



5880 Oak Street, Anderson, CA 96007
Phone: (530) 357-2121 Fax: (530) 357-3723

Board of Directors

Directors - Beverly Fickes, Committee Chair: Scott McVay

General Manager: Paul Kelley

FINANCE COMMITTEE

October 17th 2023 at 5:30PM : District Office Board Room

Committee Responsibility

The Board's standing Financial Committee shall be concerned with the financial management of the Clear Creek CSD including the preparation and oversight of an annual budget, and oversight of reserve accounts and major expenditures.

AGENDA

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. OPEN TIME/PUBLIC COMMENT: Pursuant to Gov. code S54950, persons wishing to address the Board of Directors on matters not listed on the agenda should notify the Secretary prior to the start of the meeting. To speak at this time and for any item listed on the agenda – raise your hand, and when recognized by the Chair – proceed to the podium to address the Board.

5. OLD BUSINESS/NEW BUSINESS (Discussion/Action)

- a. FY24 Quarter I (July/August/September) Actuals to Budget – Discussion
- b. Bank Account & Loan Balances report – Discussion
- c. Reserve Policy - Discussion
- d. Report on Water Loss review - Discussion

6. ADJOURN THE MEETING

ADA Related Disabilities:

Contact the front office and speak with a Staff Member if special consideration is needed to attend any public meeting for disability related accommodations or aide is needed. Please give 72 hours - notice prior to the meeting to allow staff to meet your requests appropriately.

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MEMO

Date: October 17th 2023 – Finance Committee Meeting
To: Board of Directors
From: General Manager – Paul Kelley
Re: **5 – Old Business/New Business**

Discussion:

5.a – FY24 Quarter One (I) (July/August/September) Actuals to Budget - Discussion

This is the Committees first review of this report, and staff is still working on ways to make this presentation as clear as possible, and accurate as possible. Reminder – this item will be on the Board's October 18th agenda for review and possible "budget" adjustment.

Comments and Considerations:

Accelerated Costs:

The original budget had WIIN act payments to be \$250,000 for the year. Based on cash flow and the desire to comply with the contract and pay this final amount by the end of 2023, \$150K was paid in this first quarter – significantly more than \$250K divided by 4 quarters = 62,500. After the adoption of the budget, the District was able to make one more catch up payment in June, and the final actual amount for FY 24 is \$200,000. This provides some resources for the rest of the year – mainly investing in vehicle replacement/upgrade and the customer software upgrade.

Grant Costs:

The Grant costs of over \$100,000 are paid from operating capital at this point and yet they are offset by future reimbursement for these expenses. This makes some expenses higher than reality, since the revenue from the reimbursement will be for future reports. As can be seen, the District received a reimbursement payment from the State for expenses recorded in the previous quarter. Staff is working on best ways to track this information.

Notes on the Budget:

Many of the categories tracked in this first quarter will need to be watched for how the trend plays out in the mid year budget to actual review. There are some clear items that need adjustment – and below are some recommendations.

Items to Watch/Monitor:

I. Revenue

- a. The Base rate and Designated revenue items are all higher vs Q1 Budget – primarily because of the hard work by our staff on the delinquent accounts. The revenue of well over \$100K from these efforts get attributed to the accounts and will cover multiple base rates and (10.81) fees. This makes the revenue higher and makes it appear we have more accounts than

we actually have. The new software is expected to have a report where “accounts” paid will be reported, not just the amount paid that could cover multiple months.

2. Supply cost
 - a. This quarter has higher costs than ¼ of the budgeted amounts. Yet for consideration, summer months are more water usage months, and the McConnell costs are front loaded into the first 4 months of the Fiscal year.
3. Treatment
 - a. Most items tracking, computer and SCADA programming and licensing may increase and need review at mid-year.
4. Distribution
 - a. Utilities – Watch this as it starts to be higher than budgeted.
 - b. The 40215 Account likely needs to be moved to 41000 Account range – So.Booster.
 - c. Repair and Maintenance – Acct 40400 – Currently slightly ahead of the budget, so monitor for mid-year
 - d. See below for recommendations on some budget adjustments
5. Administration
 - a. The Professional Services (acct 50500) will be monitored
 - i. Taking out the Grant Funded expenses that will be reimbursed this isn’t as much over budget, but still to be monitored.
6. Payroll and Wages Expenses
 - a. OT costs to be monitored and as part of these numbers:
 - i. WTP OT - \$3,548.69
 - ii. Dist OT - \$20,741.95
 - iii. Total - \$24,290.64
 - b. On Call Costs:
 - i. WTP – \$2100.00
 - ii. Dist - \$2425.00

Budget adjustment recommendations:

1. Account 29100 – WIIN Act Repayment: \$200,000 >> Reduce by **\$50,000**
 - a. This is the actual final amount owed to the WIIN Act. The District after adoption of this budget was able to make an additional catch up payment in June, leaving \$200,000 for this fiscal year.
2. Account 40300 – Safety And Training: \$6,000 >> Increase by \$5,000
 - a. The District needs to catch on training for it’s employees, and safety equipment. The District needs more than one commercial drivers license for driving the dump truck. And this budget change could provide more training in these arenas.
3. Account 40480 – Capital Improvements - \$30,000 >> increase \$20,000
 - a. There isn’t another place for allocate some money to improve the District’s Fleet.
 - b. Since I have been here the “Unit 3” F350 Leak response truck has been clearly under powered – it struggles to pull vac-trailers, and carry large pipes etc. The Current vehicle was purchased in 2017, and has low mileage. The GM would like to pursue replacing this vehicle and use the current value as leverage for a vehicle that will meet our needs. Also – the impending state rules on fleet requirements may make it more challenging in the future to get a vehicle with the power needed (diesel).
4. Account 40500 – Vehicle Maintenance & Fuel Expense : \$40,000 >> Increase \$10,000
 - a. This expense is running more than budgeted because of high fuel costs.
5. Account 41100 – Well And Booster utilities: \$50,000 >> Reduce **\$10,000**

- a. Based on Districts efforts to reduce these expenses, the current costs are running below budget and this is a slight adjustment down. Recognizing when the grant project completes the wells will need to be tested and run for a period of time to test the system.
- 6. Account 50516 – Municipal New Software upgrade: \$35,000 >> Increase \$20,000
 - a. The Board authorized signing the contract with CUSI for new software. The original budget had approximately 20K allocated for the upgrade, the cost is 35K. This adjusted budget will make sure that the second and third payment on the contract is covered.
- 7. Account 50515 – Server and Computer: \$10,000 >> Increase \$5,000
 - a. The security costs (new Firewalls) were more than projected. And the new workstation replacements were also slightly more than projected.

For the Budget adjustments, the total adjustments net to zero change to total budget. The combination of reducing expenses – WIIN act and Utilities is \$60,000. And additional expenses for the items listed equal \$60,000.

Balance Sheet

As mentioned above, the representation of our “Designated” revenue, and putting operating money into reserves is not as simple and my method of “budgeting” for the action by showing all revenue, including designated revenue and the “expensing” from operating into reserves is being questioned by accounting. They are looking at ways to accomplish clarity in communications and accuracy.

The District has not had it’s balance sheet to the board – and on a quarterly basis I would like to have Quarterly budget to actuals, Balance Sheet and Cash Flow reports for the Boards information and community knowledge.

This Balance sheet shows the assets and a way for the District to show the reserves increasing and/or usage – Checking and Reserve accounts (Designated Revenue). The Fixed assets and the Liabilities.

The Balance sheet still needs work – since the WIIN Act Liability is \$50K, not \$544K.

The report on Cash flows also provides some element of a picture of the financial aspect of the District.

All these reports reflect the hard work by the board and staff to bring stability to the District and start the District on a better fiscal footing.

5.b – Bank Account and Loan Balances Report - Discussion

Account Balance Report: See attached.

Loans – See Balance sheet and below.

Filter Plant Loan: \$7.55/Month Fee

Two loans:	\$4.4 Mil (2.95%)
	\$ 445,000 (2.54%)

For the \$4.4 Mil loan – Just made 50th of 60 payments (5 years to go at 2 payments /year)
Principle left: \$928,112.81 (Payment Amount \$110,938 – of P&I)

For the \$455,000 loan – just made the 47th of 60 payments (6.5) years
Principle left: \$127,105.18 (Payment amount 10,669 (P&I))

Backwash Recycle: \$.38 / Month Fee for loan of \$413,094.99

Just made the 5th payment of 30 yearly payments of \$17,689.08 – P&I. Final payment 2048

5.c – Reserve Policy - Discussion

The board adopted updated policies over the past months. The reserve policy needs to be updated and reviewed. Attached is current policy and looking for committee direction on next steps.

5.d – Report on Water Loss review process - Discussion

The GM is working with staff on doing a review (audit) and analysis of the Water reported going through the Treatment plant, and the resulting revenue from water sales.

We started working on this for March through July and now adding in August and September. We are working to track the water from both ends of the system; from the Treatment plant through the North Booster to customer meters. And then from the other direction, from customer payments (water usage revenue), to Customer water usage bills, to meter reads. One real challenge is that FREYS software seems limited in reporting water usage, water billed, and payments posted to usage. We are working on this – and today's meeting is part of that discussion with the committee.

The GM will provide an update for information purposes for the Committee as the numbers for September are still in process.

Clear Creek Community Services District
Profit & Loss Budget vs. Actual
 July through September 2023

10/10/2023 10/10/2023 Proposed
 Accrual Basis Accrual Basis Adjustment

	Jul - Sep 23	Budget	Annual Budget	Amended	Difference
Ordinary Income/Expense					
Income					
11000 · Revenue - Customer Accts					
11005 · Base Rate Charge	493,959.92	397,249.98	1,589,000.00		
11010 · Domestic Water Sales	159,456.46	102,000.00	408,000.00		
11020 · Agricultural Water Sales	57,531.95	49,999.98	200,000.00		
11050 · Penalty-Exceeded WA Allocation	15,999.47	0.00	0.00		
11055 · Reconnection Fee	0.00	0.00	0.00		
Total 11000 · Revenue - Customer Accts	726,947.80	549,249.96	2,197,000.00		
12000 · Revenue - Water Service					
12010 · Turn On Fees	1,475.88	499.98	2,000.00		
12015 · Centerville Admin O&M	50,206.50	49,999.98	200,000.00		
12025 · Interest / Investment Income	383.43	187.50	750.00		
12030 · Convenience Fees	0.00	187.50	750.00		
12035 · Backflow Maint Charge	1,688.63	874.97	3,500.00		
12100 · Misc. Revenue	1,669.97	0.00	0.00		
Total 12000 · Revenue - Water Service	55,424.41	51,749.93	207,000.00		
13000 · Designated Revenue -Non Op					
13005 · Filter Plant Repayment Charge	72,308.28	55,000.03	220,000.00		
13010 · Recycle Backwash Water Charge	4,828.05	2,749.97	11,000.00		
13015 · State Loan Repayment Charge	10,667.73	7,249.97	29,000.00		
13025 · WIIN Act Repayment Charge	18,769.68	13,750.03	55,000.00		
Total 13000 · Designated Revenue -Non Op	106,573.74	78,750.00	315,000.00		
14000 · Use of Reserves					
14010 · WIIN Act Reserves to Operating	0.00	12,499.97	50,000.00		
14020 · Penalties Reserve to Operating	0.00	25,000.03	100,000.00		
Total 14000 · Use of Reserves	0.00	37,500.00	150,000.00		
15000 · Revenue - Taxes & Grant Reimb					
15005 · Taxes-General Property	18,669.81	97,500.00			
15010 · D2202015 - Backwash Ponds Grant	38,700.00		390,000.00		
Total 15000 · Revenue - Taxes & Grant Reimb	57,369.81	97,500.00	390,000.00		
Total Income	946,315.76	814,749.89	3,259,000.00		
Gross Profit	946,315.76	814,749.89	3,259,000.00		
Expense					
29000 · Supply Cost					
29005 · Water Purchase					
29010 · USBR Water Purchased	30,734.32	31,999.97	128,000.00		
29015 · McConnell Water Purchased	75,000.00	31,249.97	125,000.00		
29005 · Water Purchase - Other	0.00	0.00	0.00		

	Jul - Sep 23	Budget	Annual Budget	Amended	Difference
Total 29005 · Water Purchase	105,734.32	63,249.94	253,000.00		
29100 · WIIN Act Repayment Exp	150,000.00	150,000.00	250,000.00	200,000.00	-50,000
Total 29000 · Supply Cost	255,734.32	213,249.94	503,000.00		
30000 · Water Treatment Plant					
30100 · Utilities					
30105 · WTP - PGE 8185	13,246.80				
30110 · Pond - PGE 3611	2,426.20				
30115 · WTP - AT&T 2316	2,679.63				
30120 · WTP - AT&T 1026	-641.80				
30125 · Internet	150.00				
30100 · Utilities - Other	0.00	18,750.00			
Total 30100 · Utilities	17,860.83	18,750.00	75,000.00		
30135 · Office Supplies WTP	117.95	100.03	400.00		
30140 · WTP Computer & Software	3,663.22	1,249.97	5,000.00		
30145 · Postage	35.96	25.03	100.00		
30150 · Safety Equipment & Training					
30160 · Personal Safety Equipment	961.91				
30165 · Safety Training	555.00				
30150 · Safety Equipment & Training - Other	0.00	49.97			
Total 30150 · Safety Equipment & Training	1,516.91	49.97	200.00		
30200 · WTP Repair & Maintenance O&M	14,796.62	19,999.97	80,000.00		
30400 · Water Quality Analysis	2,349.85	4,375.03	17,500.00		
30405 · Chemicals WTP	11,869.46	17,500.03	70,000.00		
30500 · Vehicle Maintenance & Expense					
30505 · Fuel Expense	1,222.76	0.00	0.00		
30525 · GM Truck Chev Colorado - Unit 9	309.14				
30500 · Vehicle Maintenance & Expense - Othe	0.00	2,125.03	8,500.00		
Total 30500 · Vehicle Maintenance & Expense	1,531.90	2,125.03	8,500.00		
30600 · Capital Improvements	0.00	3,750.00	15,000.00		
30000 · Water Treatment Plant - Other	0.00	0.00	0.00		
Total 30000 · Water Treatment Plant	53,742.70	67,925.06	271,700.00		
30700 · Transmission & Conduit					
30705 · Repair and Maintenance - O&M	0.00	750.00	3,000.00		
Total 30700 · Transmission & Conduit	0.00	750.00	3,000.00		
40000 · Distribution					
40200 · Utilities					
40205 · Cloverdale Rd N.Boost- PGE 4189	1,536.37				
40210 · Clear Crk/HV - PGE 9574	217.05				
40215 · South Booster - AT&T 6708	1,352.40				
40200 · Utilities - Other	0.00	1,999.97			
Total 40200 · Utilities	3,105.82	1,999.97	8,000.00		
40300 · Safety Equipment & Training					
40305 · Safety Equipment - General	206.99				
40310 · Personal Safety Equipment	1,350.25				

	<u>Jul - Sep 23</u>	<u>Budget</u>	<u>Annual Budget</u>	<u>Amended</u>	Difference
40300 · Safety Equipment & Training - Other	0.00	250.03			
Total 40300 · Safety Equipment & Training	1,557.24	250.03	1,000.00	6,000.00	5,000
40400 · Repair & Maintenance (O&M)					
40405 · Backflow Device Testing	65.00	1,999.97	8,000.00		
40410 · USA Underground	2,607.47	1,249.97	5,000.00		
40415 · Meter Replacement	0.00	6,250.03	25,000.00		
40420 · Tank Inspection	0.00	2,500.03	10,000.00		
40430 · Inventory/Tools	6,140.76	4,999.97	20,000.00		
40400 · Repair & Maintenance (O&M) - Other	37,021.49	23,749.97	95,000.00		
Total 40400 · Repair & Maintenance (O&M)	45,834.72	40,749.94	163,000.00		
40480 · Capital Improvements	0.00	2,500.03	10,000.00	30,000.00	20,000.00
40500 · Vehicle Maintenance & Expense					
40505 · Fuel Expense	8,375.55	0.00	0.00		
40510 · Ram PU 2019 - Unit 1	931.53		0.00		
40535 · Chevy PU 2015 - Unit 10	2,311.71				
40540 · Chevy PU 2016 - Unit 11	705.09				
40545 · Bobcat /Backhoe	140.00	0.00			
40500 · Vehicle Maintenance & Expense - Othe	87.94	7,500.00	30,000.00	40,000.00	10,000
Total 40500 · Vehicle Maintenance & Expense	12,551.82	7,500.00	30,000.00		
40000 · Distribution - Other	0.00	0.00	0.00		
Total 40000 · Distribution	63,049.60	52,999.97	212,000.00		
41000 · Wells & Booster Station					
41100 · Utilities					
41105 · Wells 1 & 2 - PGE 2671	3,732.32				
41110 · Well #3 - PGE 2838	3,323.37				
41115 · So. Booster - AT&T 2121	5.00				
41120 · So. Booster - Internet	90.00				
41100 · Utilities - Other	0.00	15,000.00			
Total 41100 · Utilities	7,150.69	15,000.00	60,000.00	50,000.00	-10,000
41200 · Water Quality Analysis	4,164.64	250.03	1,000.00		
41300 · Repair & Maintenance (O&M)	835.37	1,249.97	5,000.00		
41305 · Chemicals	-1,954.20	375.00	1,500.00		
41400 · Capital Improvements					
41405 · Electrical Imp & SCADA D2118158	37,870.21				
Total 41400 · Capital Improvements	37,870.21				
Total 41000 · Wells & Booster Station	48,066.71	16,875.00	67,500.00		
50000 · Administration/ General					
50100 · Utilities					
50105 · Oak St.- PGE 2838	4,801.06				
50110 · 2 Outdoor Lights - PGE 3564	60.95				
50120 · Verizon - On-call Cell Phone	155.74				
50130 · Answering Service	1,158.07				
50135 · Telephone - TDS	1,026.09				

	Jul - Sep 23	Budget	Annual Budget	Amended	Difference
50140 · Internet	400.00				
50100 · Utilities - Other	0.00	6,250.03			
Total 50100 · Utilities	7,601.91	6,250.03	25,000.00		
50200 · Office Supplies					
50205 · Janitorial supplies	106.68	0.00	0.00		
50210 · Ink and Toner	349.39				
50200 · Office Supplies - Other	767.72	2,250.00	9,000.00		
Total 50200 · Office Supplies	1,223.79	2,250.00	9,000.00		
50300 · Organizational Dues	0.00	6,499.97	26,000.00		
50305 · Subscriptions	0.00	0.00	0.00		
50310 · Advertising & Public Notices	0.00	499.97	2,000.00		
50315 · Postage	1,832.18	499.97	2,000.00		
50320 · Meal and Reimbursements	443.01	499.97	2,000.00		
50325 · Mileage/ Travel Reimbursement	65.50	2,125.03	8,500.00		
50330 · Bank Service Fee/Finance Charge	2,768.91	2,500.03	10,000.00		
50400 · Insurance					
50405 · JPIA - Cyber Liability	1,105.00	3,000.00	3,000.00		
50415 · Property & Liability Insurance	16,485.05	11,000.00	11,000.00		
50420 · Vehicle Insurance	0.00	9,000.00	36,000.00		
50400 · Insurance - Other	0.00	0.00	0.00		
Total 50400 · Insurance	17,590.05	23,000.00	50,000.00		
50500 · Special & Professional Services					
50505 · Audit Services	4,300.00	4,000.03	16,000.00		
50510 · Director Fees	1,025.00	2,500.03	10,000.00		
50515 · Server & Computer Maintenance					
50516 · Municipal Software					
50516.1 · Municipal Software Upgrade	10,675.00	3,750.00	15,000.00	35,000.00	20,000
50516 · Municipal Software - Other	5,699.83	2,500.03	10,000.00		
Total 50516 · Municipal Software	16,374.83	6,250.03	25,000.00		
50517 · Software Subscriptions	2,355.28	3,750.00	15,000.00		
50515 · Server & Computer Maintenance -	6,103.06	1,249.97	5,000.00	10,000.00	5,000
Total 50515 · Server & Computer Maintenance	24,833.17	11,250.00	45,000.00		
50520 · Legal	1,450.00	4,999.97	20,000.00		
50525 · Engineering					
50525.1 · D2118158- Well Imp/SCADA Gra	16,750.00				
50525.2 · D2202015 - Backwash Pond Gra	45,907.25				
50525 · Engineering - Other	578.50	2,500.03			
Total 50525 · Engineering	63,235.75	2,500.03	10,000.00		
50530 · Equipment Maintenance & Lease	2,851.02	4,500.00	18,000.00		
50535 · Building & Ground Maint.-Office					
50536 · Waste Management	576.60				
50535 · Building & Ground Maint.-Office -	8,613.82	3,000.00			
Total 50535 · Building & Ground Maint.-Office	9,190.42	3,000.00	12,000.00		
50540 · OPEB Valuation & Actuarial	3,160.00	1,999.97	8,000.00		
50500 · Special & Professional Services - Othe	5,306.03	3,750.00	15,000.00		

	Jul - Sep 23	Budget	Annual Budget	Amended	Difference
Total 50500 · Special & Professional Services	115,351.39	38,500.03	154,000.00		
50700 · Regulatory					
50705 · Water District Regulatory Fees					
50710 · SWRCB - Water Fee	0.00	4,500.00	18,000.00		
50711 · SWRCB - CDTFA - Water Rights	0.00	4,999.97	20,000.00		
50715 · Risk Management Plan	0.00	1,750.03	7,000.00		
50720 · Groundwater Sustainability Act	0.00	2,500.03	10,000.00		
50725 · LAFCO Expense	6,172.71	1,249.97	5,000.00		
50705 · Water District Regulatory Fees - O	0.00	0.00	0.00		
Total 50705 · Water District Regulatory Fees	6,172.71	15,000.00	60,000.00		
50800 · Safety Equipment & Materials	0.00	250.03	1,000.00		
50900 · Testing & License Fees	65.00	250.03	1,000.00		
Total 50700 · Regulatory	6,237.71	15,500.06	62,000.00		
51400 · Employee Benefits					
50410 · JPIA - Workers Comp	0.00	5,500.03	22,000.00		
51405 · Guardian - Vision, Dental, Life	3,326.52	4,500.00	18,000.00		
51415 · UNUM-Disability, Life, Accident	4,034.36	4,500.00	18,000.00		
51435 · CalPERS Health Insurance Exp	54,884.38	45,000.00	180,000.00		
51440 · CalPERS Retirement Contribution	21,644.58	19,999.97	80,000.00		
51445 · Medicare - District Cost	0.00	3,000.00	12,000.00		
51450 · Boot Allowance	0.00	175.03	700.00		
51455 · Uniform Service	1,144.71	1,249.97	5,000.00		
51400 · Employee Benefits - Other	0.00	0.00	0.00		
Total 51400 · Employee Benefits	85,034.55	83,925.00	335,700.00		
51600 · Retiree Benefits					
51605 · Retiree Health Benefit - Direct	8,305.24	1,249.97	5,000.00		
51610 · CalPERS Health Ins- Retiree	15,968.20	23,749.97	95,000.00		
51600 · Retiree Benefits - Other	0.00	0.00	0.00		
Total 51600 · Retiree Benefits	24,273.44	24,999.94	100,000.00		
51700 · Property Taxes Paid	0.00	100.03	400.00		
51800 · General Tax Expense	0.00	49.97	200.00		
51900 · License and Permits	116.00	1,249.97	5,000.00		
52000 · Interest Expense					
52005 · RCAC Loan Interest (dump truck)	1,090.56	1,125.00	4,500.00		
52000 · Interest Expense - Other	0.00	4,999.97	20,000.00		
Total 52000 · Interest Expense	1,090.56	6,124.97	24,500.00		
53000 · Customer Accounts & Billing					
53015 · Supplies					
53020 · Postage	0.00	3,499.97	14,000.00		
53025 · Billing Supplies & Materials	1,361.00	3,250.03	13,000.00		
53015 · Supplies - Other	221.24	250.03	1,000.00		
Total 53015 · Supplies	1,582.24	7,000.03	28,000.00		
53016 · Meter Reading/ License	104.22	1,000.03	4,000.00		
53030 · Chargebacks, NSF, Acct Refunds	3,084.76	2,500.03	10,000.00		
53000 · Customer Accounts & Billing - Other	7,730.23				

	Jul - Sep 23	Budget	Annual Budget	Amended	Difference
Total 53000 · Customer Accounts & Billing	12,501.45	10,500.09	42,000.00		
55000 · Miscellaneous	0.00	0.00	0.00		
Total 50000 · Administration/ General	276,130.45	225,075.03	858,300.00		
60000 · Payroll Expense -Salary & Wages					
60100 · Payroll Exp - Administration/GM	39,829.05	37,500.00	150,000.00		
60200 · Payroll Exp - Distribution	110,011.28	86,250.00	345,000.00		
60300 · Payroll Exp - Water Treatment	56,060.48	62,500.03	250,000.00		
60400 · Payroll Exp - Conduit Labor	0.00	1,000.03	4,000.00		
60500 · Payroll Exp - Customer Accts	45,620.52	46,249.97	185,000.00		
60600 · Payroll Exp-Well Field Stations	0.00	4,999.97	20,000.00		
60000 · Payroll Expense -Salary & Wages - Other	-4,941.41	0.00	0.00		
Total 60000 · Payroll Expense -Salary & Wages	246,579.92	238,500.00	954,000.00		
70000 · Designated to Reserves - Non Op					
72205 · Filter Plant Repayment Reserve	0.00	55,000.03	220,000.00		
72210 · Recycle Backwash Water Reserve	0.00	2,749.97	11,000.00		
72215 · State Loan Repayment Reserve	0.00	7,249.97	29,000.00		
72218 · Penalties Reserve - Tracking	0.00	0.00	0.00		
72225 · WIIN Act Repayment Reserve	0.00	13,750.03	55,000.00		
75100 · Operating Reserve (4.1% usage)	0.00	6,225.00	24,900.00		
75200 · Capital Imp & Mod Res (1.8% BR)	0.00	7,150.50	28,602.00		
75300 · Emergency Fund Reserve	0.00	2,500.03	10,000.00		
75400 · USBR Emergency Reserve	0.00	0.00	0.00		
75900 · Discretionary Fund Bal Reserve	0.00	2,749.50	10,998.00		
Total 70000 · Designated to Reserves - Non Op	0.00	97,375.03	389,500.00		
Total Expense	943,303.70	912,750.03	3,259,000.00		
Net Ordinary Income	3,012.06	-98,000.14	0.00		0
Net Income	3,012.06	-98,000.14	0.00		Net Change

NOTES:

Grant Expenses - To Be Reimbursed:

Emergency Elect/SCADA SO. Wells	54,620.21
Backwash Ponds	49,907.25
Total	104,527.46

Accelerated Payments - WIIN Act

\$150K of 200K in three months

Reserve Amounts:

Operating (4.1% usage)	8,896.52
Cap Imp & Mod Res (1.8% BR)	8,891.28

Clear Creek Community Services District Balance Sheet

As of September 30, 2023

10/11/2023

Accrual Basis

Sep 30, 23

ASSETS

Current Assets

Checking/Savings

5000 - General Fund Checking 1719	160,036.29
5005 - Merchant Account 1707	363,571.54
5010 - WIIN Act Repymt Checking 0213	80,523.71
5015 - Emergency RSRV System Repl 7701	448.55
5016 - Emergency Reserve 8178	36,663.54
5020 - Filter Plant Repayment 3571	139,798.26
5025 - Recycle Backwash Repayment 1681	28,199.86
5030 - RSRV Expansion & Moderizat 4962	104,399.17
5035 - Carr Fire Funds 7397	177,593.92
5040 - Backwash Pond Repair 2793	15,076.84
5045 - Operation Reserve 7084	1,004.37
5050 - OPEB Reserve 7791	77,870.19
5055 - State Loan Rsrv 0225	43,705.23
5060 - Union Dues 0808	278.75
5065 - CCEA 3340	1,025.50
5070 - Petty Cash	99.40

Total Checking/Savings 1,230,295.12

Accounts Receivable

6000 - Accounts Receivable	-192,486.04
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Total Accounts Receivable -192,486.04

Other Current Assets

7000 - FP Reserve-Restricted	263,351.54
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Total Other Current Assets 263,351.54

Total Current Assets 1,301,160.62

Fixed Assets

7500 - Camicro Tectium Computer	2,105.36
7505 - Freightliner MC Dump Truck 2012	76,324.54
7510 - PJ Trailer	21,309.32

Total Fixed Assets 99,739.22

TOTAL ASSETS 1,400,899.84

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

8000 - Accounts Payable	59,371.51
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Total Accounts Payable 59,371.51

Other Current Liabilities

9000 - Guardian	1,030.59
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9055 - Payroll Liabilities

9015 - Health Insurance	-61,096.66
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	<u>Sep 30, 23</u>
9020 · CCEA Dues	610.00
9025 · Post Employee Benefit	8,250.00
9030 · CalPERS Retirement	-152,112.46
9035 · OPEB Contribution	-72,032.90
9040 · Accrued PR Taxes-Federal	-1,245.41
9045 · Accrued PR Taxes-State	-815.18
9050 · Union Dues	-906.30
9060 · 457 Payroll Deductions	500.65
9055 · Payroll Liabilities - Other	<u>373.07</u>
Total 9055 · Payroll Liabilities	-278,475.19
Total Other Current Liabilities	-277,444.60
Total Current Liabilities	-218,073.09
Long Term Liabilities	
9010 · WIIN Act Repayment	544,455.98
9500 · Customer Water Deposit Suspense	76,581.87
9505 · RCAC Loan - Dump Trk & Trailer	72,621.12
9515 · Filter Plant Loan E58336	894,937.04
9520 · Filter Plant Loan E58342	123,429.00
9525 · Backwash Recycle Loan	<u>351,552.96</u>
Total Long Term Liabilities	2,063,577.97
Total Liabilities	1,845,504.88
Equity	
10000 · Opening Balance Equity	-873,505.63
10100 · Retained Earnings	425,888.53
Net Income	<u>3,012.06</u>
Total Equity	-444,605.04
TOTAL LIABILITIES & EQUITY	<u>1,400,899.84</u>

Clear Creek Community Services District
Statement of Cash Flows
 July through September 2023

10/11/2023

Jul - Sep 23

OPERATING ACTIVITIES	
Net Income	3,012.06
Adjustments to reconcile Net Income to net cash provided by operations:	
6000 · Accounts Receivable	-431.23
8000 · Accounts Payable	62,627.91
9000 · Guardian	904.50
9055 · Payroll Liabilities	401.80
9015 · Health Insurance	-1,304.08
9020 · CCEA Dues	225.00
9025 · Post Employee Benefit	8,250.00
9030 · CalPERS Retirement	-23,304.89
9040 · Accrued PR Taxes-Federal	-11.16
9045 · Accrued PR Taxes-State	1,491.12
9050 · Union Dues	124.85
9060 · 457 Payroll Deductions	500.00
Net cash provided by Operating Activities	52,485.88
FINANCING ACTIVITIES	
9500 · Customer Water Deposit Suspense	141.34
9505 · RCAC Loan - Dump Trk & Trailer	-3,997.65
9515 · Filter Plant Loan E58336	-110,938.60
9520 · Filter Plant Loan E58342	-10,669.13
Net cash provided by Financing Activities	-125,464.04
Net cash increase for period	-72,978.16
Cash at beginning of period	1,303,273.28
Cash at end of period	<u><u>1,230,295.12</u></u>

Clear Creek CSD - FY 24 Account Balances

<u>Account</u>	<u>Current Bal</u>
General Checking	\$ 209,954.44
Merchant	\$ 363,571.54
OP Reserve Savings	\$ 1,004.37
Expansion & Modernization Res.	\$104,399.17
Emergency Reserve System Repl	\$ 448.55
Filtration Plant Repayment	\$ 139,798.26
Backwash Recycle	\$ 28,199.86
WIIN Act Repayment	\$ 80,523.71
State Loan Repayment Reserve	\$ 43,705.23
OPEB Employee Contrib acct -	\$ 77,870.19
Carr Fire Acct	\$ 177,593.92
Carr Fire Backwash Ponds Project	<u>\$ 15,076.84</u>
Total	\$ 1,242,146.08

CLEAR CREEK COMMUNITY SERVICES DISTRICT

ORDINANCE 2008-11

AN ORDINANCE BY THE BOARD OF DIRECTORS OF THE CLEAR CREEK COMMUNITY SERVICES DISTRICT, HEREINAFTER REFERRED TO AS BOARD OF DIRECTORS, ADOPTING THE RESERVE FUND POLICY DATED NOVEMBER 2008.

WHEREAS, the Board of Directors has determined that in light of the negative opinion in the 2001 Little Hoover Commission regarding independent water districts reserve fund balances; the recent loss of property tax in excess of \$380,000 due to a shift to the State of California and the ongoing State budget crisis; and

WHEREAS, the Board of Directors determined that the District needs to establish a comprehensive reserve policy to ensure use of the accumulated public funds cover only reasonable and necessary expenses; and

WHEREAS, the Board of Directors also wishes to distinguish the differences between restricted and unrestricted net assets; purposes for all reserves; establish target levels and minimum and maximum amounts; and

WHEREAS, the Board of Directors understands the necessity to identify triggering events and conditions that prompt the use of each fund; and,

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors that the District does hereby adopt the Reserve Fund Policy dated November 2008.

BE IT FURTHER ORDAINED that the Board of Directors will also require a periodic review of reserve balances and the rationale of maintaining such balances.

PASSED AND ADOPTED THIS 17th day of December, 2008 by the following vote:

Motion: Director Fust

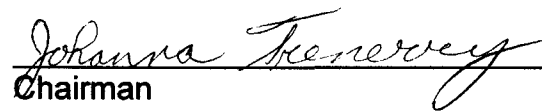
Second: Director Ciapponi


Ayes: 5

Noes: 0

Abstain: 0

Absent: 0


Chairman

ATTEST: 
Char Workman-Flowers, CEO/CFO, and
Secretary to the Board of Directors

Clear Creek Community Services District
Reserve Fund Policy
December, 2008

Introduction:

In 2001, the Little Hoover Commission reviewed eight independent water districts for reserve fund balances, among other items. The resulting report included a scathing opinion on *excessive and unjustifiable* reserves held by most districts. Only two districts had reserve policies in place to justify the amount of their reserves.

It is this district's opinion that the Little Hoover Commission opinion, based on their report was in error due to cash reserves being overstated by incorporation of numbers that did not belong into the broader category of "retained earnings". The correct representation and clarification is that retained earnings represent cash and investments as well as net value of capital facilities, land and equipment from the inception of the agency.

The Commission broadly described water agency reserves as funds in excess of the actual agency need. In reality, Clear Creek CSD funds are not surplus, but for specific purposes as outlined herein.

It is to this end that Clear Creek CSD establishes a comprehensive reserve policy to ensure the safety of district reserves from seizure by the state or other local governments to fill budget gaps, and assure the customers of the district that all reserves are necessary and justifiable.

Part I - Intent of this Plan

Establishes a comprehensive reserve policy to ensure use of the accumulated public funds cover only reasonable and necessary expenses.

Distinguishes between restricted and unrestricted net assets.

Establishes distinct purposes for all reserves held by the district.

Establishes target levels, i.e. minimum and maximum amounts for the accumulation of reserves.

Identifies triggering events or conditions that prompt the use of each.

Conforms to the district's plan to acquire or build capital assets.

Receives Board of Directors approval in the form of an Ordinance adopting the policy.

Requires periodic review of reserve balances and the rationale of maintaining such balances.

Part II - Background Information

All governments are required to report equity - assets minus liabilities - in terms of net assets.

The accumulated equity does not include net investments (funds already spent on capital assets, less outstanding debt) because net investments should not be viewed as available funds for future activities. Refer back to the Little Hoover Commission report concerning overstated cash reserves by incorporating capital facilities, lands and equipment into "retained earnings" without clarification.

Clear Creek CSD is a fiscally responsible local government agency. Its responsibilities should not be jeopardized by the State of California and/or other local government's inability to manage its finances.

Clear Creek CSD is responsible to build and maintain millions of dollars worth of infrastructure critical to the continued long-term economic health of the district and the southern Shasta County area.

Clear Creek CSD has a constitutional authority under Article XIII B to establish such reserve funds as the Board of Directors deems "reasonable and proper".

Clear Creek CSD's cash reserve accounts were established as part of the overall financial management strategy for the district.

Clear Creek CSD complies with GASB 34 in reporting reserves. It also has the obligation to assist the public and legislature in understanding the purpose of special district reserves and the appropriate levels to be held.

Part III - District Specific

Description of Reserve Funds

Restricted Funds - held to satisfy specific purposes set by requirements of creditors, law, grantors, statutes, etc.

- a) **USBR Emergency Reserve** - held to satisfy the requirements contained in the long-term water service contract with the Bureau of Reclamation. The minimum amount of this fund is \$35,000 as established in the contract. The triggering event for use is a declaration by the Board of Directors that an emergency situation exists on the conduit, and is likely to jeopardize health and safety standards, fish and wildlife, etc. if immediate corrective action is not taken. The district is contractually obligated to replenish the fund within 10 years.
- b) **Filter Plant Reserve** - held to satisfy the requirement by the Department of Water Resources Revolving Loan Fund. This reserve is required to equal two semi-annual payments of the DWR filter plant debt service, in the amount of \$244,000. The triggering event for use is default on the loans on the part of the district. In that instance, DWR would seize the funds to satisfy the amount due, and the district would then be contractually obligated to replenish the fund.
- c) **Expansion and Modernization** - held as capital improvement fund for infrastructure additions and improvements within the distribution system. Current balance is \$843,000. This account is funded annually by capacity charges collected, after the close of the fiscal year. Target amount is \$2,000,000 to allow for future storage, line loops, etc. without concern for depletion of the fund. Triggering event for use is project funding approval by the Board of Directors.
- d) **Water Deposits** - held in trust for customers as required by district rules and regulations. There is no target amount for this fund and the triggering event for use is to satisfy delinquent accounts or refund to customers under certain terms and conditions outlined in district rules and regulations.

Designated or Discretionary Reserve Funds - not required by creditors, law, grantors, statute, etc. The purpose of establishing these funds is to insure adequate levels of reserves or funds are designated for legitimate purposes that are critical to the success of stable short and long term operation of the district.

- a) **Discretionary Reserve** - established by the Board of Directors to be used totally at its discretion for situational or operational issues not otherwise covered by specific reserves or operation and maintenance funding. The current balance is \$178,000¹ and the target amount is \$250,000.
- b) **Contingency Fund** - established for rate stabilization and other emergencies as declared by the Board of Directors. Allows the district to balance short-term fluctuations in revenue, such as during drought, without unplanned significant rate increases that could impact rate-payers. The current balance is \$83,000 and the target amount is \$375,000, 25% of operating sales or 17% of the annual operation and maintenance budget.
- c) **Merchant Account** - established as operational reserves to provide flexibility for quick response to emergency repairs; water quality emergencies; catastrophic incidents, debt reduction, etc. Current balance of \$267,000 is close to target of \$300,000. When fund meets target, overages will be used to increase Contingency Fund to target.
- d) **Filter Plant Savings** - established exclusive for funding capital improvements at the filtration plant as a part of the overall financial planning for the district. These funds will be used to accomplish as many of the improvements listed in the 2007 Master Water Plan as is possible. The current balance is \$302,700 and the target is \$1,000,000.

Reserves for agency operations ensure customers experience stable rates and security that Clear Creek CSD can respond to short and long-term emergencies without delay made necessary by seeking out loans, grants, etc.

The ability to maintain adequate reserves is critical to providing reliable, stable service insuring the district's overall financial strength. Adequate reserves directly affect the district's bond rating and ability to access favorable interest rates, securing the ability to finance and/or construct infrastructure necessary to the existing system and expand facilities for future demand.

¹ Balance was modified to include \$26,000 payoff from Trust Deed. Current CD 10736 matures 12/16/08 and will be increased by that amount as authorized by the Board in October 2008..