



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

September 12th 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. Activity Reports – July – Discussion
- b. Audit update – FY22 and Auditor Planning Letter - Discussion
- c. Water Usage and Revenue March through August & Rate Ordinance update– Discussion
- d. WIIN Act Payment Schedule & Balance – Discussion
- e. Bank Account & Loan Balances report - 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.

“This District is an Equal Opportunity Provider”



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MEMO

Date: September 12th 2023
To: Board of Directors
From: General Manager – Paul Kelley
Re: **5 – Old Business/New Business**

Discussion:

5.a – Activity Reports - Discussion

The Board saw the July Activity (P&L) report and this is an opportunity to discuss and review and provide input from the Finance committee.

Also – in preparation for October when Staff plans to have FY Q1 (July, August, September) YTD actuals vs Quarterly Budget. And this would be an opportunity for an updated budget or budget adjustments.

5.b – Audit update – FY22 and Auditor Planning Letter - Discussion

The Districts Auditor – Horton McNulty & Saeteurn, LLP completed the FY21 audit in December of 2022, then started in April on FY 22 audit. The Board confirmed the engagement letter (Signed in October of 2022) in March of 2023 and the auditor recently sent this attached letter and suggested that the board have an opportunity to review the letter.

The Auditor also informed the District Bookkeeper/Accounting that they have submitted the FY22 state controller report – in compliance with the Controllers request in March of 2023.

The Auditor reports that they continue to work through difficulties of dealing with the old District accounting system (BUCS) and that Melissa is working hard to get all the information they have requested. The FY22 Audit is behind their original schedule, but they plan to finish by November.

5.c – Water Usage and Revenue March through August, and Rate Ordinance - 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 are working on this for March through July. 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.

For example: July

The District reported to the Bureau 297 AF of M&I through the treatment plant (197AF Bureau water + 100 McConnell water). Based on the Total revenue of \$39,219.77 that equals 173AF, and that is 123AF short of what we reported through the plant for M&I.

For Irrigation/Ag the District reported to the Bureau 116AF. Based on Ag usage revenue of \$13,426.64 that equals 60AF. Almost 56AF short, In June the Revenue for Ag water usage was almost exactly what the District reported to the Bureau.

The committee has asked about the Districts water usage revenue, and how water loss can be accounted for in reporting, rate setting and reporting. There are different methods on water loss and if the District was an “urban” water supplier the rules for water loss and audits would be very challenging.

This is primarily a reporting and tracking issue that needs the Districts attention and for the committees consideration and input. Water loss in the system and or from leaks etc. is common and the District should be considering this during water usage scheduling and rate setting.

Water Usage Rate Ordinance.

The Other issue is that the board approved the current water rates in May. The current \$.52/HCF for Domestic and \$.51/HCF for Ag/Irrigation water usage rates. In the 2022 water year, there was a zero allocation and the total cost per AF (From McConnell or wells) was the input for the water rates cost sheet – and eventual “drought rate”. For the 2023 water year, and eventual full allocation – the total cost of the water from the rate sheet was used to calculate the base per HCF, then added in the treatment cost and the reserve amount. This calculation provided the current rates. That rate sheet (February 2023) had the CVP Restoration charge for FY22-23. So – This rate sheet the water rates for the 2023 water year (March 23 – February 24) and the Restoration fund charges for the FY23.

The Bureau just sent the updated Restoration charge for which is for the Federal Fiscal Year – October 2023 – September 2024. This rate went up 8% - for M&I \$24.05 to \$25.99 (\$1.94 per AF), and Irrigation \$12.02/AF to \$13.00/AF. Since the Restoration Charge is part of the total usage charge – this is for the Boards consideration.

5.d – WIIN Act Payment Schedule and Balance - Discussion

There are two WIIN act balances.

1. The Balance that the District owes the Bureau due by 12/30/2023: The District sent a payment the end of July, that brings this balance to \$149,394.38. It’s the District’s intention to make the next three payments of \$50K each by October and complete the payments prior to 12/30/2023 and secure our supply contract. This was verbally reported at the board and for the finance committee consideration.

Total Balance after Construction credit of \$207,000.		\$651,500.38
Paid FY 22	\$ 102,106.00	\$549,394.38
Paid FY 23	\$ 350,000.00	\$199,394.38
Paid FY 24	\$ 50,000.00	\$149,394.38

2. The balance for what the District owes its own operating fund to pay off the WIIN act balance owed to the Bureau to be paid back through the WIIN act fee: That is approximately \$450,000, and will be \$600K by end of this year. As described in the Budget narrative the District owed \$651,500.38 to “purchase” the Water supply contract of 15,300AF/Y in perpetuity. The District did not get a loan for that amount to be paid off over a number of years (ie:15 years). The District fell behind in making payments to the Bureau, and made

a few payments in FY22, and then started making payments and catch up payments in FY23. These payments to the Bureau are currently paid from Operating funds (Borrowing from Operating to pay this off) and is in the District's budget as a cost of water. This borrowing from the Operating Account will eventually be \$651,500.38 from operating funds. The \$1.88 WIIN fee, will be deposited into a reserve account "WIIN Act Fee" and from that account the District will get paid back at a rate of \$50K/year – taking about 12-13 years depending on collections and subsequent board budget decisions.

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

Account Balance Report:

<u>Account</u>	<u>Current Bal</u>
Gen. Checking	\$ 135,535.85
Merchant Acct	\$ 470,668.02
OP Reserves Savings	\$ 1,004.37
Expansion & Modernization Res	\$ 104,399.17
Emergency Reserve System Replacement	\$ 448.55
OPEB Employee Contrib Acct	\$ 71,267.73
Carr Fire Acct	\$ 177,571.54
Carr Fire Backwash Ponds Project	\$ 15,074.94
Filtration Plant Repayment	\$ 211,320.07
Backwash Recycle	\$ 24,750.40
State Loan Repayment Reserve	\$ 33,418.43
WIIN Act Repayment Reserve	\$ 62,479.37
Total	\$ 1,307,938.44

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

Clear Creek Community Services District
Profit & Loss
 July 2023

4:42 PM
 08/10/2023
 Accrual Basis
 Jul 23

Ordinary Income/Expense

Income

11000 - Revenue - Customer Accts	
11005 - Base Rate Charge	144,270.51
11010 - Water Sales	39,219.77
11020 - Agricultural Water Sales	13,426.64
11050 - Penalty-Exceeded WA Allocation	2,819.63
Total 11000 - Revenue - Customer Accts	199,736.55
12000 - Revenue - Water Service	
12010 - Turn On Fees	631.12
12015 - Centerville Admin O&M	32,593.24
12025 - Interest / Investment Income	232.65
12035 - Backflow Maint Charge	686.66
12100 - Misc. Revenue	94.78
Total 12000 - Revenue - Water Service	34,238.45
13000 - Designated Revenue -Non Op	
13005 - Filter Plant Repayment Charge	22,138.15
13010 - Recycle Backwash Water Charge	1,460.12
13015 - State Loan Repayment Charge	3,279.74
13025 - WIIN Act Repayment Charge	5,786.83
Total 13000 - Designated Revenue -Non Op	32,664.84
15000 - Revenue - Taxes & Assessments	
15005 - Taxes-General Property	18,669.81
Total 15000 - Revenue - Taxes & Assessments	18,669.81
Total Income	285,309.65
Gross Profit	285,309.65

Expense

29000 - Supply Cost	
29005 - Water Purchase	
29010 - USBR Water Purchased	33,233.72
29015 - McConnell Water Purchased	25,000.00
Total 29005 - Water Purchase	58,233.72
29100 - WIIN Act Repayment Exp	50,000.00
Total 29000 - Supply Cost	108,233.72
30000 - Water Treatment Plant	
30100 - Utilities	
30105 - WTP - PGE 8185	6,519.49
30110 - Pond - PGE 3611	1,011.96
30125 - Internet	50.00

	Jul 23
Total 30100 · Utilities	7,581.45
30135 · Office Supplies WTP	117.95
30145 · Postage	35.96
30150 · Safety Equipment & Training	
30160 · Personal Safety Equipment	230.83
Total 30150 · Safety Equipment & Training	230.83
30200 · WTP Repair & Maintenance O&M	9,723.32
30400 · Water Quality Analysis	1,584.60
30500 · Vehicle Maintenance & Expense	
30505 · Fuel Expense	362.47
Total 30500 · Vehicle Maintenance & Expense	362.47
Total 30000 · Water Treatment Plant	19,636.58
30700 · Transmission & Conduit	
30705 · Repair and Maintenance - O&M	0.00
30700 · Transmission & Conduit - Other	0.00
Total 30700 · Transmission & Conduit	0.00
40000 · Distribution	
40200 · Utilities	
40205 · Cloverdale Rd N.Boost- PGE 4189	653.23
40210 · Clear Crk/HV - PGE 9574	69.31
Total 40200 · Utilities	722.54
40300 · Safety Equipment & Training	
40305 · Safety Equipment - General	206.99
40310 · Personal Safety Equipment	1,296.62
Total 40300 · Safety Equipment & Training	1,503.61
40400 · Repair & Maintenance (O&M)	
40405 · Backflow Device Testing	65.00
40430 · Inventory/Tools	327.12
40400 · Repair & Maintenance (O&M) - Other	12,754.76
Total 40400 · Repair & Maintenance (O&M)	13,146.88
40500 · Vehicle Maintenance & Expense	
40505 · Fuel Expense	3,095.13
40500 · Vehicle Maintenance & Expense - Other	87.94
Total 40500 · Vehicle Maintenance & Expense	3,183.07
Total 40000 · Distribution	18,556.10
41000 · Wells & Booster Station	
41100 · Utilities	
41105 · Wells 1 & 2 - PGE 2671	836.02
41110 · Well #3 - PGE 2838	683.91
41120 · So. Booster - Internet	30.00
Total 41100 · Utilities	1,549.93
41200 · Water Quality Analysis	1,631.19
41300 · Repair & Maintenance (O&M)	460.37

	Jul 23
Total 41000 · Wells & Booster Station	3,641.49
50000 · Administration/ General	
50100 · Utilities	
50105 · Oak St.- PGE 2838	1,379.24
50110 · 2 Outdoor Lights - PGE 3564	20.07
50120 · Verizon - On-call Cell Phone	51.89
50130 · Answering Service	382.01
50135 · Telephone - TDS	311.45
Total 50100 · Utilities	2,144.66
50200 · Office Supplies	
50205 · Janitorial supplies	55.76
50210 · Ink and Toner	30.00
50200 · Office Supplies - Other	130.39
Total 50200 · Office Supplies	216.15
50315 · Postage	1,134.30
50320 · Meal and Reimbursments	39.35
50330 · Bank Service Fee/Finance Charge	863.71
50400 · Insurance	
50415 · Property & Liability Insurance	16,485.05
Total 50400 · Insurance	16,485.05
50500 · Special & Professional Services	
50505 · Audit Services	4,300.00
50510 · Director Fees	300.00
50515 · Server & Computer Maintenance	
50516 · Municipal Software	
50516.1 · Municipal Software Upgrade	10,675.00
50516 · Municipal Software - Other	5,699.83
Total 50516 · Municipal Software	16,374.83
50517 · Software Subscriptions	224.92
50515 · Server & Computer Maintenance - Other	1,081.36
Total 50515 · Server & Computer Maintenance	17,681.11
50520 · Legal	450.00
50530 · Equipment Maintenance & Lease	139.63
50535 · Building & Ground Maint.-Office	
50536 · Waste Management	192.20
50535 · Building & Ground Maint.-Office - Other	1,571.18
Total 50535 · Building & Ground Maint.-Office	1,763.38
50540 · OPEB Valuation & Actuarial	3,160.00
Total 50500 · Special & Professional Services	27,794.12
50700 · Regulatory	
50705 · Water District Regulatory Fees	
50725 · LAFCO Expense	6,172.71
Total 50705 · Water District Regulatory Fees	6,172.71
Total 50700 · Regulatory	6,172.71

	<u>Jul 23</u>
51400 · Employee Benefits	
51405 · Guardian - Vision, Dental, Life	-14.41
51415 · UNUM-Disability, Life, Accident	1,153.00
51435 · CalPERS Health Insurance Exp	15,748.05
51440 · CalPERS Retirement Contribution	2,341.52
51455 · Uniform Service	294.61
Total 51400 · Employee Benefits	<u>19,522.77</u>
51600 · Retiree Benefits	
51605 · Retiree Health Benefit - Direct	7,569.42
Total 51600 · Retiree Benefits	<u>7,569.42</u>
51900 · License and Permits	96.00
52000 · Interest Expense	
52005 · RCAC Loan Interest (dump truck)	727.04
Total 52000 · Interest Expense	<u>727.04</u>
53000 · Customer Accounts & Billing	
53015 · Supplies	
53025 · Billing Supplies & Materials	1,361.00
Total 53015 · Supplies	<u>1,361.00</u>
53030 · Chargebacks, NSF, Acct Refunds	1,174.73
53000 · Customer Accounts & Billing - Other	5,005.44
Total 53000 · Customer Accounts & Billing	<u>7,541.17</u>
Total 50000 · Administration/ General	<u>90,306.45</u>
60000 · Payroll Expense -Salary & Wages	
60100 · Payroll Exp - Administration/GM	11,264.40
60200 · Payroll Exp - Distribution	27,502.91
60300 · Payroll Exp - Water Treatment	16,366.08
60500 · Payroll Exp - Customer Accts	12,468.49
60000 · Payroll Expense -Salary & Wages - Other	170.62
Total 60000 · Payroll Expense -Salary & Wages	<u>67,772.50</u>
66900 · Reconciliation Discrepancies	-14,231.00
70000 · Designated to Reserves - Non Op	
72205 · Filter Plant Repayment Reserve	0.00
72210 · Recycle Backwash Water Reserve	0.00
72215 · State Loan Repayment Reserve	0.00
72218 · Penalties Reserve - Tracking	0.00
72225 · WIIN Act Repayment Reserve	0.00
75100 · Operating Reserve (4.1% usage)	0.00
75200 · Capital Imp & Mod Res (1.8% BR)	0.00
75300 · Emergency Fund Reserve	0.00
75400 · USBR Emergency Reserve	0.00
75900 · Discretionary Fund Bal Reserve	0.00
70000 · Designated to Reserves - Non Op - Other	0.00
Total 70000 · Designated to Reserves - Non Op	<u>0.00</u>
Total Expense	<u>293,915.84</u>

	Jul 23
Net Ordinary Income	-8,606.19
Other Income/Expense	
Other Income	0.00
Other Expense	
99999 - Suspense	0.00
99999.9 - Ask My Accountant	0.00
Total Other Expense	0.00
Net Other Income	0.00
Net Income	-8,606.19