



**WORKING FOR OUR COMMUNITY**

BE PART OF THE DISCUSSION

## **IMPORTANT INFORMATION FROM GDPUD BOARD OF DIRECTORS**

### **Did you just receive a Proposition 218 notice from GDPUD and have a few questions?**

The Georgetown Divide Public Utility District (GDPUD) Board of Directors would like to try to answer some of the most common questions you may have about that notice and how it affects you directly.

Information and additional documentation about the questions in this flyer can be found on the GDPUD website:

<https://www.gd-pud.org/cost-of-service-and-rate-analysis>.

**What: Proposition 218 Public Hearing**  
**When: Thursday, December 12<sup>th</sup> at 6:00 p.m.**  
**Where: Cool Community Church**

## **FAQ's**

### **1. Why am I receiving this mailer?**

The Board of Directors for GDPUD would like you to better understand Proposition 218 (Prop 218) notice that was sent to you very recently. Due to the complex nature of Prop 218, or the “Right to Vote on Taxes Act,” it is important to understand what exactly you need to know about how this affects you and the rest of the GDPUD communities.

### **2. How were the proposed rates formulated?**

A Cost-of-Service and Rate Design Study is conducted for the water and wastewater services to ensure fair and equitable rates are being charged to GDPUD customers. GDPUD’s current water rate structure was developed based on a 2017 study, and the existing ALT Zone wastewater rate structure was developed based on a 2019 study. GDPUD engaged Water Resource Economics (WRE), an independent consultant, to conduct a new Cost of Service Analysis and Rate Design Study in order to establish new rates based on current costs of service and updated customer usage patterns. The new proposal includes maximum rates that are proposed to take effect on January 1, 2025, and increase each year for a period of five years. The analysis incorporated necessary data including a five-year operations and maintenance budget estimate, utilization of property taxes, a long-term Capital Improvement Plan (CIP) required debt-service payment schedules, projected water demands, billed water and wastewater revenues, and water and wastewater lists.

### 3. What was the Process Utilized to develop the Rates?

The Cost-of-Service Analysis and Rate Design Study included the following steps:

- a) **Financial Plan:** Annual revenues and expenses were projected over the five years to determine the amount of potential rate increases needed to maintain financial solvency.
- b) **Cost-of-Service Analysis:** The cost-of-service analysis evaluates the costs incurred by the District to provide water and wastewater services to GDPUD customers and determines the appropriate rates to be charged to ensure that those costs are recovered reasonably, based upon the cost-of-service properly allocable. In general, costs are allocated to customer classes in proportion to the use of and burden on the infrastructure and system providing such services.
- c) **Rate Design:** The existing rate structure was then reviewed, and changes were identified as needed. A five-year proposed rate schedule was then calculated directly from the results of the financial plan and cost-of-service analysis.
- d) **Rate Study Documentation:** A report was developed to document the proposed rate development process providing transparency. That report can be found on the District website at <https://www.gd-pud.org/cost-of-service-and-rate-analysis>.

### 4. How is the financial plan developed during the process?

WRE developed a water and wastewater financial plan to quantify the total annual revenue requirements. WRE worked with District staff to forecast all expenses, including meeting adequate debt-service coverage ratios and reserve requirements. This financial plan forms the basis of determining the revenue requirements for GDPUD over a five-year planning horizon.

### 5. What services does GDPUD provide?

GDPUD provides two service types: the first is water which includes treated (residential and commercial), and raw water (irrigation), and the second is wastewater. Revenues from providing water service can only be used for water service and cannot be used for wastewater service, and vice versa. Each service provided must stand financially independent of the other.

### 6. How will the funds collected from the rate adjustment be utilized?

Revenue from water rates can only be used to fund the actual costs of operating and maintaining the water system, and revenues from wastewater rates can only be used to fund wastewater services. This includes infrastructure projects, reserves, and the cost of debt to finance capital improvement projects. The funds collected will be utilized in the operating budget, CIP reserves, and the equity adjustments for the employee salaries to align compensation with industry standards. Costs that will be covered through rate revenue include, among other things, infrastructure, electricity, equipment and supplies, debt service, and regulatory compliance to ensure current and future generations can depend on GDPUD's services.

### 7. How will the community benefit from the proposed rate increase?

The proposed rate increases are an important step towards ensuring financially healthy public utilities that will be able to provide water and wastewater services through efficient and well-operated systems. The challenges associated with protecting and delivering water require a resilient delivery system which GDPUD actively maintains and adapts to ensure reliable supply and service for the Divide communities.

**8. What is the Board doing to help mitigate this increase for Low-Income customers?**

The District offers a Low-Income Rate Assistance Program (LIRA) which can benefit customers who qualify. This program has been available to customers who qualify for PG&E’s care program to help reduce their water bill. This benefit will now provide a 50% reduction of the water service Base Charge. This has increased from the previous 25% credit that was originally offered to customers. The LIRA is funded exclusively with non-rate revenue. This means that your rates for water service only reflect the cost of providing those services to you, and do not include the costs to fund the LIRA.

**9. Why are the Irrigation Service costs increasing?**

GDPUD works diligently to mitigate customer rate impacts. Irrigation rates have not increased since 2019. GDPUD manages and maintains irrigation infrastructure which involves over 70 miles of ditches, pipelines, canals, ponds, and reservoirs carrying water down from the Stumpy Meadows Reservoir to irrigation water customers. Due to the nature of delivering irrigation water, it can become a labor-intensive process. The proposed rate increases are therefore necessary to keep pace with the increased costs of labor, regulatory costs, and inflation-driven cost increases that must be incurred to continue providing irrigation service.

**10. What is the consequence if the proposed rate increases are not approved?**

The rate increase is necessary to combat the rising costs of maintaining the current level of service for customers and paying for required repairs and improvements to the critical infrastructure. Without the proposed increases, the District will face challenges with respect to meeting revenue requirements, infrastructure maintenance, and improvements would lack funding, and the public could see reduced levels of service.

**11. How can I support the proposed rate adjustments?**

No action is necessary if you do not wish to oppose the proposed rate adjustments. By not submitting a protest form, you are, in effect, not objecting to the rate adjustments. You may also attend the public hearing on December 12, 2024, to show your support, or send public comments to be read into the record.

**12. Why am I just hearing about this?**

The District has held several Board workshops, Committee workshops, and town halls throughout the District to discuss this Cost-of-Service Analysis and rate setting. Staff and the Board have tried very hard to outreach and engage all GDPUD customers. Here are the meetings GDPUD has held to discuss this, they can be found on the District website or the District YouTube Channel:

<https://www.gd-pud.org/cost-of-service-and-rate-analysis>

<https://www.youtube.com/@GDPUD1>

- I. March 7, 2024, Board of Directors Meeting – Selected Water Resource Economics as consultant
- II. May 2, 2024, Board of Directors Meeting – Initial Presentation of Process and Direction Request
- III. July 10, 2024, Board of Directors Meeting – Financial Plan and Preliminary Rates Presentation
- IV. August 13, 2024, Board of Directors Meeting/Town Hall Meeting – Georgetown, CA
- V. August 14, 2024, Board of Directors Meeting/Town Hall Meeting – Cool, CA
- VI. August 15, 2024, Board of Directors Meeting/Town Hall Meeting - Garden Valley, CA - Final Report Authorization
- VII. August 22, 2024, Finance Committee – Water Rate Analysis Review
- VIII. September 5, 2024, Board of Directors Meeting – Review Analysis, Community Input and Provide Direction
- IX. September 17, 2024, Irrigation Committee – Irrigation Rate Analysis Review
- X. September 24, 2024, ALT Community Town Hall – Wastewater Rate Analysis Presentation

## Facts About District Infrastructure Operation and Maintenance

The District operates and maintains critical infrastructure that in combination with District operators delivers irrigation and drinking water to the communities of the Divide. In part, this infrastructure includes:

- (70) miles of canals
- (2) water treatment plants.
- (200) miles of drinking water pipes
- (4,000) service line lateral pipes.
- (10) drinking water storage tanks.
- (2) hydroelectric facilities.
- (21,206 AF) supply reservoir; and
- (7) raw water regulating reservoirs.

In 2024, an independent engineering consultant known as KASL completed a *Water System Reliability Study*. Short-and long-term costs were developed to ensure the District can continue to supply Divide residents with a reliable supply of water into the future. Immediate short-term and long-term total project costs are shown in detail in the table below.

Current and Immediate Costs	Short-Term Measures (2024-2030)	Moderate Term Measures (2030-2035)	Moderate Term Measures (2035-2040)	Longer Term Measures (2040-2045)
\$19 Million	\$3.5 Million	\$7.5 Million	\$9.3 Million	\$7.7 Million

A Capital Improvement Plan (CIP) was developed utilizing the findings from the study and passed annually during the budget adoption process. The CIP ensures that the system will receive the maintenance and improvements necessary to serve our customers. The District staff will be working diligently to fund these projects through grants and other means in order to limit customer impacts.

Daily Operations and CIP projects require continuous management, operation, and maintenance by District staff. Numerous roles within the District require specialized training and certification programs. The value of these certifications and the specialized skill sets make District staff stand above in competitive job markets. Investment in skilled staff is critical for staff retention that leads to District continuity and overall reliability.

## MITIGATING CUSTOMER COSTS

To address increasing costs GDPUD utilizes several strategies to keep rates as low as possible for our customers.

- **SEEKING GRANTS** to cover expenses for programs and projects (Since 2023 GDPUD has obtained over \$2,860,000 million in active grant awards and is seeking \$37 million in pending grant requests).
- **EXPLORING ENERGY ALTERNATIVES**, such as solar and hydroelectric installations to address rising PG&E energy costs.
- **SMART INVESTING** long term utilization of District resources to ensure additional revenue for CIP projects.
- **ADVOCATING** at the local, state, and federal levels for customer cost-saving legislation and funding options for Capital Improvements and water system maintenance and resiliency.
- **IMPLEMENTING** industry-leading water efficiency measures and programs for customers.

# How will this impact my bill?

## Treated Water Customer Bills

How these changes impact your bill will vary based on the size of your meter and your water usage. Refer to your bill for meter size or call the main office. The rates for water service are comprised of a base charge, supplemental surcharge, and consumption usage.

Meter Size	Billing Notation
5/8"	58
3/4"	34
1"	01

### 5/8" meter

Usage Level	CF per bill	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
Very Low Usage (10th Percentile)	238	\$98.30	\$103.46	\$5.16	5.3%
Low Usage (25th Percentile)	670	\$109.88	\$116.90	\$7.02	6.4%
Median Usage	1,320	\$127.30	\$137.11	\$9.82	7.7%
Average Usage	2,600	\$161.60	\$176.92	\$15.32	9.5%
High Usage (75th Percentile)	2,640	\$162.67	\$178.16	\$15.49	9.5%
Very High Usage (90th Percentile)	5,266	\$233.05	\$259.83	\$26.78	11.5%

### 1" meter

Usage Level	CF per bill	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
Very Low Usage (10th Percentile)	238	\$98.30	\$159.78	\$61.48	62.5%
Low Usage (25th Percentile)	670	\$109.88	\$173.22	\$63.34	57.6%
Median Usage	1,320	\$127.30	\$193.43	\$66.14	52.0%
Average Usage	2,600	\$161.60	\$233.24	\$71.64	44.3%
High Usage (75th Percentile)	2,640	\$162.67	\$234.48	\$71.81	44.1%
Very High Usage (90th Percentile)	5,266	\$233.05	\$316.15	\$83.10	35.7%

## Raw Water/ Irrigation Service

Raw water/ irrigation service is billed per miner's inch on a bi-monthly basis.

Raw Water Rates	Current	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
<b>Inside District</b>						
1/2 Miner's Inch (per bill)	\$77.00	\$92.48	\$101.73	\$111.91	\$123.11	\$135.43
Per 1 Miner's Inch (per MI/bill)	\$154.20	\$184.96	\$203.46	\$223.81	\$246.20	\$270.82
<b>Outside District</b>						
1/2 Miner's Inch (per bill)	\$77.00	\$151.79	\$166.97	\$183.67	\$202.04	\$222.25
Per 1 Miner's Inch (per MI/bill)	\$154.20	\$303.58	\$333.94	\$367.34	\$404.08	\$444.49

Raw Water Customer	MI per month	Current Bill	Proposed Bill	Difference (\$)	Difference (%)
Inside District	1	\$154.20	\$184.96	\$30.76	19.9%
Outside District	1	\$154.20	\$303.58	\$149.38	96.9%

# How To Participate in the Rate Setting Process.

Members of the public are welcome to attend the public hearing about the proposed rate increases. The hearing will be held no earlier than 6:00 p.m. during the regular Board meeting of GDPUD held on Thursday, December 12, 2024. This meeting will be held at a special location the Cool Community Church located at 863 Cave Valley Rd., Cool, CA 95614.



## Written Protest Requirements

## How to Submit a Protest Response

### Be in writing:

- ✓ State whether the protest is submitted in opposition to the rate increases to the water, or wastewater service fees, or both.
- ✓ Provide the location of the identified parcel (by street address, assessor's parcel number, or service account number).
- ✓ Include the name and signature of the person submitting the written protest.

Written protests may be submitted to GDPUD, Attention: District Secretary, 6420 Main Street, Georgetown, CA 95634 in one of the following ways:

Standard Mail must (be received by 12/12).	Drop off In-person (by 12/12 at 12:00 p.m.).	Submit in drop box (up until 6:00 p.m. at Cool Church).
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Written protests may also be submitted during the public hearing (see date, time, and location above). All written protests must be received by GDPUD prior to the conclusion of the public input portion of the public hearing and can be delivered in-person at the front desk of the District's main office or placed in the drop box. Please identify on the front of the envelope for any protest, whether mailed or submitted in person, that the enclosed protest is for the public hearing on Proposed Rate Increases. Mailed protests must be received by the Board Secretary by on December 12, 2024, to be counted for purposes of the protest. Any protest submitted via e-mail or other electronic means will not be accepted as a formal written protest. The Board will accept and consider all written protests submitted. Although there will be an opportunity to speak at the public hearing, verbal comments alone do not qualify as formal protests.

Upon the conclusion of the public hearing, the Board will consider adoption of the proposed rate increases as described in this notice. If written protests against the proposed rates are not presented by a majority of the property owners or tenants of the identified parcels subject to the proposed rate increases, the Board will be authorized to adopt the rate increases. If adopted, the proposed rates would become effective January 1, 2025.