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Board of Directors

Directors - Beverly Fickes, Scott McVay

General Manager: Dale Mancino

FINANCE COMMITTEE

May 21, 2026, at 10:00 am: 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**

   The meeting was called to order at 10:02 AM by Chair Scott McVay.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL :** Director Beverly Fickes, Director Scott McVay, General Manager Dale Mancino, Bookkeeper Cindy Lopez, Committee Member Ron

4. **OPEN TIME/PUBLIC COMMENT:** None

5. **General Fund Reconciliation** Update Cindy Lopez provided an update on the General Fund reconciliation. She reported that she is approximately 50% complete with bringing the reconciliation current. The work is being done manually to ensure accuracy.

Key findings include:

Duplicate payments (one example was a $7,000 duplicate payment to an HRA/employee health plan in June 2025 that was later corrected).

Missing or improperly recorded entries.

Some expenses not updated in QuickBooks due to auto-pay issues.

Minor coding issues (e.g., expenses posted to the wrong department).

Cindy confirmed there were no indications of lost funds. Adjustments for items from the prior closed fiscal year (FY 2024-25) will be made in the current fiscal year. She stated she remains on track to complete the reconciliation by mid-to-late June 2026, consistent with the timeline previously discussed.

6. Reserve Account Implementation The Committee discussed updates to the Reserve Fund Policy, particularly the need to properly fund and document the Operational/Emergency Reserve.

Key points discussed:

- The District had previously committed to funding reserves (including 4.1% of water usage revenue and other allocations from the prior rate study), but these transfers had not been consistently made.
- The Committee reviewed historical commitments from the prior Prop 218 process and RCAC recommendations regarding reserve targets.
- There was agreement that the WIN Act repayment funds (approximately $55,000 annually) should be redirected into the Operational/Emergency Reserve to help build it up, as this aligns with the original intent of the rate study.

Direction to Staff: The Committee directed the General Manager to add the following language to the Operational/Emergency Reserve section of the Reserve Fund Policy:

"To build the Operational and Emergency Reserve in 2026 and subsequent years, fifty-five thousand dollars ($55,000) will be transferred from the General Fund on July 1, 2026, and each July thereafter until the reserve balance reaches five hundred thousand dollars ($500,000) or until 2032, whichever occurs first."

Staff was also directed to:

- Update the Director Handbook to reflect current reserve account names and descriptions.
- Prepare a quarterly reserve balance report for the Board showing actual balances versus target/goal amounts.

7. Prop 218 Rate Study Update Dale Mancino reported that the Board approved the Water Treatment Plant Capital Improvement Projects at the May 20, 2026 Regular Board Meeting. These projects will now be incorporated into the Prop 218 rate study.

The distribution-side CIP (valve replacements, PRVs, etc.) is still being finalized and is scheduled for Board consideration at the June 2026 Regular Meeting.

The Committee discussed the importance of clearly communicating project needs, costs, and benefits to the public during upcoming outreach meetings. Staff was encouraged to prepare visual aids and simple explanations for customers.

8. Budget Preparation Timeline for FY 2026-27 he Committee discussed the timeline for preparing the FY 2026-27 Budget.

Key points:

- The current focus is completing the General Fund reconciliation.
- A rough draft budget is targeted for presentation to the Finance Committee around **June 18, 2026**.
- A more complete draft would then go to the full Board in mid-July, with a public hearing and adoption targeted for August 2026 (within the legal deadline of September 1).

Staff noted that some line items (especially those affected by the reconciliation) cannot be finalized until the reconciliation is further along. The Committee acknowledged the current workload and supported a realistic timeline focused on accuracy.

9. Next Meeting Date Tentatively scheduled for June 18, 2026, at 10:00 AM (subject to adjustment based on reconciliation progress).

10. ADJOURN THE MEETING adjourned at approximately 11:45 AM.