEMENT**

**RESOLUTION NO. 2022-XX**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS**  
**FOR FINANCIAL ADVISORY SERVICES**

**WHEREAS**, the Georgetown Divide Public Utility District (“District”) adopted an Investment Policy pursuant to California Government Code Section 53600 et seq. on December 12, 1995; and

**WHEREAS**, this policy requires a review of the policy at least once a year and allows for modifications, as necessary; and

**WHEREAS**, the Board has directed Staff to provide a review of the investment policy and prepare a Request for Proposals (RFP) for financial advisory service for the Board’s review.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT** that the Request for Proposals for Financial Advisory Services is approved, and the General Manager is authorized to issue a Request for Proposals.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 15th day of November 2022, by the following vote:

**AYES:**

**NOES:**

**ABSENT/ABSTAIN:**

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Michael Saunders, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Attest:*

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Nicholas Schneider, Clerk and Ex officio

Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

### **CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2022-XX duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this 15<sup>th</sup> day of November 2022.

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

DRAFT