

CALAVERAS COUNTY WATER DISTRICT FINANCE COMMITTEE MEETING

AGENDA

Committee Meeting
Tuesday July 18, 2023
1:00 p.m. PDT

Calaveras County Water District
120 Toma Court
San Andreas, California 95249

Board Chambers are open to the public and the following alternative is available to members of the public who wish to participate in the meeting virtually:

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ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **PUBLIC COMMENT**: Comments limited to three minutes per person.
2. **APPROVAL OF MINUTES**: For the meeting of May 30, 2023.
3. **NEW BUSINESS**
 - 3a. Report on the Monthly Financial Reports for June 2023 (unaudited)
(Jeffrey Meyer, Director of Administrative Services)
 - 3b. Report on the FY2022-23 Fourth Quarter Investment Activities
(Jeffrey Meyer, Director of Administrative Services)
 - 3c. Report on Deferred/Deleted FY23-24 Budget Items
(Jeffrey Meyer, Director of Administrative Services)

- 3d. Discussion: Grants
(Michael Minkler, General Manager)

4. OLD BUSINESS

- 4a. Update on Leak Adjustment Procedures
(Jeffrey Meyer, Director of Administrative Services)
- 4b. Update of R&R Rate Ordinance and Policies
(Kelly Richards, Business Services Manager)
- 4c. Update on Reminder and Penalty and Procedures
(Kelly Richards, Business Services Manager)
- 4d. Discussion: Lock-off Policies and Procedures
(Kelly Richards, Business Services Manager)
- 4e. Audit Management Letter – Update of Fund Transfer Procedure
(Jeffrey Meyer, Director of Administrative Services)

5. DIRECTOR OF ADMINISTRATIVE SERVICES COMMENTS

6. GENERAL MANAGER COMMENTS

7. DIRECTOR COMMENTS

8. FUTURE AGENDA ITEMS

9. NEXT COMMITTEE MEETING

10. ADJOURNMENT

MINUTES
FINANCE COMMITTEE MEETING
May 30, 2023

The following Committee Members were present:

Scott Ratterman	Director
Cindy Secada	Director

Staff Present:

Jeffrey Meyer	Director of Administrative Services
Pat Burkhardt	Construction & Maintenance Manger
John Osbourn	External Affairs Manager
Mark Rincon-Ibarra	District Engineer
Damon Wyckoff	Director of Operations

Public Present: None.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

Meeting called to order at 1:00 p.m., the Pledge of Allegiance was led by Director Secada.

1. Public Comment: none.
2. Approval of Minutes: For the meetings of April 28, 2023.
3. New Business:
 - 3a. Report on the Monthly Financial Reports for April 2023:
Mr. Meyer reviewed the monthly financial reports.
 - 3b. Review and Direction of the Annual Standby Assessments:
Director Secada motioned, and Director Ratterman seconded the motion to present the standby assessments to the full Board.
 - 3c. Review of Draft FY2023-24 Operating Budget
Mr. Meyer presented a draft of the FY2023-24 Operating Budget. There was a discussion regarding the elimination of the separation of Fund 125/135 (R&R). Both Director Ratterman and Director Secada were not in favor of moving away from restricting funds in R&R funds.

Directors Ratterman & Secada expressed concerns regarding the total costs of the Tyler UB system and asked Mr. Meyer to total the costs. Director Secada suggested that the District needs to investigate alternatives due to the high cost.
- 4a Discussion of Audit Management Letter
Director Secada motioned, and Director Ratterman seconded the motion to present the Investment Policy to the full Board.
4. Director of Administrative Services:
Mr. Meyer is hoping to be back in office full time by the end of June.
5. General Manager Comments:
Mr. Minkler did not have any comments.

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6. Director Comments:

Director Ratterman had no comments.

Director Secada said the District should reconsider using Springbrook for UB vs Tyler. She complimented staff on doing a good job working together to complete the Budget and Rate Study.

7. Future Agenda Items:

- a. Social Media Policy.
- b. Rate Study.
- c. Budget.
- d. Property Tax placement of Sewer Bills.

8. Next Committee Meeting:

Tuesday July 18 at 1:00 pm (subject to change)

9. Adjournment:

Meeting adjourned at 2:56 p.m.

Respectfully Submitted,

Catherine Eastburn, Accountant II

Approved:

Jeffrey Meyer, Director of Administrative Services

June 2023 Budget Status Report (Pre-Audit)

The Budget Status Report represents a standard of analysis to identify material issues with the understanding that line-item variances are normal, and the areas of concern are isolated to **Account Types** that are at least 5% over or under the benchmark. These amounts are subject to change pending the District's annual audit.

The following charts analyze the trends related to this fiscal year's revenues and operating expenses. The prior two years are presented as the Full fiscal year and the current year is presented as Actuals through the Period month. The comparison of Year-to-Date activity versus budget further identifies if there are any impending issues.

District Operating Revenues (Water & Sewer Funds)

Operating Account Revenue Summary					Period 12	Benchmark	
Account Type	Fiscal Year	2021	2022	2023	Current OP Budget	Remaining Balance	100% Of Budget
W01-Sales & Charges		13,721,935	14,172,302	14,497,482	14,673,474	175,992	98.80%
W02-Water/Sewer Fees		68,197	54,599	53,900	30,000	(23,900)	179.67%
W03-Misc. Operating Revenue		344,662	232,887	176,454	172,000	(4,454)	102.59%
X01-Property Tax/Assmt Rev		3,100,209	3,145,790	3,320,347	3,170,968	(149,379)	104.71%
X02-Grant Revenue		-	54,443		-	-	0.00%
X03-Interest Income		(160,006)	(1,580,903)	11,778	229,000	217,222	5.14%
X05-Power Sales		731,254	710,135	1,032,956	700,000	(332,956)	147.57%
X06-Other Revenue		1,055,000	1,245,813	533,204	929,740	396,536	57.35%
X30-Transfers In		21,590,488	995,066	5,902,417	6,223,803	321,386	94.84%
Grand Total		40,451,740	19,030,131	25,528,538	26,128,985	600,447	97.70%

Analysis of District Revenues identifies the following accounts to note:

Water/Sewer Fees

W02-Water/Sewer Fees	68,197	54,599	53,900	30,000	(23,900)	179.67%
44300-Install Water Meter	65,997	50,611	36,096	30,000	(6,096)	120.32%
48100-Concept Approval Fees	2,200	3,988	17,804	-	(17,804)	0.00%

Developer activity is higher than expected, and activity is strong for the year. Concept approval fees were not budgeted in FY 22-23; thus, these fees skew the percentage of revenue.

Interest Income:

X03-Interest Income	(160,006)	(1,580,903)	11,778	229,000	217,222	5.14%
51100-Interest Income/CCWD Invest	49,365	(642)	11,778	229,000	217,222	5.14%
51700-Net Mark to Market Value	(209,371)	(1,580,262)		-	-	0.00%

Interest income for LAIF is received quarterly, which skews the monthly percentage reported (except in the quarter LAIF interest is received). Most of the District's interest revenue is being earned in the non-operating funds.

Power Sales

X05-Power Sales	731,254	710,135	1,032,956	700,000	(332,956)	147.57%
54300-Power Sales-North Fork	601,768	616,543	787,928	620,000	(167,928)	127.09%
54400-Power Sales-New Hogan	129,486	93,592	245,028	80,000	(165,028)	306.28%

Power sales were strong this fiscal year.

Other Revenue

X06-Other Revenue	1,055,000	1,245,813	533,204	929,740	396,536	57.35%
48130-Rental Revenue	75,006	71,825	14,395	83,000	68,605	17.34%
51600-Gain/(Loss) on Sale of Assets	61,848	(97,986)		-	-	0.00%
52420-Standby Fees	131,240	130,805	119,909	131,000	11,091	91.53%
54600-Other Non-Operating Revenue	786,906	1,141,169	398,900	715,740	316,840	55.73%

Other Revenue includes reimbursement for NCPA and MID fees paid by the District at the beginning of the year. Standby fees are received with Property Tax apportionments in January, May, and August. Other Non-Operating Revenue (54600) will be adjusted further during year-end activities.

Transfers In

X30-Transfers In	21,590,488	995,066	5,902,417	6,223,803	321,386	94.84%
59100-Transfers In From Funds	21,572,118	977,332	5,902,417	6,223,803	321,386	94.84%
59520-Loan Repay-Interfund Interest	18,370	17,733		-	-	0.00%

The majority of Transfers In are associated with debt service payments and are current through the month of June. The remaining transfers are for the OP HQ Principal & Interest and will occur only if needed.

Non-Operating Fund Revenue (all funds except Water & Sewer Operating)

Non-Operating Account Revenue Summary		Period 12		
Account Type	Fiscal Year	2021	2022	2023
W01-Sales & Charges		4,585,401	4,618,838	4,613,800
41010-Capital R&R-Sewer		1,208,151	1,216,996	1,222,535
41010-Capital R&R-Water		3,377,250	3,401,842	3,382,214
41300-Water Sales Slurry Line				9,050
W02-Water/Sewer Fees		-		
48100-Concept Approval Fees		-		
W03-Misc. Operating Revenue		8,880	136,500	862
44510-Reimbursable Expense		-		
48190-Miscellaneous Operating Rev		8,880		862
54610-Miscellaneous Income			136,500	
X01-Property Tax/Assmt Rev		815,836	790,892	766,870
52100-Property Taxes		547,096	555,147	585,944
52200-Assessment Revenue		268,740	235,745	180,926
X02-Grant Revenue		884,429	1,808,702	1,873,019
54510-Grant Revenue/Federal Agencies		785,904	1,131,178	419,133
54520-Grant Revenue/State Agencies		98,525	541,024	1,453,886
54530-Grant Revenues/Other Agencies			136,500	
X03-Interest Income		196,584	127,377	1,146,306
51100-Interest Income/CCWD Invest		144,554	96,229	1,142,059
51200-Interest Income/Trusteed Funds		5,925	32	4,247
51500-Interest Income-Loans		46,106	31,115	
X04-Expansion/Assemt Fees		2,340,848	1,144,660	915,726
52410-Expansion Fees		2,340,848	1,144,660	915,726
X06-Other Revenue		18,605	19,286	25,000
52210-Assessment Admin.		21,008	-	
52230-Prepaid Assessment Revenue		13,845	19,286	
52270-Redemption Premium Revenue		45	-	
52430-Area of Benefit Reimbursement		(16,294)		
54600-Other Non-Operating Revenue		(0)		
52220-Assessment Revenue - Forclsur				25,000
X30-Transfers In		5,572,453	25,681,087	14,470,943
59100-Transfer In From Funds		5,572,453	25,681,087	14,470,943
Grand Total		14,423,037	34,327,341	23,812,525

The above table represents all District revenue in the category of non-operating, such as Capital R&R, CIP, and Expansion Funds. These revenues are often restricted to specific purposes. Please note that the historical/prior years are the FULL year, while the current year ACTUALS reflect the beginning of the year through the current fiscal period.

District Operating Expenses

Overall Expenses at the end of June are below the 100% benchmark. Please note that some accounts will track low at the start of the year as invoices are accrued in the prior year. This report is pre-audit, and the amounts are subject to change.

Operating Account Expense Summary					Period 12	Benchmark
Prior Years=Full Year, Current Year = Actual to Date	Fiscal Year			Current	Remaining	100.00%
Account Type	2021	2022	2023	Budget	Balance	Of Budget
Y01-Sal/Wage/Benefits	9,320,015	10,140,463	10,810,755	11,914,915	1,104,160	90.73%
Y02-Utility Service	1,156,744	1,227,616	2,235,806	1,760,405	(475,401)	127.01%
Y03-Materials/Supplies	1,334,240	1,611,633	1,506,393	1,458,550	(47,843)	103.28%
Y04-Outside Services	861,814	944,745	854,051	1,179,770	325,719	72.39%
Y05-Professional Services	617,818	677,921	518,876	735,898	217,022	70.51%
Y06-Vehicle/Equipment	523,996	599,246	536,964	385,500	(151,464)	139.29%
Y07-Office Expenses	152,581	180,272	164,265	171,526	7,261	95.77%
Y08-Travel/Training	39,049	51,843	105,122	94,450	(10,672)	111.30%
Y10-Purchased Water	469,448	477,495	486	-	(486)	0.00%
Y11-Retired Employee	249,589	(7,537,854)	733,137	698,700	(34,437)	104.93%
Y12-Bad Debts	61,924	17,585	98,389	37,000	(61,389)	265.92%
Y13-Misc Op Expenses	1,503,633	1,602,674	1,242,965	2,040,479	797,514	60.92%
Y14-Amort/Depr	4,441,592	4,797,158		-	-	0.00%
Y15-Director Costs	113,187	128,092	144,956	181,495	36,539	79.87%
Y16-Legal	360,565	277,230	281,796	265,000	(16,796)	106.34%
Z02-Debt Repayment	336,268	370,223	3,041,883	4,140,960	1,099,077	73.46%
Z03-Capital Equipment	509,297	658,275	671,359	1,042,738	371,379	64.38%
Z04-Misc Non Operating	16,457	16,731	47,773	21,600	(26,173)	221.17%
Z30-Transfers Out	7,208,805	23,699,740		-	-	0.00%
Grand Total	29,277,019	39,941,088	22,994,976	26,128,986	3,134,010	88.01%

As of June 30, 2023, the expenses, *in total*, are below the one hundred percent (100%) benchmark for the end of the fiscal year.

See each department for detailed explanations.

DEPARTMENTAL EXPENSE REPORTS

Dept 50 – Non-Departmental

Operating Account Expense Summary						Period 12	Benchmark
Prior Years=Full Year, Current Year = Actual to Date	Fiscal Year			Current	Remaining	100.00%	
Account Type	2021	2022	2023	Budget	Balance	Of Budget	
Y02-Utility Service	110,600	29,845	37,004	37,600	596	98.42%	
Y03-Materials/Supplies	40,708	54,912	37,880	40,500	2,620	93.53%	
Y04-Outside Services	50,379	72,757	71,626	71,200	(426)	100.60%	
Y05-Professional Services	510		1,393	-	(1,393)	0.00%	
Y11-Retired Employee	249,589	(7,537,854)	733,137	698,700	(34,437)	104.93%	
Y13-Misc Op Expenses	225,659	280,267	267,525	272,489	4,964	98.18%	
Z02-Debt Repayment	336,268	370,223	3,041,883	4,140,960	1,099,077	73.46%	
Z03-Capital Equipment		0	23,677	-	(23,677)	0.00%	
Z04-Misc Non Operating	12,982	13,353	14,924	14,100	(824)	105.85%	
Grand Total	1,026,694	(6,716,497)	4,229,050	5,275,549	1,046,499	80.16%	

Analysis shows that Non-Departmental (Department 50) expenses are below the benchmark target of one hundred percent (100%). Accounts to note are:

Miscellaneous Non-Operating Expenses

Z04-Misc Non Operating	12,982	13,353	14,924	14,100	(824)	105.85%
60715-Late Fees and Other Penalties		17	2,219	-	(2,219)	0.00%
78210-LAFCO Contribution	12,982	13,336	12,706	14,100	1,394	90.11%

The LAFCO contribution is deducted from the District first property tax installment in January. Late Fees are not budgeted. Miscellaneous Non-Operating expenses are unchanged from the prior month.

Dept. 54 - Utility Services

Operating Account Expense Summary						Period 12	Benchmark
Prior Years=Full Year, Current Year = Actual to Date	Fiscal Year			Current	Remaining	100.00%	
Account Type	2021	2022	2023	Budget	Balance	Of Budget	
Y01-Sal/Wage/Benefits	6,664,944	7,140,378	7,624,333	8,053,466	429,133	94.67%	
Y02-Utility Service	1,046,144	1,197,771	2,198,802	1,722,805	(475,997)	127.63%	
Y03-Materials/Supplies	1,265,379	1,469,952	1,358,024	1,301,600	(56,424)	104.33%	
Y04-Outside Services	695,988	684,416	585,594	871,073	285,479	67.23%	
Y05-Professional Services	63,158	6,154	126,123	100,710	(25,413)	125.23%	
Y06-Vehicle/Equipment	523,996	599,246	536,964	385,500	(151,464)	139.29%	
Y07-Office Expenses	25,681	52,925	35,729	42,600	6,871	83.87%	
Y08-Travel/Training	26,282	27,807	39,858	35,100	(4,758)	113.56%	
Y10-Purchased Water	789	5,837	486	-	(486)	0.00%	
Y13-Misc Op Expenses	218,382	263,067	255,196	260,000	4,804	98.15%	
Z03-Capital Equipment	509,297	658,275	647,682	1,042,738	395,056	62.11%	
Z04-Misc Non Operating	103	1,181	2,829	-	(2,829)	0.00%	
Grand Total	11,040,142	12,107,009	13,411,619	13,815,592	403,973	97.08%	

This table shows that overall, the Utilities Department (Department 54) expenses are below the benchmark target of one hundred percent (100%). Accounts to note are:

Utility Service

Y02-Utility Service	1,046,144	1,197,771	2,198,802	1,722,805	(475,996)	127.63%
60210-Power	883,706	1,018,787	2,012,288	1,573,000	(439,288)	127.93%
60220-Water	4,279	6,485	5,214	4,296	(918)	121.37%
60230-Sewage	39,282	47,869	47,548	46,734	(814)	101.74%
60240-Telephone Lease Lines	3,044	2,638	(0)	-	0	0.00%
60250-Telephone	90,827	105,078	113,869	83,167	(30,702)	136.92%
60260-Refuse/Disposal	25,006	16,914	19,883	15,608	(4,275)	127.39%

District wide, all utility costs have increased. The recent CPPA increases for electricity are the primary drivers, but all utility costs were evaluated during the FY 23-24 budget process.

Professional Services

Y05-Professional Services	63,158	6,154	126,123	100,710	(25,413)	125.23%
60590-Professional Services	63,158	6,154	126,123	100,710	(25,413)	125.23%

This line item includes a Root Cause Analysis for HAA5 formation that was not included in the FY 22-23 budget.

Vehicle/Equipment

Y06-Vehicle/Equipment	523,996	599,246	536,964	385,500	(151,464)	139.29%
60610-Operating Exp Gas and Oil	282,676	372,967	357,287	254,100	(103,187)	140.61%
60620-Repair Exp/Parts and Repairs	136,985	140,186	115,066	95,000	(20,066)	121.12%
60625-Fuel/Repair - Generators	27,711	27,411	12,765	20,000	7,235	63.83%
60650-Rental Exp Vehides and Equip	28,594	1,142	14,436	6,200	(8,236)	232.84%
60660-Vehide Lease & Maintenance	11,747	24,730	37,409	10,200	(27,209)	366.75%
60665-Capital Lease Interest	36,282	32,810		-	-	0.00%

The cost of fuel continues to increase. Enterprise lease maintenance costs have also increased as vehicles ordered in FY 21-22 did not arrive until FY 22-23. Additionally, the "outfitting costs" for new vehicles are included in Vehicle Lease and Maintenance. These costs were evaluated during the FY 23-24 budget process.

Travel/Training

Y08-Travel/Training	26,282	27,807	39,858	35,100	(4,758)	113.56%
60810-Training Conf and Travel	26,282	27,708	39,557	35,000	(4,557)	113.02%
60820-Other Travel Costs		99	300	100	(200)	300.38%

The District has provided safety training, Class A license training and other certification renewal training early in the fiscal year. This remains unchanged from the previous month.

Dept 56 – General Management

Operating Account Expense Summary					Period 12	Benchmark
Prior Years=Full Year, Current Year = Actual to Date	Fiscal Year			Current	Remaining	100.00%
Account Type	2021	2022	2023	Budget	Balance	Of Budget
Y01-Sal/Wage/Benefits	673,509	709,781	693,153	702,264	9,111	98.70%
Y03-Materials/Supplies	2,714	6,423	4,337	16,700	12,363	25.97%
Y04-Outside Services	18,377	20,092	36,763	24,500	(12,263)	150.05%
Y05-Professional Services	153,357	96,047	113,712	113,800	88	99.92%
Y07-Office Expenses	45,320	46,605	49,833	44,525	(5,308)	111.92%
Y08-Travel/Training	2,624	9,881	29,497	24,450	(5,047)	120.64%
Y11-Retired Employee		(0)		-	-	0.00%
Y13-Misc Op Expenses	-	14,133	11,118	2,000	(9,118)	555.89%
Y16-Legal	223,688	129,895	122,944	120,000	(2,944)	102.45%
Z04-Misc Non Operating	12			-	-	0.00%
Grand Total	1,119,601	1,032,856	1,061,357	1,048,239	(13,118)	101.25%

Analysis shows that General Management’s (Department 56) overall expenses are slightly above the benchmark target of one hundred percent (100%). Accounts to note are:

Outside Services

Y04-Outside Services	18,377	20,092	36,763	24,500	(12,263)	150.05%
60400-Outside Services	4			-	-	0.00%
60420-Drug and Alcohol Testing	2,542	2,080	5,189	3,000	(2,189)	172.97%
60429-Recruiting	15,832	18,012	31,574	21,500	(10,074)	146.86%

Recruiting and Drug and Alcohol testing are above budget due to increased hiring needs.

Office Expenses

Y07-Office Expenses	45,320	46,605	49,833	44,525	(5,308)	111.92%
60700-Forms and Supplies			100	1,450	1,350	6.92%
60730-Publications/Subscriptions	666	773	815	150	(665)	543.64%
60732-Memberships and Dues	44,654	45,832	48,917	42,925	(5,992)	113.96%

Most memberships and dues are paid at the beginning of the fiscal year. This line item only changed slightly (\$719) from the prior month.

Travel/Training

Y08-Travel/Training	2,624	9,881	29,497	24,450	(5,047)	120.64%
60810-Training Conf and Travel	2,624	9,881	29,497	23,700	(5,797)	124.46%

The Training, Conference and Travel expenses have been expended for the year.

Miscellaneous Operating Expenses

Y13-Misc Op Expenses	-	14,133	11,118	2,000	(9,118)	555.89%
61409-Unemployment Claims	-	14,133	11,118	2,000	(9,118)	555.89%

The District does not pay California unemployment; thus, unemployment claims are paid as they are incurred. There were more unemployment claims than expected during FY 22-23.

Dept 57 – Board of Directors

Operating Account Expense Summary					Period 12	Benchmark	
Prior Years=Full Year, Current Year = Actual to Date		Fiscal Year			Current	Remaining	100.00%
Account Type	2021	2022	2023	Budget	Balance	Of Budget	
Y15-Director Costs	113,187	128,092	144,956	181,495	36,539	79.87%	
Grand Total	113,187	128,092	144,956	181,495	36,539	79.87%	

Analysis shows that the Board of Director’s (Department 57) overall expenses are below the benchmark target of one hundred percent (100%).

Detail of Accounts

Operating Account Expense Summary					Period 12	Benchmark	
Prior Years=Full Year, Current Year = Actual to Date		Fiscal Year			Current	Remaining	100.00%
Account Type	2021	2022	2023	Budget	Balance	Of Budget	
Y15-Director Costs	113,187	128,092	144,956	181,495	36,539	79.87%	
60000-Salaries/Wages	28,080	26,280	30,840	43,200	12,360	71.39%	
60100-Benefits	79,725	85,362	87,774	107,545	19,771	81.62%	
60102-Medical Reimbursements	1,361	400		2,000	2,000	0.00%	
60310-Materials and Supplies	383	207	460	8,750	8,290	5.26%	
60810-Training Conf and Travel	1,787	8,565	20,927	17,500	(3,427)	119.58%	
60820-Other Travel Costs	1,852	7,278	4,955	2,500	(2,455)	198.20%	
Grand Total	113,187	128,092	144,956	181,495	36,539	79.87%	

The main conferences of the year included in 60810, Training Conference and Travel have been expensed as of June. In 60820, Other Travel Costs, the amount is high due to two IRS mileage rate increases. The first was in July, which increased the mileage rate by four cents to \$0.625 cents per mile and the second in January, which increased the mileage rate by three cents to \$0.655 cents per mile.

Dept 58 – Engineering

Operating Account Expense Summary						Period 12	Benchmark
Prior Years=Full Year, Current Year = Actual to Date		Fiscal Year			Current	Remaining	100.00%
Account Type	2021	2022	2023	Budget	Balance	Of Budget	
Y01-Sal/Wage/Benefits	600,300	794,724	795,523	1,327,649	532,126	59.92%	
Y03-Materials/Supplies	136	9,333	8,798	16,000	7,202	54.99%	
Y04-Outside Services	16,377	18,338	1,196	13,500	12,304	8.86%	
Y05-Professional Services	55,288	83,197	1,520	50,000	48,480	3.04%	
Y07-Office Expenses	1,799	794	5,627	1,800	(3,827)	312.61%	
Y08-Travel/Training	4,805	10,081	24,653	21,600	(3,053)	114.13%	
Z04-Misc Non Operating			29,250	-	(29,250)	0.00%	
Grand Total	678,705	916,466	866,567	1,430,549	563,982	60.58%	

The table above shows that Engineering’s (Department 58) overall expenses are well under the benchmark target of one hundred percent (100%). Accounts to note are:

Office Expenses

Y07-Office Expenses	1,799	794	5,627	1,800	(3,827)	312.61%
60710-Permits and Licenses	984	543	4,573	-	(4,573)	0.00%
60730-Publications/Subscriptions		-		600	600	0.00%
60732-Memberships and Dues	771	192	1,054	600	(454)	175.65%
60760-Recording/Title Reports	45	59		-	-	0.00%

No permits were expected or budgeted in Engineering, however an invoice for permit issued for the Ebbetts Pass Reach 3A project was received and paid in FY 22-23.

Travel/Training

Y08-Travel/Training	4,805	10,081	24,653	21,600	(3,053)	114.13%
60810-Training Conf and Travel	4,805	10,081	24,653	21,000	(3,653)	117.40%

Training costs were slightly higher than budgeted for the year.

Dept 59 – Administrative Services

Operating Account Expense Summary						Period 12	Benchmark
Prior Years=Full Year, Current Year = Actual to Date		Fiscal Year			Current	Remaining	100.00%
Account Type	2021	2022	2023	Budget	Balance	Of Budget	
Y01-Sal/Wage/Benefits	1,186,071	1,307,304	1,399,419	1,518,445	119,026	92.16%	
Y03-Materials/Supplies	24,996	70,699	91,904	76,650	(15,254)	119.90%	
Y04-Outside Services	80,693	149,143	158,871	199,497	40,626	79.64%	
Y05-Professional Services	229,867	365,660	177,664	279,080	101,416	63.66%	
Y07-Office Expenses	15,775	10,433	9,359	19,395	10,036	48.26%	
Y08-Travel/Training	4,238	2,426	6,896	5,800	(1,096)	118.90%	
Y12-Bad Debts	61,924	17,585	98,389	37,000	(61,389)	265.92%	
Y13-Misc Op Expenses	153,426	210,544	174,141	111,000	(63,141)	156.88%	
Y14-Amort/Depr	4,441,592	4,797,158		-	-	0.00%	
Z04-Misc Non Operating	3,360	2,196	769	7,500	6,731	10.26%	
Z30-Transfers Out	7,208,805	23,699,740		-	-	0.00%	
Grand Total	13,410,747	30,632,888	2,117,413	2,254,367	136,954	93.92%	

Analysis shows that Administrative Services (Department 59) expenses are under the benchmark target of one hundred percent (100%). Accounts to note are:

Materials and Supplies

Y03-Materials/Supplies	24,996	70,699	91,904	76,650	(15,254)	119.90%
60310-Materials and Supplies	473	3,612	276	4,250	3,974	6.50%
60312-Safety Eq Repl consumables			398	-	(398)	0.00%
60314-Uniforms - New			200	-	(200)	0.00%
60353-Computers/peripherals	1,190	17,546	(1)	-	1	0.00%
60390-Admin. Technologies/Comm.	23,333	49,541	91,030	72,400	(18,630)	125.73%

60390 - All of the computers and peripherals budgeted in FY 22-23 have been ordered and received.

Travel/Training

Y08-Travel/Training	4,238	2,426	6,896	5,800	(1,096)	118.90%
60810-Training Conf and Travel	4,109	2,180	6,804	5,000	(1,804)	136.07%
60820-Other Travel Costs	129	246	93	800	707	11.60%

Water conservation training and ACWA conference attendance comprise most of the Training, Conference and Travel expenses. Additionally, members of Customer Service and Finance went to the Tyler User Group conference.

Bad Debts

Y12-Bad Debts	61,924	17,585	98,389	37,000	(61,389)	265.92%
61310-Bad Debt Expense	61,924	17,585	98,389	37,000	(61,389)	265.92%

This year's Bad Debt expenses include accounts from September – December 2021, which were written off and submitted to the outside collection service in October 2022. The remaining accounts for January - November 2022 were written off in November 2022. Customer Service is now processing bad debt accounts in the current month. Finance will be monitoring these expenses. Bad Debt expense is offset by revenue received through June of \$3,951.

Miscellaneous Operating Expenses

Y13-Misc Op Expenses	153,426	210,544	174,141	111,000	(63,141)	156.88%
61315-Rate Assistance Program	53,626	55,053	45,300	60,000	14,700	75.50%
61455-Water Conservation	2,275	3,063	7,789	4,000	(3,789)	194.74%
61485-Third Party Payment Processing	97,321	152,428	121,052	47,000	(74,052)	257.56%
61490-Misc Operating Expense	205			-	-	0.00%

61455 – There are some water conservation supplies that were budgeted and ordered in FY 21-22 but were invoiced in FY 22-23. The budget for these expenses was moved to Department 60 in FY23-24.

61485- In July 2022, the Board passed a resolution that allows the District to pass along Third-Party Payment Processing fees to the customer. The 3.9% convenience fee was implemented as of February 6, and has helped defray the Third-Party Payment Processing fee costs. The net Third-Party Payment processing fees dropped from \$20,470 in February to \$1,750 in March, a District savings of \$18,720. The cost in April – June was \$3404.

Dept 60 – Water Resources

Operating Account Expense Summary					Period 12	Benchmark
Prior Years=Full Year, Current Year = Actual to Date	Fiscal Year			Current	Remaining	100.00%
Account Type	2021	2022	2023	Budget	Balance	Of Budget
Y01-Sal/Wage/Benefits	195,191	188,276	298,326	313,091	14,765	95.28%
Y03-Materials/Supplies	306	314	5,451	7,100	1,649	76.77%
Y05-Professional Services	115,639	126,864	98,464	192,308	93,845	51.20%
Y07-Office Expenses	64,006	69,515	63,717	63,206	(511)	100.81%
Y08-Travel/Training	1,100	1,648	4,218	7,500	3,282	56.24%
Y10-Purchased Water	468,659	471,659		-	-	0.00%
Y13-Misc Op Expenses	906,166	834,664	534,985	1,394,990	860,005	38.35%
Y16-Legal	136,876	147,336	158,852	145,000	(13,852)	109.55%
Grand Total	1,887,943	1,840,275	1,164,013	2,123,195	959,182	54.82%

The June analysis shows Water Resources (Department 60) expenses are well below the benchmark target of one hundred percent (100%). Some expenditures are still being processed during year end close. Accounts to note are:

Legal

Y16-Legal	136,876	147,336	158,852	145,000	(13,852)	109.55%
60505-Outside Legal Fees	136,876	147,336	158,852	145,000	(13,852)	109.55%

Some of the fees paid have been higher than anticipated.

CCWD - Fund Balance Report

As of June 30, 2023

Account	Description	Unaudited	Transactions	Unaudited	Unrestricted	Restricted	Agency
		6/30/2022	FY22-23	6/30/2023	6/30/2023	6/30/2023	6/30/2023
104-00-13101	Admin Replacement	10,814.42	-	10,814.42	-	10,814.42	-
108-00-13101	Interest Reserve	12,559,073.79	(867,165.99)	11,691,907.80	-	11,691,907.80	-
120-00-13101	CIP - Water	-	-	-	-	-	-
123-00-13101	CIP Loan - Water	19,577,446.88	(814,571.85)	18,762,875.03	-	18,762,875.03	-
125-00-13101	Capital R&R - Water	6,508,751.60	(2,669,229.68)	3,834,866.50	-	3,834,866.50	-
127-00-13101	USDA RD AMI/AMR	(129,318.23)	-	(129,318.23)	-	(129,318.23)	-
130-00-13101	CIP - Sewer	-	-	-	-	-	-
133-00-13101	CIP Loan - Sewer	10,590,566.45	(2,729,169.69)	7,861,396.76	-	7,861,396.76	-
135-00-13101	Capital R&R - Sewer	5,368,566.78	(903,754.03)	4,467,110.63	-	4,467,110.63	-
300-00-13101	Water Fund	2,930,864.87	215,229.59	3,145,938.49	3,145,938.49	-	-
302-00-13101	Slurry Line	-	11,634.37	11,634.37	-	11,634.37	-
304-00-13101	Water Expansion Fund - West Point	652,151.44	6,059.61	658,211.05	-	658,211.05	-
354-00-13101	Water Expansion Fund - Ebbetts Pass	708,684.63	77,118.34	785,802.97	-	785,802.97	-
356-00-13101	Water Expansion Fund - Sheep Ranch	25,444.74	240.13	25,684.87	-	25,684.87	-
364-00-13101	Water Expansion Fund - Jenny Lind	878,775.36	166,280.18	1,045,055.54	-	1,045,055.54	-
374-00-13101	Water Expansion Fund - Copper Cove	4,456,840.26	447,194.04	4,904,034.30	-	4,904,034.30	-
394-00-13101	Water Expansion Fund - Wallace	18,206.39	171.83	18,378.22	-	18,378.22	-
500-00-13101	Sewer Fund	(2,771,057.89)	1,516,416.85	(1,252,127.53)	(1,252,127.53)	-	-
524-00-13101	Sewer Expansion Fund - Forest Meadows	605,502.44	19,631.49	625,133.93	-	625,133.93	-
526-00-13101	Sewer Expansion Fund - Big Trees Village	12,059.08	113.81	12,172.89	-	12,172.89	-
534-00-13101	Sewer Expansion Fund - Vallecito	1,036,921.95	24,551.04	1,061,472.99	-	1,061,472.99	-
536-00-13101	Sewer Expansion Fund - Six Mile Village	26,162.07	246.92	26,408.99	-	26,408.99	-
544-00-13101	Sewer Expansion Fund - Arnold	850,861.15	(28,067.77)	822,793.38	-	822,793.38	-
564-00-13101	Sewer Expansion Fund - La Contenta	450,476.01	33,996.99	484,473.00	-	484,473.00	-
565-00-13101	Sewer Expansion Fund - Southworth	280,176.08	2,644.51	282,820.59	-	282,820.59	-
584-00-13101	Sewer Expansion Fund - Copper Cove	2,378,196.15	340,452.25	2,718,648.40	-	2,718,648.40	-
594-00-13101	Sewer Expansion Fund - Wallace	18,206.39	171.83	18,378.22	-	18,378.22	-
624-00-13101	Sewer Expansion Fund - West Point	760,213.10	7,117.90	767,331.00	-	767,331.00	-
722-00-13101	Assessment District - West Point Acres	15,283.19	144.25	15,427.44	-	-	15,427.44
732-00-13101	Assessment District - Wilseyville	5.33	0.03	5.36	-	-	5.36
752-00-13101	Assessment District - Arnold	75,853.29	(11,536.36)	64,316.93	-	-	64,316.93
812-00-13101	Assessment District - La Contenta (604)	97,281.12	(1,450.45)	95,830.67	-	-	95,830.67
822-00-13101	Assessment District - Lake Tulloch	(46,795.63)	46,795.63	-	-	-	-
832-00-13101	Assessment District - Saddle Creek	99,523.95	21,661.46	121,185.41	-	-	121,185.41
842-00-13101	Assessment District - DaLee/Cassidy	-	(3,042.89)	(3,042.89)	-	-	(3,042.89)
852-00-13101	Assessment District - Fly In Acres	-	(3,336.06)	(3,336.06)	-	-	(3,336.06)
862-00-13101	Assessment District - Wallace	310,642.25	(96,644.25)	213,998.00	-	213,998.00	-
920-00-13101	Advance Grant Fund	4,515.37	114.12	4,629.49	-	4,629.49	-
	TOTAL	68,360,894.78	(5,189,981.85)	63,170,912.93	1,893,810.96	60,986,715.11	290,386.86

Fund Activity Report as of 06.30.2023

	Water Fund	Sewer Fund
Revenue	18,703,735.96	9,058,453.48
Expenditure	18,488,662.34	7,539,523.12
Net Fund Activity	215,073.62	1,518,930.36

CALAVERAS COUNTY WATER DISTRICT
Capital Improvement Program
Expenditure Report - Water Projects
Year-to-Date through 06/30/2023 (as of 07/13/2023)

Funding Source	Area	Description	Total Estimated Cost	FY 22-23 Budgeted Cash Flow	FY 22-23 YTD Expenditures	FY 22-23 Remaining Balance	Prior Years Expenditures	Total Project Expenditures
22 Bond	CC	Lake Tulloch Submerged Water Line Cross	6,250,000	200,000	-	200,000	28,362	28,362
R&R	CC	Reeds Turnpike Pump Station Repl	-	-	850	(850)	5,311	6,161
22 Bond	CC	Copper Cove Tank B Pump Station Renov	2,500,000	400,000	15,257	384,743	6,890	22,147
Expansion	CC	CC Zone B-C Trans Pipeline & Pump Stn	9,000,000	400,000	37,353	362,647	-	37,353
Expansion	CC	Copper Cove O'Byrnes Water Line Extension	110,000	110,000	23,958	86,042	-	23,958
22 Bond	CC	Clearwell & Tank B / Repair & Paint	2,061,000	850,000	429,371	420,629	18,769	448,139
R&R	CC	Clearwell #2 / Repair & Paint	216,000	199,471	-	199,471	16,625	16,625
Reserve	Districtwide	District Corp Yard	2,350,000	1,445,000	1,367,617	77,383	1,146,287	2,513,903
R&R/Grant	EP	EP Redwood Tanks Replacement	4,000,000	2,000,000	1,320,592	679,408	2,397,158	3,717,750
R&R/Grant	EP	Hunter's Raw Water Pumps Renovation	2,700,000	2,400,000	53,355	2,346,645	120,417	173,772
R&R	EP	Big Trees Pump Stations 4 & 5 Repl	1,500,000	-	-	-	249	249
R&R	EP	White Pines Tule Removal/Spillway	100,000	96,715	7,698	89,017	3,285	10,983
R&R	EP	Sawmill/Hunter's Tanks / Repair & Paint	1,800,000	-	-	-	10,751	10,751
R&R	FM	EP Larkspur Pump Station Rehab	1,500,000	250,000	-	250,000	-	-
R&R	FM	Larkspur Tank / Repair & Paint	593,500	576,522	452,461	124,061	23,478	475,939
CIP Loan	JL	Jenny Lind Tank A-B Trans Line	7,012,625	1,763,890	419,700	1,344,190	152,161	571,862
R&R	JL	JL Tanks A,B,E,F Rehab	2,000,000	-	-	-	-	-
R&R	JL	JL Tank C Replacement	1,000,000	-	-	-	-	-
R&R	JL	JLWTP - Rehab Filters 1&2	450,000	450,000	450,618	(618)	-	450,618
AD	Wallace	Wallace WTP - Rehab Water Filters	50,000	50,000	51,000	(1,000)	-	51,000
R&R	Wallace	Wallace Tanks / Repair & Paint	1,500,000	-	-	-	7,020	7,020
USDA/Reserve	WP	WP AMR/AMI Meter Program	5,000,000	2,000,000	293,662	1,706,338	4,462,730	4,756,392
R&R/Grant/Bond	WP	West Point Backup Water Filter	3,000,000	1,850,000	1,291,412	558,588	560,890	1,852,302
R&R	WP	WP SCADA Improvements	-	-	-	-	434	434
R&R	WP	Sheep Ranch Water Plant Replacement	-	-	-	-	3,500	3,500
R&R	WP	Sheep Ranch Distribution System Replacement	-	-	-	-	305,070	305,070
R&R	WP	West Point Water Supply Drought Resiliency	-	-	-	-	23,943	23,943
TOTALS			54,693,125	15,041,598	6,214,903	8,826,695	9,324,894	15,539,797

CALAVERAS COUNTY WATER DISTRICT
Capital Improvement Program
Expenditure Report - Wastewater Projects
Year-to-Date through 06/30/2023 (as of 07/13/2023)

Funding Source	Area	Description	Estimated Cost	FY 22-23 Budgeted Cash Flow	FY 22-23 YTD Expenditures	FY 22-23 Remaining Balance	Prior Years Expenditures	Total Project Expenditures
CIP Loan	CC	CC L/S #6, 8 & Force Main Bypass	5,400,000	3,000,000	2,218,458	781,542	302,404	2,520,862
CIP Loan	CC	CC L/S #15 & 18 Renovations	4,750,000	2,500,000	403,962	2,096,038	326,915	730,877
R&R	CC	Copper Cove Pond 6	10,000,000	500,000	12,182	487,818	99,148	111,329
R&R/Expansion	CC	CC Secondary	15,000,000	1,230,241	114	1,230,127	127,658	127,772
CIP Loan/Expansion	CC	CC Tertiary/UV Improvements	169,759	169,759	169,759	(0)	150,071	319,831
R&R	CC	CC Lower/Upper X-Country Gravity/Force Main	5,000,000	-	-	-	-	-
R&R	Districtwide	Collection System Rehab and I&I Mitigation	150,000	150,000	97,118	52,883	36,838	133,955
CIP Loan/Expansion	EP	Arnold Secondary Clarifier	6,500,000	2,200,000	121,822	2,078,178	471,056	592,878
R&R	FM	FM UV Disinfection System Replacement	300,000	300,000	313,005	(13,005)	18,310	331,314
R&R	Jenny Lind	Jenny Lind Force Main	-	-	4,922	(4,922)	775	5,697
Expansion	La Contenta	LC Biolac, Clarifier & UV Improvements	5,000,000	1,000,000	570	999,430	1,146	1,717
Expansion	La Contenta	LaContenta Spray Fields	1,300,000	200,000	-	200,000	104,328	104,328
R&R	La Contenta	LaContenta Sand Filter Rehab	-	-	-	-	50,000	50,000
R&R	Vallecito	Vallecito WWTP System Improvements	150,000	150,000	156,194	(6,194)	26,691	182,886
AD	Wallace	Wallace Treatment Plant Renovations	247,345	75,000	1,614	73,386	188,192	189,806
Grant	WP	West Point/Wilseyville Consol Constr	8,500,000	6,000,000	1,387,583	4,612,417	547,763	1,935,346
TOTALS			62,467,104	17,475,000	4,887,303	12,587,697	2,451,296	7,338,600

Sewer CIP Loan

Date of Issuance: June 15, 2022

Area	Project	FY 2022-2023 Budgeted Cash Flow	FY 21-22	Jul/Aug 22	Sep/Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Total	% Complete
CC	CC L/S 6,8 & Force Main Bypass	3,000,000.00	10,160	10,110	963,209	137,107	8,391	9,012	15,439	853,378	3,103	87,202	131,512	2,228,621	74%
CC	CC WW Lift Station 15 & 18 Rehab	2,500,000.00	20,935	56,890	113,603	74,193	11,577	6,022	6,284	35,354	1,775	3,359	94,085	424,077	17%
CC	CC Sec/Tertiary & UV Improvements	1,400,000.00	-	-	-	-	-	-	-	-	-	-	-	-	0%
EP	Arnold Secondary Clarifier	2,200,000.00	372,064	34,634	29,428	20,380	5,540	225	16,302	4,282	6,852	4,088	91	493,886	22%
	Total	9,100,000.00	403,159	101,634	1,106,239	231,680	25,507	15,259	38,025	893,014	11,730	94,649	225,689	3,146,585	35%

Loan Proceeds **10,993,725**
 Remaining Principal Balance **7,847,140**

Water CIP Loan

Date of Issuance: June 1, 2022

Area	Project	FY 2022-2023 Budgeted Cash Flow	FY 21-22	Jul/Aug 22	Sep/Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Total	% Complete
CC	Copper Cove Tank B / Clearwell	850,000.00	7,573	19,580	53,714	23,301	-	43,659	33,649	134,412	-	-	39,573	355,462	42%
CC	Lake Tulloch Submerged Water Line	200,000.00	28,362	-	-	-	-	-	-	-	-	-	-	28,362	14%
CC	CC Tank B Pump Station Renovation	400,000.00	6,783	2,050	1,411	783	392	1,835	2,253	911	1,049	1,465	3,108	22,040	6%
CC	CC Zone B-C Trans Line/Pump Station	400,000.00	-	-	-	-	-	-	-	-	-	-	-	-	0%
JL	Jenny Lind A-B Transmission Line	1,763,890.00	120,755	17,853	121,556	6,341	49,270	59,377	72,813	30,050	33,242	19,109	10,090	540,455	31%
	Total	1,850,000.00	163,472	39,484	176,681	30,425	49,662	104,870	108,715	165,373	34,291	20,574	52,771	946,319	51%

Loan Proceeds **19,740,919**
 Remaining Principal Balance **18,794,600**

Agenda Item

DATE: July 18, 2023

TO: Finance Committee

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Report on the FY 2022-23 Fourth Quarter Investment Activities (Pre-Audit)

RECOMMENDED ACTION:

Receive Chandler Asset Management Report on the FY 2022-23 Fourth Quarter Investment Activity

SUMMARY:

Stated below are cash and investment balances for March 31 and June 30, along with the change in respective balances:

<u>Asset Description</u>	<u>3/31/2023</u>	<u>6/30/2023</u>	<u>Change</u>
Cash, Umpqua Bank (general account)	\$ 1,954,960	\$ 4,774,712	\$ 2,819,752
Cash on Hand, Petty Cash & Cash Drawer	600	600	-
Local Agency Investment Fund (LAIF)-District	11,061,892	11,141,986	80,094
Local Agency Investment Fund (LAIF)-2022 Loans	-	-	-
Chandler Asset Management-District	20,133,972	20,194,140	60,168
Chandler Asset Management-Water Loan Proceeds	19,670,496	19,454,395	(216,101)
Chandler Asset Management-Sewer Loan Proceeds	9,320,943	8,445,568	(875,375)
Trustee Accounts	149,948	215,644	65,697
Total Cash and Investments	<u>\$ 62,290,322</u>	<u>\$ 64,227,045</u>	<u>\$ 1,934,235</u>

District Funds	\$ 63,502,414
Advanced Grant Funds	4,602
Trustee Accounts	215,644
Assessment District Funds	<u>504,385</u>
Total Funds	<u>\$ 64,227,045</u>

This report is pre-audit data for the fourth quarter of FY 2022-23 and covers the months March through June 2023.

Items to note during the quarter are:

- 1) The following is a summary of the larger disbursements during the fourth quarter:
 - Department of Water Resources, \$241,275 (reimbursed by NCPA/MID)
 - ERS Industrial for payments toward CIP Projects \$439,702
 - KW Emerson for payments toward CIP Projects \$435,786
 - Mozingo for payments toward CIP Projects \$305,170
 - Peterson Brustad Inc for payments toward CIP Projects \$140,617
 - Plummerbuilt Inc for payments toward CIP Project (Warehouse) \$66,205
 - Hitek Equipment for Capital Outlay (Paver) \$74,055

- 2) Funds for the quarter are scheduled to be transferred from the Water and Sewer loans at Chandler Asset Management, to the corresponding CIP funds in July 2023. The total amount transferred will be \$107,636 Water and \$332,068 Sewer.

FINANCIAL CONSIDERATIONS:

Staff continues to monitor cash flow to ensure operational needs are met and excess funds are invested accordingly.



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.31
Average Coupon	1.65%
Average Purchase YTM	1.51%
Average Market YTM	4.89%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.54 yrs
Average Life	2.46 yrs

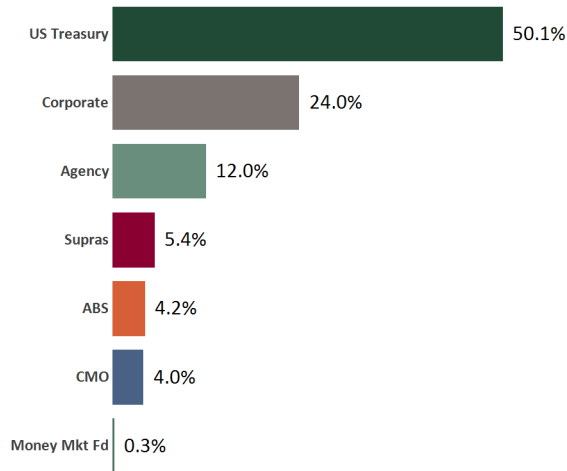
ACCOUNT SUMMARY

	Beg. Values as of 5/31/23	End Values as of 6/30/23
Market Value	19,127,987	19,032,077
Accrued Interest	69,100	63,712
Total Market Value	19,197,087	19,095,789
Income Earned	22,840	24,526
Cont/WD		-4
Par	20,212,352	20,242,333
Book Value	20,170,386	20,194,140
Cost Value	20,268,448	20,289,247

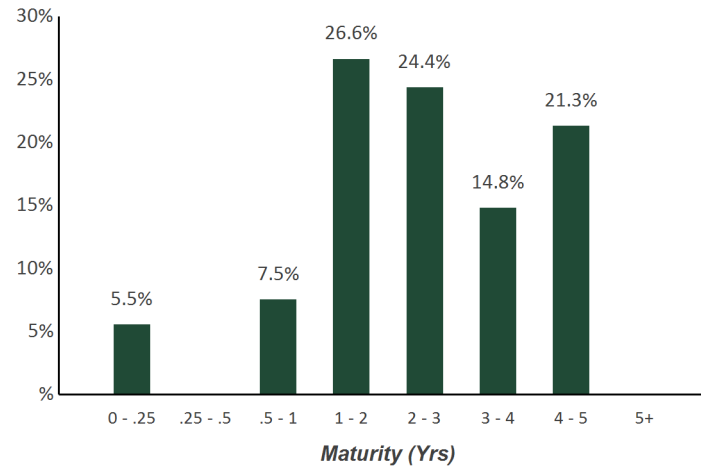
TOP ISSUERS

Government of United States	50.1%
Federal National Mortgage Assoc	8.0%
Federal Home Loan Mortgage Corp	5.9%
Inter-American Dev Bank	2.5%
Federal Home Loan Bank	2.1%
Intl Bank Recon and Development	1.9%
Charles Schwab Corp/The	1.4%
Honeywell Corp	1.4%
Total	73.3%

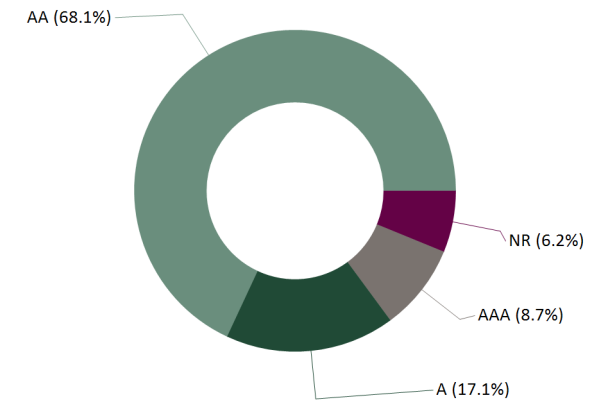
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	2/28/2021
Calaveras County Water District	-0.53%	-0.46%	1.17%	0.28%	-2.06%	N/A	N/A	N/A	-1.72%
ICE BofA 1-5 Yr US Treasury & Agency Index	-0.73%	-0.85%	0.95%	-0.42%	-2.53%	N/A	N/A	N/A	-2.17%

Reconciliation Summary

As of June 30, 2023



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$20,170,386.43
Acquisition		
+ Security Purchases	\$198,484.00	
+ Money Market Fund Purchases	\$229,490.32	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$427,974.32
Dispositions		
- Security Sales	\$145,875.00	
- Money Market Fund Sales	\$198,511.08	
- MMF Withdrawals	\$4.16	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$50,994.29	
Total Dispositions		\$395,384.53
Amortization/Accretion		
+/- Net Accretion	(\$2,679.92)	
		(\$2,679.92)
Gain/Loss on Dispositions		
+/- Realized Gain/Loss	(\$6,156.64)	
		(\$6,156.64)
ENDING BOOK VALUE		\$20,194,139.66

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$17,372.37
Acquisition		
Contributions	\$0.00	
Security Sale Proceeds	\$145,875.00	
Accrued Interest Received	\$480.98	
Interest Received	\$31,887.08	
Dividend Received	\$252.97	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$50,994.29	
Total Acquisitions	\$229,490.32	
Dispositions		
Withdrawals	\$4.16	
Security Purchase	\$198,484.00	
Accrued Interest Paid	\$27.08	
Total Dispositions	\$198,515.24	
ENDING BOOK VALUE		\$48,347.45



PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	4.70%
Average Purchase YTM	4.70%
Average Market YTM	4.70%
Average S&P/Moody Rating	AAA/Aaa
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

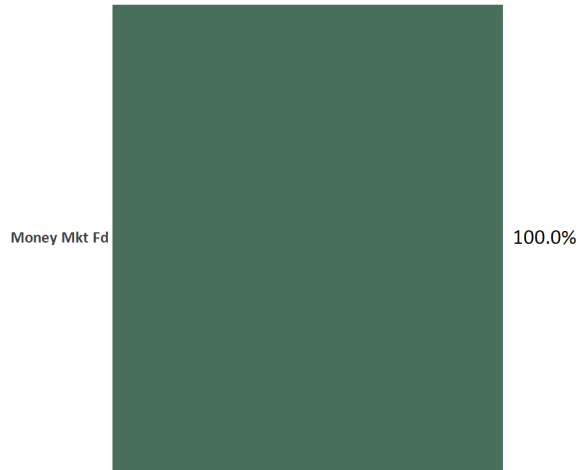
ACCOUNT SUMMARY

	Beg. Values as of 5/31/23	End Values as of 6/30/23
Market Value	19,379,471	19,454,395
Accrued Interest	0	0
Total Market Value	19,379,471	19,454,395
Income Earned	70,587	76,176
Cont/WD		-1,251
Par	19,379,471	19,454,395
Book Value	19,379,471	19,454,395
Cost Value	19,379,471	19,454,395

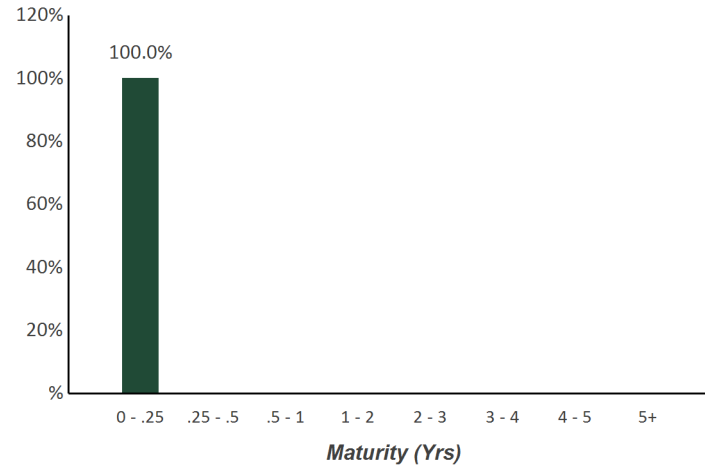
TOP ISSUERS

First American Govt Oblig Fund	100.0%
Total	100.0%

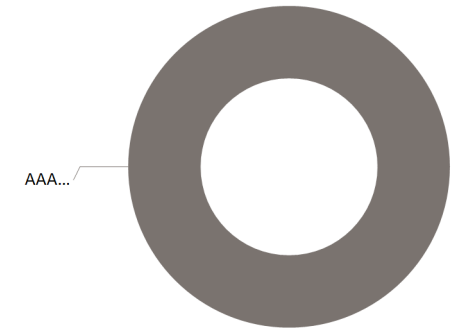
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Reconciliation Summary

As of June 30, 2023



BOOK VALUE RECONCILIATION	
BEGINNING BOOK VALUE	\$19,379,470.57
Acquisition	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$76,175.76
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$76,175.76
Dispositions	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$1,251.08
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$1,251.08
Amortization/Accretion	
+/- Net Accretion	\$0.00
	\$0.00
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$0.00
	\$0.00
ENDING BOOK VALUE	\$19,454,395.25

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$19,379,470.57
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$0.00
Dividend Received	\$76,175.76
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$76,175.76
Dispositions	
Withdrawals	\$1,251.08
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$1,251.08
ENDING BOOK VALUE	\$19,454,395.25



PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	4.70%
Average Purchase YTM	4.70%
Average Market YTM	4.70%
Average S&P/Moody Rating	AAA/Aaa
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

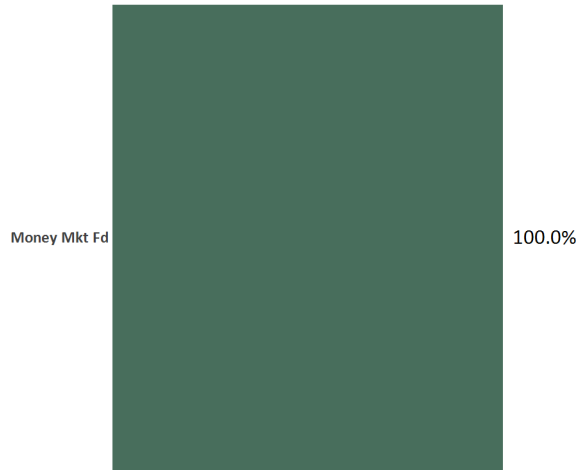
ACCOUNT SUMMARY

	Beg. Values as of 5/31/23	End Values as of 6/30/23
Market Value	8,413,042	8,445,568
Accrued Interest	0	0
Total Market Value	8,413,042	8,445,568
Income Earned	32,125	33,070
Cont/WD		-543
Par	8,413,042	8,445,568
Book Value	8,413,042	8,445,568
Cost Value	8,413,042	8,445,568

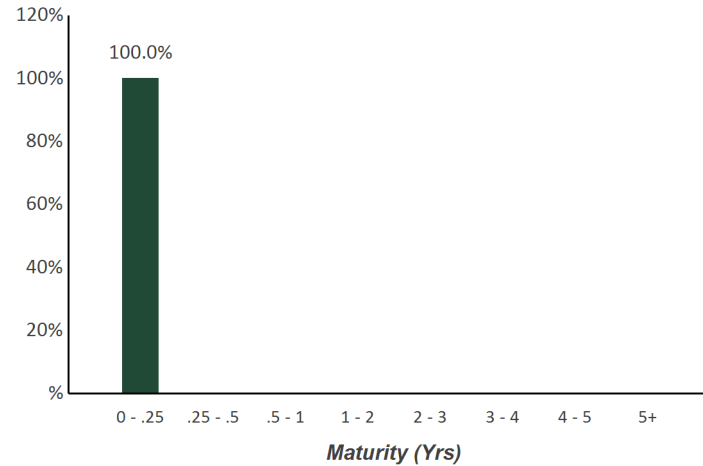
TOP ISSUERS

First American Govt Oblig Fund	100.0%
Total	100.0%

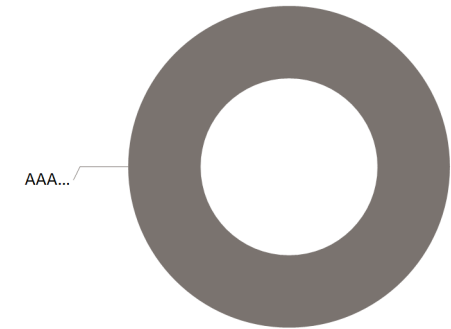
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Reconciliation Summary

As of June 30, 2023



BOOK VALUE RECONCILIATION	
BEGINNING BOOK VALUE	\$8,413,041.88
Acquisition	
+ Security Purchases	\$0.00
+ Money Market Fund Purchases	\$33,069.57
+ Money Market Contributions	\$0.00
+ Security Contributions	\$0.00
+ Security Transfers	\$0.00
Total Acquisitions	\$33,069.57
Dispositions	
- Security Sales	\$0.00
- Money Market Fund Sales	\$0.00
- MMF Withdrawals	\$543.12
- Security Withdrawals	\$0.00
- Security Transfers	\$0.00
- Other Dispositions	\$0.00
- Maturities	\$0.00
- Calls	\$0.00
- Principal Paydowns	\$0.00
Total Dispositions	\$543.12
Amortization/Accretion	
+/- Net Accretion	\$0.00
	\$0.00
Gain/Loss on Dispositions	
+/- Realized Gain/Loss	\$0.00
	\$0.00
ENDING BOOK VALUE	\$8,445,568.33

CASH TRANSACTION SUMMARY	
BEGINNING BALANCE	\$8,413,041.88
Acquisition	
Contributions	\$0.00
Security Sale Proceeds	\$0.00
Accrued Interest Received	\$0.00
Interest Received	\$0.00
Dividend Received	\$33,069.57
Principal on Maturities	\$0.00
Interest on Maturities	\$0.00
Calls/Redemption (Principal)	\$0.00
Interest from Calls/Redemption	\$0.00
Principal Paydown	\$0.00
Total Acquisitions	\$33,069.57
Dispositions	
Withdrawals	\$543.12
Security Purchase	\$0.00
Accrued Interest Paid	\$0.00
Total Dispositions	\$543.12
ENDING BOOK VALUE	\$8,445,568.33

Agenda Item

DATE: July 18, 2023

TO: Finance Committee

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Update on the FY 2023-24 Operating Budget – Deferred Items

RECOMMENDED ACTION:

Update on the FY 2023-24 Operating Budget - Deferred Items.

SUMMARY:

On June 28, 2023, the Board of Directors adopted the FY 2023-24 Operating and Capital Improvements Budgets. The adopted FY 2023-24 Operating Budget included \$736,064 in reduced expenditures when compared to the preliminary budget. The reductions included \$510,261 in Capital Outlay projects and equipment, and \$225,803 in Services and Supplies. Additionally, staff identified several budgeted items that will be deferred until after the Proposition 218 Public Rate Hearing, scheduled for September 13, 2023.

The attached draft report was developed to provide to the Finance Committee a monthly report that summarizes the deferred items and tracks expenditures. After receiving input from the Finance Committee staff will finalize the report and start reporting to the Finance Committee at the August meeting.

FINANCIAL CONSIDERATIONS:

None at this time.

Attachment: FY 2023-24 Operating Budget – Draft Deferred Items Report

Calaveras County Water District
 FY 2023-24 Operating Budget - Deferred Budgeted Items, Capital Outlay

Capital Type	Dept	Qty	Location	Description	Final Budget	Deferred	Deferred Water	Deferred Sewer	Expenditures Jul 23	Expenditures Aug 23	Expenditures Sep 23	Expenditures Oct 23	Balance
Capital Lease	54	8	District Wide	FY 2023-24 Vehicle Lease to Own - New	136,240	136,240	99,455	36,785	-	-	-	-	136,240
Equipment	54	1	West Point	Vac Trailer	127,448	127,448	93,037	34,411	-	-	-	-	127,448
Equipment	54	1	Collections	Push Cams	35,000	35,000	-	35,000	-	-	-	-	35,000
Equipment	54	1	Corp Yard	Tire Balancer	9,000	9,000	6,570	2,430	-	-	-	-	9,000
Equipment	54		Corp Yard	Warehouse Equipment and Furniture	7,500	7,500	5,475	2,025	-	-	-	-	7,500
Equipment	58	1	District Wide	Line Locator - Replacement	7,000	7,000	5,110	1,890	-	-	-	-	7,000
Projects	54	3	La Contenta WWTP	Sand Filters - Rehabilitation	150,000	150,000	-	150,000	-	-	-	-	150,000
Projects	54		District-Wide	Critical Generator Replacement (25% match)	67,715	67,715	49,432	18,283	-	-	-	-	67,715
				Total	539,903	539,903	259,079	280,824	-	-	-	-	539,903

FY 2023-24 Operating Budget - Deferred Budgeted Items, Services and Supplies

Dept	Account		Services and Supplies	Description	Final Budget	Deferred	Deferred Water	Deferred Sewer	Expenditures Jul 23	Expenditures Aug 23	Expenditures Sep 23	Expenditures Oct 23	Balance
Dept 54	60590		Professional Services	ARC Flash Assessment (WW)	50,000	50,000	50,000	-	-	-	-	-	50,000
				Total	50,000	50,000	50,000	-	-	-	-	-	50,000

Agenda Item

DATE: July 18, 2023

TO: Finance Committee

FROM: Kelly Richards, Business Services Manager

SUBJECT: Update to Leak Adjustment Process Under Credit Adjustment Policy

RECOMMENDED ACTION:

Update the Leak Adjustment Process to calculate the credit using the consumptive amount during the most affected billing period instead of billed monetary amount.

SUMMARY:

As per Ordinance No. 2000-03 "Credit Adjustment Policy," the Board of Directors of Calaveras County Water District (CCWD) deems it appropriate and necessary to provide the General Manager and his authorized designees with the ability to make credit adjustments to customer accounts to resolve customer-disputed charges. A provision of this policy relates to leak adjustments specifically, which is calculated as 50 percent of the amount in excess during the most affected billing period when compared to the same billing period from the previous year.

Historically, CCWD has been calculating leak adjustments using the billed monetary amount for the most affected two-month billing period and deducting the billed monetary amount for the same billing period from the previous year. 50 percent of this monetary difference has then been applied to the customer account as the credit adjustment.

Industry best practices suggest that using the consumptive amount for the affected billing period as the basis for the adjustment versus the billed monetary amount is a more reasonable and effective basis for calculation. Our billed consumptive amounts (CF) do not change from year to year; however, our billed rates do change, thus we need to shift our adjustment calculation to use the consumptive excess (water loss) instead of monetary excess.

This change to the Leak Adjustment Process will ensure we are providing the most accurate credit amount to the customer account while also falling in line with the process performed by other water utilities.

FINANCIAL CONSIDERATIONS:

None at this time.

*Attachment: Credit Adjustment Policy
Leak Adjustment Process & Calculator*

ORDINANCE NO. 2000- 03

Credit Adjustment Policy

The Board of Directors of CALAVERAS COUNTY WATER DISTRICT (CCWD) has determined that it is necessary and appropriate to adopt a policy for credit adjustments.

NOW, THEREFORE, BE IT ORDAINED as follows:

Section 1. Findings.

The General Manager and his authorized designees may make credit adjustments not to exceed \$1,000 to customer accounts in order to resolve customer-disputed charges. Such an adjustment must be requested in writing by the customer and supported by documentation showing that the credit is allowed due to extraordinary circumstances that render established policies and procedures of the District unreasonable or inapplicable.

Inclusive in this adjustment policy is a provision for leak adjustments calculated as 50 percent of the amount in excess of the customer's bill in a like period from a previous year. Leak adjustments will only be granted once every five years per water service account.

Adjustments in excess of \$1,000 require approval from the Board of Directors through variance procedures as established by the District.

Section 2. Effect on Prior Actions.

All provisions of prior ordinances and resolutions of CCWD not inconsistent with this Ordinance shall remain in full force and effect.

Section 3. Severability.

This Ordinance and the various sections thereof are hereby declared to be severable. To the extent the terms and provisions of this Ordinance are in conflict or are otherwise inconsistent with the terms and provisions of any prior CCWD ordinances, resolutions, rules, and other actions, the terms and provisions of this Ordinance shall prevail with respect thereto. The District hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

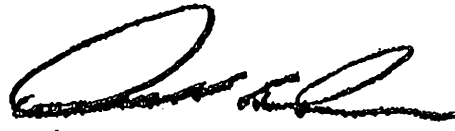
Section 4. Publication/Effective Date.

This Ordinance shall take effect as of this date.

PASSED AND ADOPTED this 14th day of June, 2000, by the following vote:

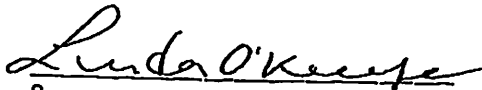
AYES: Directors Deem, Weinkle, Fonceca, Hebrard and Davidson
NOES: None
ABSENT: None
ABSTAIN: None

CALAVERAS COUNTY WATER DISTRICT



President

ATTEST:



Secretary

General Manager

LEAK ADJUSTMENT PROCESS

LAST UPDATED: 7/14/2023

AUTHOR: K. RICHARDS

PURPOSE:

The District offers a leak adjustment to customers for unforeseen water loss, such as a leak. The adjustment is calculated as 50 percent of the amount in excess of the customer's bill in a like period from the previous year. Leak adjustments will only be granted once every five years per each water service account. Adjustments in excess of \$1,000 require approval from the Board of Directors through variance procedures as established by the District.

STEP ONE: PREPARE THE LEAK ADJUSTMENT PAPERWORK (LETTER & CALCULATION)

Paperwork

Leak adjustment credits are calculated by comparing the consumption amount (CF) of the most affected billing period of the current year to that of the same billing period the previous year. **We always express the importance of making sure the leak is repaired since we cannot spread the adjustment over more than one billing cycle.

Verify repair of leak with customer and use both customer information and Sentryx system AMI data to confirm timeframe of leak

Open the account in Incode

Click on Billing

Click on Services

Double click the Water Service Code to open a new window

Click on Consumption History

Locate the most affected billing period to retrieve the billing consumption amount. This information will be added to the Leak Calculation excel spreadsheet

Locate the billed consumption amount for the same billing period during the previous year. This information will be added to the Leak Calculation excel spreadsheet

The Leak Calculation spreadsheet is located here:

Once this information is added to the Leak Calculation excel spreadsheet, the credit will be automatically calculated. **Please be sure you are using the excel spreadsheet applicable to the current rates

Letter

Enter the required information **The letter is fillable

- If the customer does not meet the requirements of the Leak Adjustment, i.e. a leak adjustment has already been applied within the last five years, send the DENIAL letter
- If the customer meets the requirements of the Leak Adjustment, prepare the APPROVAL letter

If the Approval letter is used, make two copies of the letter and the calculation spreadsheet.

- One of the copies goes into the Leak Adjustment Folder in the bottom drawer at the front desk in Customer Service.
- **If the adjustment is under \$1,000:** The other copy is mailed or emailed to the customer to be signed and returned for processing. **The form can only be signed by the legal deeded property owner and must be signed before any credits are applied to the account.
- **If the adjustment is over \$1,000:** The other copy is provided to the Business Services Manager to be added on the consent calendar for the next Board Meeting for Board of Directors consideration.

STEP TWO: PROCESS THE LEAK ADJUSTMENT (ADD THE CREDIT TO THE CUSTOMER ACCOUNT)

Open the account in Incode

Pull the copy of the leak adjustment from the folder in the bottom drawer at the front desk

Click on Common, Processing, Processing

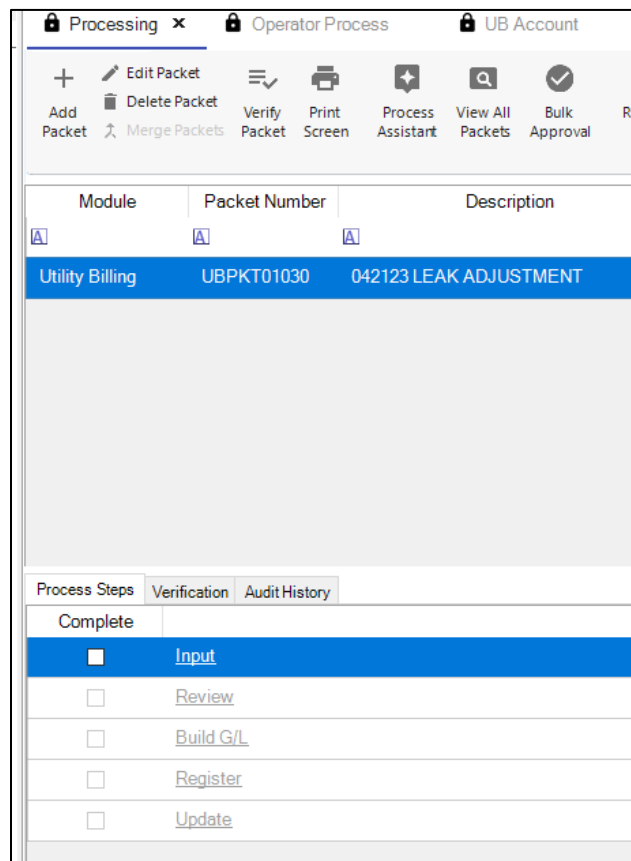
Click on Add Packet

Use the drop down on the Module Line and click on Utility Billing

Use the drop down on the Process Line and click on Account Adjustment Process

On the Description Line, Type in today's 6-digit date and Leak Adjustment → ____-____-____ Leak Adjustment

Click on OK



Click on Input

Enter the account number

Use the drop down menu on the Adjustment Code Line

Scroll down to Leak Adjustment, hit TAB

Type in Leak Adjustment on the Reference Line

On the Alert Line use the Drop Down to select "Leak Adjustment in Process"

Click TAB

Revenue Code 103 General Water Revenue will auto-populate in the field ****DO NOT CHANGE THIS**

The screenshot shows a software window titled "Adjustment Input". At the top, there is a menu bar with icons for "Save and Close", "Save and New", "Delete", "Print Screen", and "Help". Below the menu bar, the address "61" and "HARTVICKSON LN VALLEY SPRINGS CA 95252" are visible. The main form area is divided into sections. On the left, there is a sidebar with tabs for "General", "Fees/Charges", and "Note". The "General" tab is active. The form fields are as follows:

Account Number	61
Adjustment Code	LEAK - LEAK ADJUSTMENT
Reference	LEAK ADJUSTMENT
Alert	LEAK ADJUSTMENT - Leak Adjustment In F
Revenue Code	100-WJL
Amount	-259.75
Tax Amount	0.00

At the bottom of the form, there is a button labeled "Split Distribution".

On the amount Line enter Credit Amount **be sure to put a (-) in front of the \$ amount

Click Save and Close

Click Review

Make sure the dollar amount has the (-) sign

Click Build G/L

Click Begin Processing

Click Register

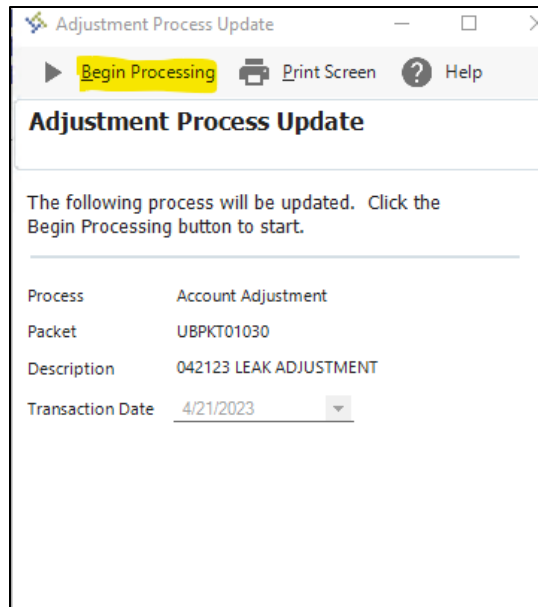
Click Run Report

The Adjustment Register will appear. Email this document to yourself.

Click the X in the upper right corner

Click Update

Click Begin Processing



Click OK

Open the customer account in "UB Account" to verify the leak adjustment has been processed

Click on "Documents"

Click on Scan

Click Scan and scan in the two documents (signed letter and calculation spreadsheet) onto the account

Rename the attachment to "Leak Adjustment _ _ _ _ _" ← 6-digit date

Click the "Disk" icon on the toolbar to Save

Go to your Email and find the Adjustment Register report

Open the V drive Customer Service

Open Billing Adjustment Batches

Find the Year and Month file

From your email, Drag the attachment to the file

Rename Date, Your Name, Leak Adjustment

LEAK ADJUSTMENT CALCULATION

Customer:

Account Number:

APN:

Billing Cycle Affected:

Prior Year Usage (cf):

Current Year Usage (cf):

Difference (cf):

Difference (gal):

Total Credit (50% of Total Difference):

\$ -

Do not alter information below this line - formulas will be affected.

Calculation

Difference in Consumption (cf):

Tier Table

		Rate		
Tier 1	0 - 1,000	1.17	0	\$ -
Tier 2	1,001 - 5,000	1.22	0	\$ -
Tier 3	5,001 - 12,000	1.68	0	\$ -
Tier 4	12,001 +	1.90	0	\$ -

Total Difference:

\$ -

Agenda Item

DATE: July 18, 2023

TO: Finance Committee

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Discussion/Direction Regarding District's Capital R&R Rate Ordinance and Financial Management Policy – No. 5.00, Budget and Fiscal Policies

RECOMMENDED ACTION:

Discussion/Direction Regarding District's Capital R&R Rate Ordinance and Financial Management Policy – No. 5.00, Budget and Fiscal Policies.

SUMMARY:

Ordinance No. 2013-01, an Ordinance of the Calaveras County Water District Modifying Rates for Water and Wastewater Services was adopted by the Board of Directors on July 10, 2013. Section 5 of Ordinance 2013-01, *Use of Additional Revenue*, states:

“Funds received as a result of a rate increase above the current rates as of July 10, 2013 must be placed in a restricted fund and the funds must be used to fund the renovation and replacement of the District's existing capital infrastructure. The funds in this account cannot be used for any other purpose without a 4/5th vote of the full Board of Directors of the District.”

As part of the current Rate Study the District is looking to separate the Capital Renovation and Replacement (Capital R&R) funding requirements from the rates and rate ordinance. Attached is a draft of a new capital funding ordinance for review. Additionally, staff has prepared draft updates to the District's Budget and Fiscal Policies, Financial Management Policy 5.00, specifically, Section 5.00.4, Capital Improvement Policies, and Section 5.00.7, Rate Setting Policies, which are attached for review.

Staff will review the draft changes and request comments from the Finance Committee prior to presenting proposed ordinance and policy changes at the August meeting.

FINANCIAL CONSIDERATIONS:

None at this time.

Attachments:

- Draft Capital Improvement Funding Ordinance
- Ordinance 2013-01, an Ordinance of the Calaveras County Water District Modifying Rates for Water and Wastewater Services
- Draft amendments to District Financial Management Policy No. 5.00 – Budget and Fiscal Policies

ORDINANCE NO. 2023-02

**AN ORDINANCE OF CALAVERAS COUNTY WATER DISTRICT
DESIGNATING FUNDING LEVELS FOR THE WATER AND
WASTEWATER CAPITAL IMPROVEMENT PROGRAM**

WHEREAS, *the Board of Directors of the Calaveras County Water District* (District) has responsibility for establishing rates for the provision of District services and corresponding implementation policies; and

WHEREAS, *Ordinance No. 2013-01, an Ordinance of the Calaveras County Water District Modifying Rates for Water and Wastewater Services* was passed and adopted by the District's Board of Directors on July 10, 2013; and

WHEREAS, *Section 5 of Ordinance 2013-01, Use of Additional Revenue*, states that funds received as a result of a rate increase above the current rates as of July 10, 2013 must be placed in a restricted fund and the funds must be used to fund the renovation and replacement of the District's existing capital infrastructure. The funds in this account cannot be used for any other purpose without a 4/5th vote of the full Board of Directors of the District; and

WHEREAS, the District has prepared a *Water & Wastewater Rate Study* dated September 2023 that recommended adjustments to water and wastewater rate schedules, including changes to Capital Renovation and Replacement water and wastewater charges; and

WHEREAS, the official noticed Public Hearing was held on Wednesday, September 13, 2023, and written protests received in accordance with the procedures outlined in Article XIID, Section 6 numbered less than half of the property owners served; and

WHEREAS, the Board of Directors passed and adopted the rates relative to the provision of water and wastewater services, which did not include the Capital Renovation and Replacement water and wastewater charges; and

WHEREAS, the Board of Directors supports and prioritizes the long-term capability and sustainability of the District's water and wastewater Capital Improvement Program and related infrastructure, and the funding required support said infrastructure; and

WHEREAS, the Board of Directors desires to set a minimum level of funding from water and wastewater rate revenues to adequately support its water and wastewater Capital Improvement Program, including the funding of debt issued to support said program; and

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NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Calaveras County Water District as follows:

Section 1. Ordinance 2013-01, Section 5. Use of Additional Revenue is hereby rescinded.

Section 2. Funding. At a minimum, the District shall fund its annual capital improvement program, including any capital improvement related debt issuances, at a level equal to the greater of the annual depreciation expense of the water and wastewater enterprise funds, or at the level of the water and wastewater Capital Renovation and Replacement (Capital R&R) revenues received in FY 2023-24; \$3.4 million in water Capital R&R and \$1.2 million in wastewater Capital R&R.

Section 3. Use of Funds. The capital funds received as a result of this ordinance must be placed in restricted funds and the funds must be used for the District’s Capital Improvement Program or related capital improvement debt issuances. Furthermore, the funds cannot be used for any other purpose without a 4/5th vote of the full Board of Directors of the District.

PASSED AND ADOPTED this 13th day of September 2023 by the following vote:

- AYES:**
- NOES:**
- ABSTAIN:**
- ABSENT:**

CALAVERAS COUNTY WATER DISTRICT

Scott Ratterman, President
Board of Directors

ATTEST:

Rebecca Hitchcock
Clerk to the Board

ORDINANCE NO. 2013-01

AN ORDINANCE OF CALAVERAS COUNTY WATER DISTRICT
MODIFYING RATES FOR
WATER AND WASTEWATER SERVICES

WHEREAS, the Board of Directors of the Calaveras County Water District (District) has responsibility for establishing rates for the provision of District services and corresponding implementation policies; and

WHEREAS, the District has prepared financial and policy information in respect to the provision of water and wastewater services over the next five years for review by the Board of Directors and the public, and caused to be prepared a *Water & Wastewater Rate Study* dated May 2013 that recommended adjustments to water and wastewater rate schedules; and

WHEREAS, the Board of Directors held fifteen public meetings starting in July 2012 on the need to increase water and wastewater rates, including Board meetings on March 13, March 27, April 10, April 24 and May 2, 2013, and held three Town Hall Meetings in various communities throughout the District between June 10 and June 26, 2013 regarding Water and Wastewater financial and rate issues; and

WHEREAS, the Board of Directors has received considerable community input during the public meetings and Town Hall Meetings and has considered this input in formulating the proposed rates; and

WHEREAS, the District has, in accordance with Article XIII D, Section 6 of the California State Constitution, provided written notices containing detailed descriptions of proposed water and wastewater rate changes for property owners who receive water and/or wastewater services from the District; and

WHEREAS, the Notice of Proposed Water and Wastewater Rate Increase, mailed May 24, 2013, included notification of a Public Hearing on July 10, 2013 to consider rate increases, said date having been established by Board action at its meeting of May 2, 2013; and

WHEREAS, the official noticed Public Hearing was held on Wednesday, July 10, 2013, and all public present were given an opportunity to comment on the proposed Ordinance; and

WHEREAS, written protests received in accordance with the procedures outlined in Article XIII D, Section 6 numbered less than half of the property owners served; and

WHEREAS, the Board of Directors finds that it is now necessary to modify existing rates relative to the provision of water and wastewater services.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Calaveras County Water District as follows:

Section 1. Purpose. The purpose of this Ordinance is to increase water and wastewater rates as necessitated by the cost of providing water and wastewater services, including, but not limited to, operations and maintenance, debt service, the capital improvement program, and meeting financial reserve requirements.

Section 2. Findings. The Board of Directors finds and determines as follows:

- The water and wastewater service rates implemented by this ordinance, in conjunction with other estimated revenue sources, have been fixed in an amount sufficient to pay the operating and maintenance expenses of the District's water and wastewater systems, pay the principal and interest on existing debt, provide sufficient revenues for reserve requirements, and fund the renovation and replacement of the District's existing capital infrastructure.
- The increased water and wastewater rates are reasonably related to, and do not exceed, the District's cost of providing water and wastewater services.
- The revenues derived from the water rates do not exceed the funds required to provide water service, and are not used for any other purpose than in the provision of water services.
- The revenues derived from the wastewater rates do not exceed the funds required to provide wastewater services, and are not used for any other purpose than in the provision of wastewater services.
- The amount of the water and wastewater rates imposed on each water and wastewater service customer does not exceed the proportional cost of the water and/or wastewater service actually delivered or made available to every identified parcel of real property and/or customer within the District's service boundary.
- Every property subject to the rates established by this Ordinance actually uses the underlying service or the service is immediately available for that property's use.
- The District has, in accordance with Article XIID of the California State Constitution, provided written notices containing detailed descriptions of proposed water and wastewater rate changes to District property owners who receive service from the District and written protests presented to the District for the proposed rates did not exceed fifty percent (50%) of the property owners.
- The District conducted a duly noticed Public Hearing on July 10, 2013 concerning the proposed rate increases at which time the public had the opportunity to speak to the Board of Directors regarding the proposed increases and the Board of Directors considered the testimony received prior to making a final decision to implement the rate increases.

Section 3. Water and Wastewater Rate Schedule. The water and wastewater rates are established in accordance with the provisions of EXHIBIT 1 attached hereto and incorporated herein. The rates shown replace monthly water and wastewater charges established and adjusted by previous actions of the Board of Directors.

Section 4. Effect on Existing Policies. Any provision of any ordinance, resolution, fee, charge and/or other policy of the District in conflict with this Ordinance 2013-01 is hereby modified to the extent, and only to the extent, necessary to conform with the requirements provided herein. If any existing fees, charges and/or regulations in effect on the date of adoption of this ordinance are not in conflict herewith, said existing fees, charges and/or regulations shall remain in effect without modification.

Section 5. Use of Additional Revenue. Funds received as a result of a rate increase above the current rates as of July 10, 2013 must be placed in a restricted fund and the funds must be used to fund the renovation and replacement of the District's existing capital infrastructure. The funds in this account cannot be used for any other purpose without a 4/5th vote of the full Board of Directors of the District.

Section 6. Effective Date. Consistent with Water Code Section 31105, this Ordinance shall become effective September 1, 2013.

Section 7. Rates.

The District's water and wastewater rates will be implemented as set forth in this Section.

1.1) **Monthly Water Rates – EXHIBIT 1, Schedule A** attached hereto shall be the basis for minimum water charges to customers receiving service.

1.1.1) **Base Rates – EXHIBIT 1, Table 1 of Schedule A** represents the monthly water base rate charged for sale of potable water through various meter sizes within the District service area.

1.1.1.1) **Effective Date** - The monthly water base rates shown in **EXHIBIT 1, Table 1 of Schedule A** shall become effective September 1 of each year as shown. The first base rate increase shall occur on September 1, 2013.

1.1.2) **Consumptive Rates – EXHIBIT 1, Table 2 of Schedule A** represents the tiered consumptive rates applied to average monthly water usage in cubic feet (**cf**) for various meter sizes. The usage charge is shown in dollars per hundred cubic feet (**\$/hcf**).

1.1.2.1) **Effective Date** - The tiered rates shown become effective September 1, 2013 and remain in effect until changed by subsequent Board action.

1.2) **Monthly Wastewater Rates – EXHIBIT 1, Schedule B** attached hereto represents the monthly wastewater flat rate charged for sanitary sewer service within the District service area.

1.2.1) The table in **EXHIBIT 1, Schedule B** represents the charge for a standard single family residential connection (also referred to in Board policy documents as a single family dwelling equivalent – sfde or equivalent single family unit - esfu).

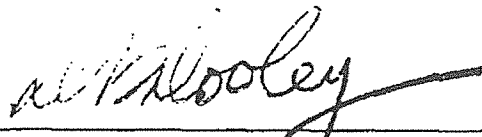
1.2.2) **Effective Date** - The monthly wastewater rates shown in **EXHIBIT 1, Schedule B** shall become effective September 1 of each year shown. The first rate increase shall occur on September 1, 2013.

1.3) **Future Rate Adjustments** - Within six months of September 1, 2018, the District will undertake a water and wastewater rate review.

PASSED AND ADOPTED this 10th day of July 2013, after a noticed Public Hearing by the following vote:

AYES: Directors Ratterman, Davidson, Stump and Dooley
NOES: Director Dean
ABSTAIN: None
ABSENT: None

CALAVERAS COUNTY WATER DISTRICT



Dennis Dooley, President
Board of Directors

ATTEST:



Mona Walker
Clerk to the Board

EXHIBIT 1

Schedule A Monthly Water Rates

The water base rates shall be effective as indicated in Table 1 and shall include up to 500 cubic feet (cf) of water use per month for a 5/8" meter and include proportionately more water for larger meter sizes:

Table 1

Monthly Water Base Rate Charges by Meter Size

Meter Size	Monthly Base Rate Charge				
	Sep 1, 2013	Sep 1, 2014	Sep 1, 2015	Sep 1, 2016	Sep 1, 2017
5/8"	\$49.38	\$56.78	\$61.89	\$61.89	\$61.89
3/4"	\$74.06	\$85.17	\$92.84	\$92.84	\$92.84
1"	\$123.44	\$141.95	\$154.73	\$154.73	\$154.73
1.5"	\$246.88	\$283.91	\$309.46	\$309.46	\$309.46
2"	\$395.00	\$454.25	\$495.13	\$495.13	\$495.13
3"	\$790.00	\$908.50	\$990.27	\$990.27	\$990.27
4"	\$1,234.38	\$1,419.53	\$1,547.29	\$1,547.29	\$1,547.29

In addition to the above Base Rate Charges, the Usage Rate Charges indicated in Table 2 shall apply for each 100 cubic feet of water used based on meter size.

Table 2

Monthly Water Tiered Rate Charges by Meter Size (\$/hcf)

Tiered Rates per 100 cf by Fiscal Year (5/8" meter only)				
Fiscal Year	0 - 500 cf	501 - 3,000 cf	3,001 - 6,000 cf	Over 6,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

Tiered Rates per 100 cf by Fiscal Year (3/4" meter only)				
Fiscal Year	0 - 750 cf	751 - 4,500 cf	4,501 - 9,000 cf	Over 9,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

Table 2 cont'd

Monthly Water Tiered Rate Charges by Meter Size (\$/hcf)

Tiered Rates per 100 cf by Fiscal Year (1.0" meter only)				
Fiscal Year	0 - 1,250 cf	1,251 - 7,500 cf	7,501 - 15,000 cf	Over 15,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

Tiered Rates per 100 cf by Fiscal Year (1.5" meter only)				
Fiscal Year	0 - 2,500 cf	2,501 - 15,000 cf	15,001 - 30,000 cf	Over 30,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

Tiered Rates per 100 cf by Fiscal Year (2.0" meter only)				
Fiscal Year	0 - 4,000 cf	4,001 - 24,000 cf	24,001 - 48,000 cf	Over 48,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

Tiered Rates per 100 cf by Fiscal Year (3.0" meter only)				
Fiscal Year	0 - 8,000 cf	8,001 - 48,000 cf	48,001 - 96,000 cf	Over 96,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

Tiered Rates per 100 cf by Fiscal Year (4.0" meter only)				
Fiscal Year	0 - 12,500 cf	12,501 - 75,000 cf	75,001 - 150,000 cf	Over 150,000 cf
FY 13-14	Included	\$1.25	\$1.56	\$2.00
FY 14-15	Included	\$1.44	\$1.80	\$2.30
FY 15-16	Included	\$1.57	\$1.96	\$2.51
FY 16-17	Included	\$1.57	\$1.96	\$2.51
FY 17-18	Included	\$1.57	\$1.96	\$2.51

Schedule B

The following wastewater rates shall be effective as indicated below:

Monthly Wastewater Rates and Effective Dates of Rate Increases

Monthly Wastewater Rate				
Sep 1, 2013	Sep 1, 2014	Sep 1, 2015	Sep 1, 2016	Sep 1, 2017
\$77.63	\$86.16	\$90.00	\$90.00	\$90.00

5.00.4 Capital Improvement Policy

A twenty (20) year system master planning period will be utilized by the District with five (5) year updates. The capital improvement program will be developed separately for the Water and Wastewater utilities and will consider mandated capital, growth related capital and renewal and replacement capital. Growth-related capital projects shall be clearly identified.

- 5.00.4.01 The District will develop facilities master plans for capital improvements to be reviewed annually and updated every five (5) years or as prescribed by State Law. Future Capital expenditures will be projected annually during the budget process based on changes in the community population, real estate development, and replacement of the infrastructure or to meet regulatory mandates.
- 5.00.4.02 The district staff will construct all capital improvements in accordance with an adopted Capital Improvement Program.
- 5.00.4.03 All CIP projects have a three (3) year life cycle. If project completion takes longer than three years, the fund balance will need to be reauthorized by the Board or it will be removed.
- 5.00.4.04 The District will coordinate preparation of the Capital Improvement Budget with preparation of the Operating Budget. Future operating costs associated with new capital improvements will be projected and included in the Operating Budget forecasts.
- 5.00.4.05 The District prefers a “pay as you go” strategy whenever possible. When appropriate, capital improvements will be paid through current revenue/reserve sources rather than financing capital projects over a period of time.
- 5.00.4.06 The estimated cost of capital replacement will be consistent with the District’s asset management model to ensure that rates and charges incorporate the cost of asset replacement.
- 5.00.4.07 At a minimum, the District ~~should~~shall fund its annual capital improvement program, renewal and replacements, including any capital improvement related debt issuances, at a level equal to the greater of the annual depreciation expense of the water and wastewater enterprise funds, or at the level of the water and wastewater Capital Renovation and Replacement (Capital R&R) revenues received in FY 2023-24; \$3.4 million in water Capital R&R and \$1.2 million in sewer Capital R&R. phased in over the next five year period.

- 5.00.4.08 The District staff will identify the estimated costs and potential funding sources for each proposed capital project before it is submitted to the Board for approval. If potential funding source is not available and Staff recommends a loan to fund the CIP Project, Staff will identify where the loan proceeds will come from prior to submitting to the Board for approval.
- 5.00.4.09 Changes or deviations from the approved Capital Improvement Program should be accounted for and reported directly to the Board before proceeding on the project. The report should include an analysis of long-term financial costs and the overall impact to the current Capital Improvement Program due to the change or deviation.
- 5.00.4.10 With Board approval, unexpended project appropriations will be carried forward as continuing appropriations to future fiscal years as required to complete the intent of the original budget.
- 5.00.4.11 The District shall attempt to determine the least costly financing method for all new projects.
- 5.00.4.12 The District will actively pursue grant and other outside funding sources for all capital improvement projects.

5.00.7 Rate Setting Policies

When reviewing rates, it is important to use a methodology that is “generally accepted” in the financial and rate setting community as well as the water and wastewater utility industry. This will assure a legally defensible approach as well as consistency of the analysis over time.

Rate Setting Methodology

5.00.7.1 Revenue Requirements Analysis:

Revenue requirements will be established on a “cash basis” approach. The “cash basis” approach includes operation & maintenance (O&M) expenses, transfer payments, debt service (P&I), ARR and other capital improvements funded from rates. The revenue requirements, as defined herein, are the basic components. Revenue requirements should also include any other cost items requiring funding (e.g. bond reserves) or needed to operate the utility on a financially stable basis (e.g. accumulation or reduction in working capital).

- O&M expenses will incorporate the budgeted fiscal year costs.

- Debt Service requirements will incorporate appropriate debt schedules (include principal and interest). In addition, the revenue requirement will ensure sufficient funding to meet target debt service coverage ratios.
- Capital Improvements financed from Rates will be consistent with the District’s annual asset management program needs, including any capital improvement related debt issuances, needs or a minimum of annual depreciation expense, for the enterprise fund, and will be set at a minimum level that is the greater of the annual depreciation expense of the water and wastewater enterprise funds, or at the level of water and wastewater Capital Renovation and Replacement (Capital R&R) revenues received in FY 2023-24; \$3.4 million in water Capital R&R and \$1.2 million in sewer Capital R&R. phased in over the next five year period.

5.00.7.1.2 At a minimum, revenues and costs will be projected for a five-year test period during the preparation of the annual budget.

5.00.7.1.3 Costs associated with mandated program requirements will be identified and included within the “cash basis” approach.

Agenda Item

DATE: July 18, 2023

TO: Finance Committee

FROM: Kelly Richards, Business Services Manager

SUBJECT: Update to Delinquency Process Under Section 22. Delinquent Water and/or Wastewater Service Bills and Notification of Discontinuation of Water and/or wastewater Service of the CCWD Article III Rules & Regulations

RECOMMENDED ACTION:

Reimplement the Past Due Penalties (“Late fees”) and Past Due (“Reminder”) Notices within the Delinquency Process

SUMMARY:

Under Calaveras County Water District’s (CCWD) Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services Article III, the District may proceed with a delinquency process after each billing in an attempt to collect on all receivables generated from the billing. Historically, this process has included: late fees, reminder notices, payment plans, shut-off door tags, and lock-offs.

Since March 2020, after COVID-19 restrictions were implemented to protect the health and safety of citizens, CCWD withdrew the delinquency process, both in an effort to reduce the impact to customers during the declared state of emergency and also to abide by California Governor Gavin Newsom’s executive order in April 2020 which put a moratorium on water shutoffs. Since these restrictions were lifted, CCWD has evaluated the delinquency process to determine the best fit moving forward, taking into consideration many factors, including consumption trends, customer payment behavior, internal revenue requirements, and necessity for lock-offs as a means of garnering payment on delinquent accounts.

Currently, CCWD has many utility billing accounts showing 60+ days delinquency. By CCWD reimplementing the late fees and reminder notices portion of the delinquency process, it is anticipated that customer payment behavior will change, thus leading to a decrease in outstanding receivables, and a decline in the number of exceptionally aged accounts. If a bill is not paid by the due date, a late fee in the amount of \$10 will be applied to the account, and a reminder notice will be sent to the customer explaining the delinquent amount and providing a due date that is ten days from the date printed on the notice. The means of notification will be based on the information the District has on file on the customer account.

To reimplement this process, Customer Service staff will add the late fee and reminder notice date to the billing calendar. This part of the process will be executed the day after the due date, which is 25 calendar days after the date of issuance of the bill. The remainder of the delinquency process established within Section 22 of Article III will not be reinstated as a part this recommended action, as Staff would like to have time to evaluate the effectiveness of the reimplementation of the late fees and reminder notices in order to better advise on whether lock-offs are needed moving forward.

FINANCIAL CONSIDERATIONS:

Rate payer revenue and fee collection expected to increase after reimplementation of late fees and reminder notices, which will contribute to a better fiscal position within the current fiscal year and beyond.

*Attachment: Section 22 of Article III Rules & Regulations
Past Due Process Document*

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APPLICATION FOR SERVICE RATES AND BILLING

Section 22. Delinquent Water and/or Wastewater Service Bills and Notification of Discontinuation of Water and/or Wastewater Service.

22.00.01 Delinquent Account Definition

A delinquent account is any account that remains unpaid by the close of business 25 calendar days after the date of issuance of the water or wastewater bill unless the customer has made alternative payment arrangements.

22.00.02 Late Fees

The District will make a reasonable effort to notify the customer of an impending late fee prior to the due date identified on the bill. The means of notification will be based on the information the District has on file on the customer account (text, phone, email). The District assumes no responsibility for phone or email contact information that has not been kept up to date by the customer.

If a bill is not paid by the due date, the District will apply a ten-dollar (\$10), first late fee to the delinquent account and mail a reminder notice to the customer explaining the delinquent amount and providing a due date that is ten (10) days from the date printed on the notice.

Any balance of \$20 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.

22.00.03 Alternative Payment Plans

Residential customers who are unable to pay for water or wastewater service(s) within the standard payment period may request an alternative payment plan to avoid discontinuation of service(s). CCWD will consider the request and make a determination as to whether the alternative payment plan is warranted. Alternative payment plans will only be granted under the following circumstances:

22.00.03.1 Threat to Health or Safety

An alternative payment plan may be approved if the discontinuation of water or wastewater service will be life threatening or pose a serious threat to the health and safety of any resident. The request for an alternative payment plan must include certification from a

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primary care provider (per WIC § 14088(b)(1)(A)) that the discontinuation of service will be life-threatening or pose a serious threat to the health and safety of any resident.

22.00.03.2 Financial Inability to Pay

The customer or occupant must demonstrate that they are financially unable to pay for residential service(s) within the normal billing cycle. Acceptable forms of income verification are:

- Documentation from The Resource Connection, showing any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants and Children.
- The customer or occupant declares the household's annual income is less than 200 percent of the federal poverty level.

Payment plans that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer not to exceed 12 (twelve) months from the date of the payment plan agreement. The amortized payments will be combined with and subject to the due date of the customer's regular bills. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan or becoming delinquent on the current charges for more than sixty (60) days, will result in the issuance of a written disconnection notice, which will be physically delivered to the premises no fewer than 5 (five) business days in advance of discontinuation of service.

22.00.04 Appeals

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APPLICATION FOR SERVICE RATES AND BILLING

A customer may dispute a bill or request an adjustment of charges through the District's Customer Service Department, within 25 days following the billing date. If the External Affairs Manager denies the request or fails to respond within fifteen (15) days of the District's receipt of the appeal, the customer may submit a written appeal to the Director of Administrative Services within 30 days of the date the account becomes delinquent, or ten (10) days after the receipt of the denial from the External Affairs Manager, whichever is later.

The Director of Administrative Services will issue a written determination within 15 days. If the Director of Administrative Services denies the appeal, the customer may appeal to the General Manager in writing within 15 days of the date the Director of Administrative Service's determination. The General Manager will provide the customer with a final decision on the appeal within 30 days from the date the written request was received. Late appeals will not be considered.

The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal. If the final appeal is denied by the General Manager, a notice will be issued to the occupant at least five days prior to the discontinuation of service.

22.00.05 Fee Waivers

"In good standing" is defined as an account that does not have more than one past-due fee during the period of time being reviewed.

Once every two (2) years, District Customer Service Department staff may waive the reminder notice past-due penalty on customers' accounts, if the account is in good standing, no previous late fees have been waived within the past two (2) years and the account balance has been brought current.

Once every five (5) years, District Customer Service staff may waive the second past-due penalty on customers' accounts if the account is in good standing, no previous second past-due fees have been waived within the past five (5) years and the account balance has been brought current.

Additional adjustments that are requested by the customer will fall under Ordinance 2000-03 Credit Adjustment Policy.

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APPLICATION FOR SERVICE RATES AND BILLING

22.01 Service Discontinuation

22.01.01 Service Discontinuation Fee

A customer will be charged a fifty-dollar (\$50) fee for each occasion that an employee of the District is dispatched to disconnect or shut off a service line pursuant to the provisions of Section 22.

22.01.02 Service Disconnection Notifications

A. Residential Accounts

The District will not discontinue water service unless payment by the residential customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer by phone or by email at least 10 (ten) days before discontinuation of service(s) for nonpayment and a second late fee will be assessed in the amount of \$20 on the account. If the call or email is unsuccessful, a written warning of discontinuation of service(s) will be sent to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a door tag will be placed in a conspicuous area. The written disconnection notice will include:

- Customer's name and address
- Amount of the delinquency
- Date by which payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for payment arrangements
- Description of the process to dispute or appeal a bill
- District contact information
- Tenants right to become customer

B. Non-Residential Accounts

The District will not discontinue water service unless payment by the non-residential customer have been delinquent for at least Thirty-five (35) days. The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The notification will be based upon the preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone. If contact is unsuccessful, a door tag will be placed in a conspicuous area.

CALAVERAS COUNTY WATER DISTRICT
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22.01.03 Notice to Residential Occupants in Individually Metered Residence

A tenant/occupant has the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a signed owner authorization form or a rental agreement. The District will not consider requests from occupants/tenants to become customers, unless the account associated with their place of residence is in arrears and subject to water disconnection.

Occupants who become CCWD customers under the provisions of this policy will be required to pay a new account establishment fee and deposit per Article III, Section 21 B. of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Service.

The act of a residential dwelling occupant becoming a CCWD customer, does not alleviate the legal-deeded owner from being ultimately responsible for all fees and charges related to the property. Legal-deeded property owners who enter into landlord-tenant agreements are responsible for all delinquent charges pertaining to the property and will be subject to lien and/or collection through property tax rolls, per California Water Code, Division 12, Part 7, Chapter 2, §31701.5, and California Health and Safety Code, Division 5, Part 3, Chapter 6, §5473.

22.01.04 Notice to Tenants/Occupants in a Multi-Unit Complex Served through a Master Meter

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 (ten) days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met

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the requirements for service, the District will make service available to the occupants who have met those requirements and paid associated capacity, connection, and new account establishment fees.

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuation of service for non-payment.

22.02 Service Reconnection

A disconnected service line will only be reconnected when payment of all charges and indebtedness for water and/or wastewater service(s) has been made. A fifty-dollar (\$50.00) fee will be charged for each such reconnection during normal business hours. A higher fee will be charged if reconnection is requested outside of normal business hours, not to exceed \$150.00 (one hundred and fifty) through 2020. After hours reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning July 1, 2021.

22.03 Returned Payments, Unpaid Credit Card Charges, Unhonored ACH Bank Payments, Stopped Payments, Disputed Payments, Over and Underpayments.

For each payment of water and/or wastewater service(s) that is returned unpaid to the District by its financial institution for any reason including customer error, a twenty-five-dollar (\$25) charge will be added to that account:

Once a payment has been returned by a financial institution, the District will require payment by certified funds (no checks accepted) or credit card for that account for the following 12-month period. If payment is denied twice within a 12-month period, regardless of payment method, the District will require payment by certified funds or credit card for the following 24 months.

Payments made to on account in excess of one year of billed charges will be refunded to the customer.

22.04 Annual Review of Charges.

All fees and charges outlined in this section may be reviewed annually for possible adjustments relative to actual costs involved with each notification or action.

22.05 Responsibilities and Authorities.



Penalties

Tyler U: UB 1060

ERP PRO 10

UTILITIES

UTILITY BILLING



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Revised: April 2023

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Section 1 | PENALTY SETUP

THIS SECTION COVERS

- ❖ Prepare the Revenue Codes for Penalization
- ❖ Set Up the Penalty Settings for a Past Due Scenario Code

ICON LEGEND



Tip



Note



Best Practice



Warning

In this section, we discuss the setup needed to ready the system for processing penalties.

Introduction

In order to process penalties, you must first set up a variety of items. First, create a Penalty Calculation Code. This code stores the calculation for how to calculate a penalty. We covered this topic in the prerequisite course.

Before completing this course, please complete the Utility Billing – Penalty Calculation Code – ERP Pro 10 e-learning course.

See [Appendix A](#) for more information regarding the Penalty Calculation Code.

1

PREPARE THE REVENUE CODES FOR PENALIZATION

Utility Billing > Administration > Billing > Revenue Codes

Because penalties originate from revenue code balances on an account, we must first instruct the system to read these revenue codes to determine if a penalty is warranted. Once we do this, we can attach a penalty calculation code to the revenue code so ERP Pro 10 knows how much to calculate as the penalty for the revenue code. In order to do these things, we must first set up the revenue code to calculate a penalty.



A

Set a 10% Penalty on Water

SCENARIO: The City of Tylertown wants to charge a 10% penalty on water. They already set up their penalty calculation code. Let's help them set this penalty on the water revenue code.

1. Go to **Utility Billing > Administration > Billing > Revenue Codes**.
2. Highlight revenue code **100 – Water** and click **Edit**. Revenue Code 100 opens.

3. Choose the **Penalty** menu Item. Mark the **Calculate Penalty** checkbox.
4. From the **Calculation Code** dropdown, select *10% Penalty*.
5. From the **Revenue Posted To** dropdown, select *Other Revenue Code*.
6. From the **Other Revenue Code** dropdown, select *PEN*.
7. Click **Save and Close**.



Our data prompts a tax code warning. Click OK to bypass this warning as it is a constraint of our training environment.

We directed the system to issue a 10% penalty on this revenue code and post these penalties to revenue code PEN.



B

Set a 10% Penalty on Garbage, Sewer, and Electric

Activity Overview

Most sites penalize more than 1 revenue code. Let's work through setting up additional revenue codes to receive a penalty.

SCENARIO: The City of Tylertown wants to charge a 10% penalty on garbage, sewer, and electric as well. Let's use what we learned from the previous activity to set this penalty on the following revenue codes:

REVENUE CODE	DESCRIPTION
400	Garbage
200	Sewer
300	Electric

1. Highlight revenue code **400 – Garbage** and click **Edit**. Revenue Code 400 opens.
2. Choose the **Penalty** menu item. Mark the **Calculate Penalty** checkbox.

3. From the **Calculation Code** dropdown, select *10% Penalty*.
4. From the **Revenue Posted To** dropdown, select *Other Revenue Code*.
5. From the **Other Revenue Code** dropdown, select *PEN*.
6. Click the left navigation arrow to navigate to revenue code **200**. When prompted to save changes, click **Yes**. Perform steps 2-5 for revenue code 200.
7. Click the right navigation arrow to navigate to revenue code **300**. When prompted to save changes, click **Yes**. Perform step 2-6 for revenue code 300.

Now we have 4 revenue codes that receive a 10% penalty.

2 | SET UP THE PENALTY SETTINGS FOR A PAST DUE SCENARIO CODE

Utility Billing > Administration > Past Due > Past Due Scenario Codes

The Past Due Scenario Code is the heart of the Past Due Process. Set past due configurations on the scenario code. You must set a scenario code for each penalized billing cycle.

Let's review [Appendix B](#) for more information on the Past Due Scenario Code.



C | Create a Past Due Scenario Code for a Billing Cycle

SCENARIO: The City of Tylertown wants to penalize Billing Cycle 23. Let's help them set up a past due scenario code to allow them to do this.

1. Go to **Utility Billing > Administration > Past Due > Past Due Scenario Codes**.
2. Click **Add**. The Past Due scenario menu opens.
3. In the **Code** field, type "23".
4. In the **Description** field, type "Billing Cycle 23".

- In the **Billing Cycle** field, select 23.
- In the **Sr Citizen Type** field, leave the default values of *Seniors*; *Non-Seniors*.



If a site wants to exclude senior citizens from the Past Due Process, they only include Non-Seniors in this field. Senior citizen designation is made in Account Manager on the Profile > Options menu item.

- In the **Subject Accounts** field, select *New* and *Active*.



Remember, the account statuses reflected here indicate the account status at the beginning of the billing period selected in the Past Due Process, not the account's status at the time of running the Past Due Process.

- In the **Penalty Date** field, select *Number of Days*. Type "15" in the following field and change the time to 10:00 AM.



This directs the system to list a default penalty date 15 days after the bill date entered on the Setup step of the selected billing packet (i.e., bill date for selected billing packet was 1/1/XX, penalty date listed on Setup step of regular billing process defaults to 1/16/XX). You can change this value on the Setup step. You also directed the system to exclude accounts with pending payments taken prior to 10:00 AM that reduce the account's balance below the minimum amount to penalize.

- Go to **Penalties > Penalty Settings**.
- Use the table below to ensure the default values are correct for the fields on this menu item:

FIELD NAME	FIELD DESCRIPTION
Penalty Posted As	Account Adjustment
Mark Credit History	Mark Checkbox
Penalty Based On	Revenue Code Settings

FIELD NAME	FIELD DESCRIPTION
	0.01
Minimum Amount	If you use \$0.00, the system pulls in accounts with a \$0 balance in revenue codes designated to receive a penalty.
Include Bill Amount	Mark checkbox

11. Go to **Penalties > Calculation Options**.

12. Mark the following checkboxes:

FIELD NAME
Penalize Accounts with Arrangements
Apply Pending Payments to Balances Owed
Apply Pending Payments to Arrangements
Transactions Reduce Past Due Balances Owed
Transactions Increase Past Due Balances Owed
Credit Deposit Returns

13. In order to print late notices, we must also add a form to the Past Due Scenario Code. Click **Notices**.

14. Let's ensure the default penalty notice has the correct settings. Double-click **Default Penalty** Notice to open the notice up for editing. Confirm the following defaults are correct.

15. From the **Notice Type** dropdown, select *Penalty*.

16. In the **Sequence** field, type "1".

17. In the **Minimum Balance to Print** field, type "0.01".

18. Mark checkboxes for the following fields.

FIELD NAME

Include Bill Amount

Include Penalty

Account

Write Memo Transaction

19. In the **Memo Description** field, type “Late Notice Sent”. This appears in the Reference field of transaction history in Account Manager.

20. Click **Close Form**.



For this course, we need to override the default Disconnect settings or we will get an error. We will address disconnect settings in the Cutoffs & Disconnects course.

21. Go to **Disconnect > Disconnect Settings** and clear the **Use Disconnect Steps** checkbox.

22. Click **Save and Close**.

We just directed the past due scenario code to print a notice for anyone in the packet with a balance of 0.01 or greater, include the current bill amount and penalty amount, and only send the notice to the account holder (not the landlord).

We finished setting up penalties to meet the following requirements:

- Penalize Billing Cycle 23.
- Penalize all accounts that were New or Active at the beginning of the billing period selected when the Past Due Process is run.
- The amount to penalize includes current and arrears revenue code balances for the bill period selected.
- Accounts with arrangement receive a penalty.
- Apply pending payments to balances and arrangements.

- Any credits/debits posted after the selected billing period affect the past due balances owed, including applied deposits.

SECTION 1 | WRAP UP

In this section, we discussed the setup needed to ready your system for processing penalties.

THIS SECTION COVERS

- ❖ Create a Past Due Packet and Select the Appropriate Scenario Code
- ❖ Calculate and Review Penalties
- ❖ Print Late Notices
- ❖ Post Penalties

ICON LEGEND



Tip



Note



Best Practice

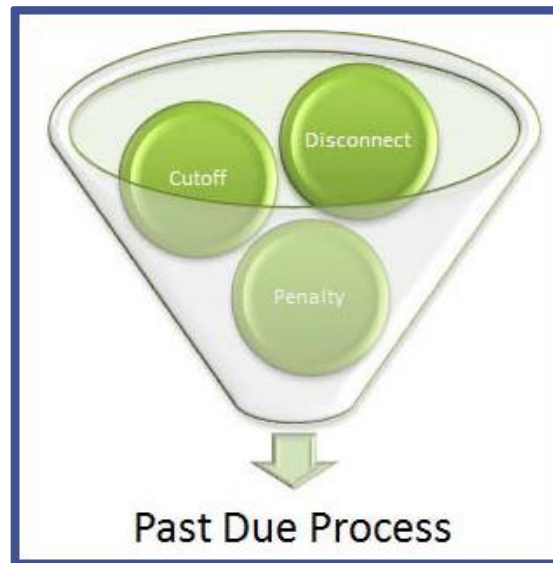


Warning

2 PROCESSING PENALTIES

In this section, we discuss how to run the penalty steps of the Past Due Process. We use the past due scenario code created in Section 1 and apply it to a group of accounts to determine if they are eligible for a penalty.

Introduction



The Past Due Process allows users to post penalties, cutoffs, and disconnects. Each of these items is optional. However, in order to make an account eligible for cutoff or disconnect, you must first bring the account into the packet via the first section of the process: penalties.



If a site opts to not penalize accounts, the 0 penalty option allows them to pull accounts into a past due process packet without actually issuing the account a penalty. Accounts that receive a 0 penalty are still eligible for cutoff and disconnect.

1

CREATE A PAST DUE PACKET AND SELECT THE APPROPRIATE SCENARIO CODE

Common > Processing > Processing > Past Due Process

The first step in the Past Due Process is to create a packet and select which past due scenario code to apply to the packet.

For more information on the steps involved in the Past Due Process, see [Appendix C](#).



A

Create the Packet and Select the Past Due Scenario Code

SCENARIO: On June 17, 20XX, the City of Tylertown begins the Past Due Process for Billing Cycle 23. Let's help them create the packet and select the past due scenario code.

1. Go to **Common > Processing > Processing**.
2. Click **Add Packet**. The Add Packet window opens.
3. For the **Module** field, select *Utility Billing*.
4. For the **Process** field, select *Past Due Process*.
5. In the **Description** field, customize the following entry using your initials. Use today's date. (Remember, it's June 17, 20XX). Enter a brief description of the packet at the end.
6. Click **Save and Close**. The packet appears in the top frame.
7. In the lower frame, click **Past Due Setup**. The Past Due Process Setup menu opens.
8. In the **Past Due Scenario** field, select 23.
9. In the **Billing Period** field, select *04/30/20XX to 05/31/20XX*. (This is the first selection in the dropdown.)



You can only post penalties to an account once per past due scenario code per selected billing cycle. Once you select a cycle in the setup step, it

disappears from the dropdown menu for future packets.



Hover over the >>> icon to view the entire packet description.



Notice, the Penalty Date defaults to 15 days after the bill posting date with a payment time of 10:00 AM, the setting we designated when creating this scenario code in section 1. The Cutoff Date defaults to today's date if you leave Not Applicable as the default in the past due scenario code setup. We cover cutoff setup in another course.

10. In the **Penalty Date** field, type "6/17/XX".

11. Although we don't process cutoffs in this class, change the **Cutoff Date** to *June 28, 20XX*.

12. Click **Begin Processing**.

We created the past due process packet and selected the past due scenario for Billing Cycle 23. Now, let's process penalties for this packet.

2 | CALCULATE AND REVIEW PENALTIES

Common > Processing > Processing > Past Due Process

When processing penalties, remember that penalties are only 1 section of the past due process. Penalties are also the first line of filtering for the past due process. In other words, if you do not pull an account into the past due packet via the penalty settings, it is not eligible for cutoff or disconnect. Unless the site customizes this process to exclude them, users likely move into the cutoff and disconnect steps of this process next. For this course, we only focus on posting the penalties in the Past Due Process.



B

Penalizing Accounts

SCENARIO: We just set up the past due packet for the City of Tylertown to penalize Billing Cycle 23. Let's calculate and review the penalties.

1. Click on **Past Due Calculation**. The Past Due Calculation menu opens. This step calculates penalties using the criteria

designated on the past due scenario code. As a reminder, see the table for the designations we made in the last section.

Mark Customer's Credit History	The penalty affects customer's credit history.
Minimum Amount to Penalize	The system penalizes account balances \$0.01 or greater.
Include Bill Amount	The system penalizes the current billing as well as arrears balances.

2. Click **Begin Processing**.
3. Click **Past Due Review**. The Penalty Review Maintenance menu opens.



This menu allows users to edit or exclude accounts from penalization. Users may edit penalty amounts here. If they exclude an account, they must provide a reason.



Tyler Technologies recommends using the Current Account Status column to sort accounts. The account status here shows a real-time status vs. the setup step that allows users to filter criteria for account status based off the account status at the beginning of the billing cycle. For example, an account in a Disconnect status at the beginning of the selected billing cycle changes to Inactive once a user updates that billing packet. This is the real-time account status that reflects in this Status column. Some sites may opt to manually exclude Inactive accounts from penalization.



Aging columns on this menu reflect real-time account balances, not aging balances as per the selected billing cycle.

Notice, 2 out of 4 accounts from this cycle with past due balances receive penalties. Let's look into this a little further.

4. Click on **Excluded Accounts**. Let's find out why these 2 accounts do not receive penalties.
5. Highlight **23-0003-00** and click **Penalty Maintenance**. The

Penalty Maintenance menu opens. Notice this account has a No Penalties exception.

6. Use the navigation arrow to navigate to account **23-0005-00**. This is the next excluded account. The account is protected by a payment. However, this account doesn't have a posted payment. Let's investigate this further.
7. Click the account number link. Account Manager opens for this account record.
8. Click the **Pending Activity** link for \$120.75. This tells us the account has a pending payment. The Pending Account Activity window opens.



Pending payment activity is a red link. Pending payments are transactions received by users in Cashiering but not yet posted via the End of Day Process in Cashiering. Pending payments do not appear in the History > Transactions menu item of a customer's account until the packet posts.

9. Under the **Receipt #** column, click *R00000071*. The Receipt Number menu opens showing details for this pending payment.
10. Answer the following questions for this record:

What date and time did the customer make this payment?

What was the penalty date and time we used for this packet?

11. Click **Save and Close**. Click **Close Form** again. Click **Save and Close** to return to the Past Due Account menu.
12. Click **Save and Close**. The system directs us back to the Penalty Review Maintenance menu.



The Packet Setup menu item allows users to view information that pertains to record selection for this packet (e.g., Past Due Scenario used, Cutoff Date, Transaction Date, and Disconnect Date, if applicable).

Now that we understand why the system excluded accounts, let's ensure the penalized accounts receive the correct penalty amounts.

13. Click on the **Penalized Accounts** menu item. Let's ensure our system penalizes these accounts correctly.
14. All of the revenue balances on these accounts are associated with the 10% Penalty Calculation Code so we penalize 10% on current and arrears revenue balances. Look at the **Current Balance** column on this menu. Record the estimated penalties for the following accounts:

Account Number	Estimated Penalty
23-0001-00	
23-0002-00	



To view an account's penalty, scroll right on the menu to view the amount in the Penalty column.

15. Notice, the amount for 23-0002-00 may be different than the originally recorded amount. Let's figure out why. The system uses the Round Off value set on each step of the Penalty Calculation Code to determine the penalty value for each revenue code's aging period.
16. To view the actual formula used to calculate a customer's penalty, double-click the record for **23-0002-00**. Penalty Maintenance opens.
17. Click **Formula**. Here, you can review each step of the penalty calculation for each revenue code balance. If a value is wrong, users should review the penalty calculation code assigned to that revenue code.
18. When doing reviewing, click **Save and Close** to exit the Penalty Maintenance menu.
19. Since everything looks correct, click **Close Form**. You are brought back to the Processing tab.

3 | PRINT LATE NOTICES

Common > Processing > Processing > Past Due Process

Printing late notices for customers allows a site to notify the customers about a penalty issued to their account and also serves as a reminder to remit payment. Late notice forms vary by site and are not a required step of the Past Due Process.



Remember, in order to print late notices, you must set the form on the Past Due Scenario Code. The Notices menu item stores this form.



In addition to printing notices, sites can purchase Tyler Notify. This add-on allows sites to call customers with past due accounts and remind them of their balances. For more information on this options, contact your Tyler Project Manager or Support.



C | Print Notices

SCENARIO: The City of Tylertown wants to send notices to these penalized customers reminding them they have a past due balance and also a new penalty. Let's help them do this.

1. Click **PD Output – Penalty**. The Past Due Output menu opens.
2. Notice, the penalty and cutoff dates carry over from the Selection step. Users can change these, if needed. Leave them as is.
3. Click **Prepare Past Due Output Records**.
4. Choose the **Print** menu item. Click **Print**.



Remember, this is the notice we set on the past due scenario code. In order to print the notices, you must set the notices on the past due scenario code.



If your organization prints multiple notices within a segment, notices may be assigned to a specific step of your process by designating the step on the

Output Steps menu item of the notice in the appropriate past due scenario code.

5. Report Viewer opens. At this point, the utility clerk prints, but since this is a virtual environment, bypass this step.
6. Close Report Viewer.
7. Click **Close Form**. Notices now print.

4 | POST PENALTIES

Common > Processing > Processing > Past Due Process

In order for penalties to appear on the customers' accounts, we must post them. Posting penalties does not delete the packet. Remember, penalties are the first level of filtering for records in a past due packet. Sites may want to run cutoffs and/or disconnects before completing the past due packet.

D | Post Penalties

SCENARIO: Now that the City of Tylertown ensured penalties are correct and printed late notices, let's help them post the penalties to the accounts in the packet.

1. Click **Build G/L – Penalty**. The Build GL Data menu opens.
2. Change the **Transaction Date** to "06/17/20XX".
3. Click **Begin Processing**.
4. Click **Penalty Register**. The Penalty Register menu opens.
5. Click **Run Report**. Report Viewer opens. Review the register and close Report Viewer.
6. Click **Penalty Posting**. The Penalty Posting menu opens. If needed, users can change the cutoff date here.
7. Click **Begin Processing**.

Penalties post to the accounts. Let's take a look at account 23-0001-00.

8. Open account **23-0001-00**. Review the Home menu item. Notice a pending cutoff now exists on 6/28/XX. This signifies that this account recently had a penalty posted and the account now resides in the cutoff segment of the Past Due Process.



The account balance before the penalty was \$207.49. The penalty was \$20.75. The sum of these two equals \$228.24. Why is the payment amount \$228.23?

9. Navigate to **Profile > Credit History**. Notice, “1” is now in this account’s Number of Penalties field.
10. Navigate to **Financial > Revenues**. Notice, the penalties posted under PEN.
11. Navigate to **History > Transactions**. Notice the penalty and notice memos listed for 6/17/20XX.

All of these actions are effects of posting penalties.

COURSE | WRAP UP

This course taught how to penalize utility accounts. It covered the setup for penalties and how to process the first segment of the Past Due Process that penalizes customers for failing to pay their utility account balance on time. We learned how to exclude customers from penalties and how to determine how a penalty calculates for a specific record. For additional information on the cutoff and disconnect segments of the Past Due Process, see the ERP Pro 10 Cutoffs and Disconnects course.


For additional information on Penalties:

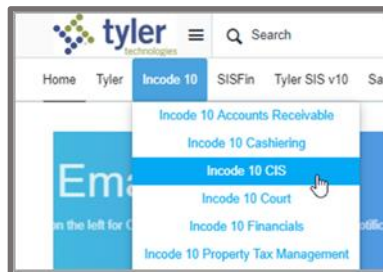
- Review the appendices included in this course.
- Search the Community for the following files using the listed tags as search criteria to locate additional resources specific to ERP Pro 10 Penalties.

Additional Resources on Community

ERP Pro 10 Free Penalty Option	A1001	V.X Free Penalty – Setup
---------------------------------------	-------	--------------------------

ERP Pro 10 Time Stamp Option for Payments involved in the Past Due Process	PEN A1002	V.X CIS Time Stamp for Past Due Payments 2013.3
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 Users must be members of the ERP Pro 10 CIS Community group to have access to these files. If not a member yet, simply request membership when prompted. Once you receive an email confirming your membership, search for and access these documents.



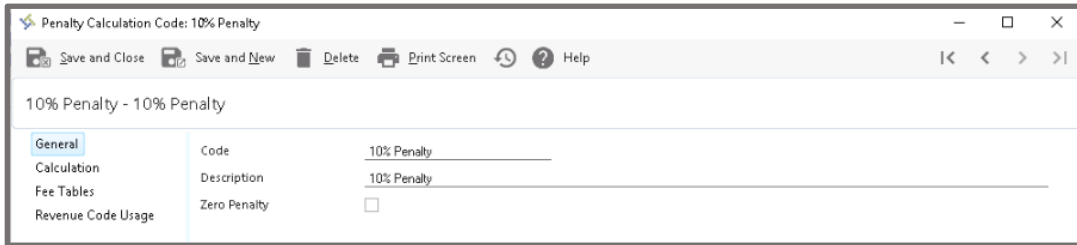
Appendix A | PENALTY CALCULATION CODE

PENALTY CALCULATION CODE

Utility Billing > Administration > Past Due > Penalty Calculation Codes

This is an overview of the Penalty Calculation Code menu.

GENERAL MENU ITEM



FIELD NAME	FIELD DESCRIPTION
Code	This field requires a 20-character code.
Description	This field requires a 50-character description.
Zero Penalty	Mark this checkbox if you intend for this calculation code to charge a 0 penalty. Sites commonly use this if they do not want to issue penalties but need to include records in the Past Due Processing Packet.

CALCULATION MENU ITEM

Step #	Step	Conditional	Round Off Val	Left Side	Operator	Right Side	Formula
1.00	Current x 10	<input checked="" type="checkbox"/>	4	Current Reve	*	Static Consta	(Current Rev
2.00	Arrears x 10	<input type="checkbox"/>	4	Arrears Reve	*	Static Consta	(Arrears Rev
3.00	Total Penalty	<input type="checkbox"/>	4	Previous Ste	+	Previous Ste	(Previous Ste

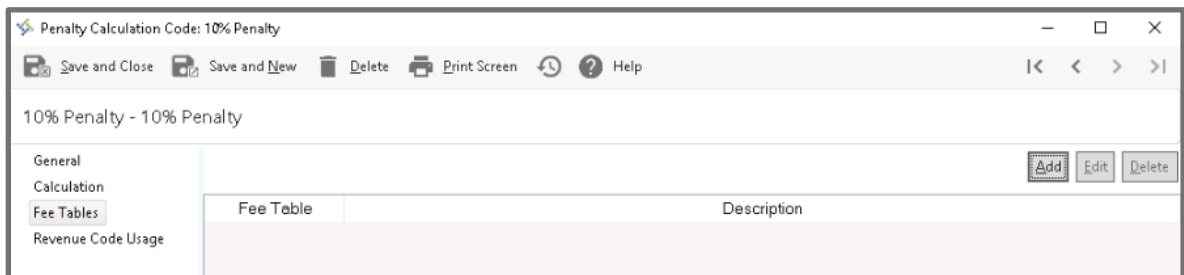
FIELD NAME

FIELD DESCRIPTION

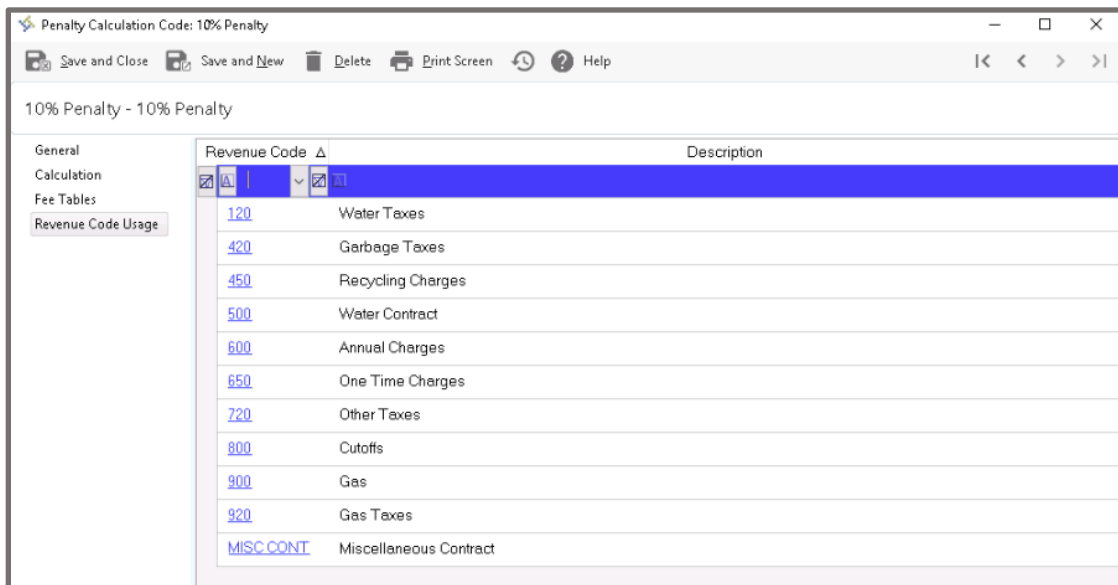
Step Number	This field shows the step's sequence (initially system-defined, but users can change it once they create the step).
Step Name	This field contains a user-defined name that defines the operation of the step.
Conditional	Mark this checkbox if the step is a conditional statement in the calculation.
Round Off Value	Select the number of decimal places to round off the value.
Operational Detail	Left Side User-selected variable
	Operator Identifies the operation used in the equation for the step. (e.g., +, -, *, etc.)
	Conditional Step This field stores the value referring to a previous step on which the current step depends. The system only uses the current step if this previous conditional step is true.

FEE TABLES MENU ITEM

Users can add, edit, or delete fee tables on this menu item. When users select a Stepped Fee Table or Graduated Fee Table as a variable in either the Left Side or Right Side fields of the step on the Calculation menu item, they must create the table to direct the system how much to charge for a specific unit that falls within that table. (e.g., a customer uses 1,500 units of consumption and the city charges \$4.00 for the first 1,000 units and \$5.00 for every 1,000 units over that.) The user creates a fee table to direct the system to change the charge for the customer when consumption hits the next “level”.



REVENUE CODE USAGE MENU ITEM



This menu item shows all revenue codes currently using this penalty calculation code.

[Return to course](#)

Appendix B | PAST DUE SCENARIO CODE (PENALTY SETTINGS)

PAST DUE SCENARIO CODE (PENALTY SETTINGS)

Utility Billing > Administration > Past Due > Past Due Scenario Codes

This is an overview of the General menu item, Penalties menu item, and sub-menu items of the Past Due Scenario Code menu.

GENERAL MENU ITEM

FIELD NAME	FIELD DESCRIPTION
Code	20-character code
Description	50-character description
Billing Cycle	Select the billing cycle that the scenario penalizes. Users can designate only 1 billing period per scenario code, but they can create more than 1 scenario code per billing cycle.

FIELD NAME	FIELD DESCRIPTION
Sr. Citizen Type	<p>Select which senior citizen type to include in the packet.</p> <p>Make Senior Citizen designations in Account Manager > Profile > Exceptions > Senior Citizen. Senior Citizen designation only comes into consideration when running the past due process.</p>
Subject Accounts	<p>Select account statuses to include in the packet.</p> <p>Remember that the account status for past due purposes is the status of the account at the beginning of the selected billing packet.</p> <p>The only status that doesn't adhere to this rule is Inactive accounts. Inactive accounts are real time statuses since the system does not bill inactive accounts. Inactive accounts were in a disconnect status at the beginning of the billing period.</p>
Default Date Options	<p>Sets default dates that load into Setup Step of the Past Due Process (and Regular Billing Process). Users select Number of Days or Specific Day of Month.</p> <p>Penalty Date</p> <ul style="list-style-type: none"> • <i>Number of Days</i>: Specify the number of days after the bill date entered on Setup step of Regular Billing Process that penalties post • <i>Specific Day of Month</i>: Use the specific day of month specified on the bill date in the Setup step of the Regular Billing Process • <i>Time</i>: Allow the consideration of pending payments up to the time designated in each field. Payments taken on or after the designated time(s) do not automatically exclude the customers making the payment from the packet. <p>Cutoff Date</p> <p>Disconnect Date</p> <p>Remember that posted payments use the Transaction Date of the packet. Pending payments use the system date on the computer from which users take them. Users must take posted payments on or before the listed date in order to consider the account for exclusion.</p>
Extract Location	<p>Designate a default extract location for penalties, cutoffs, and disconnects (optional).</p>

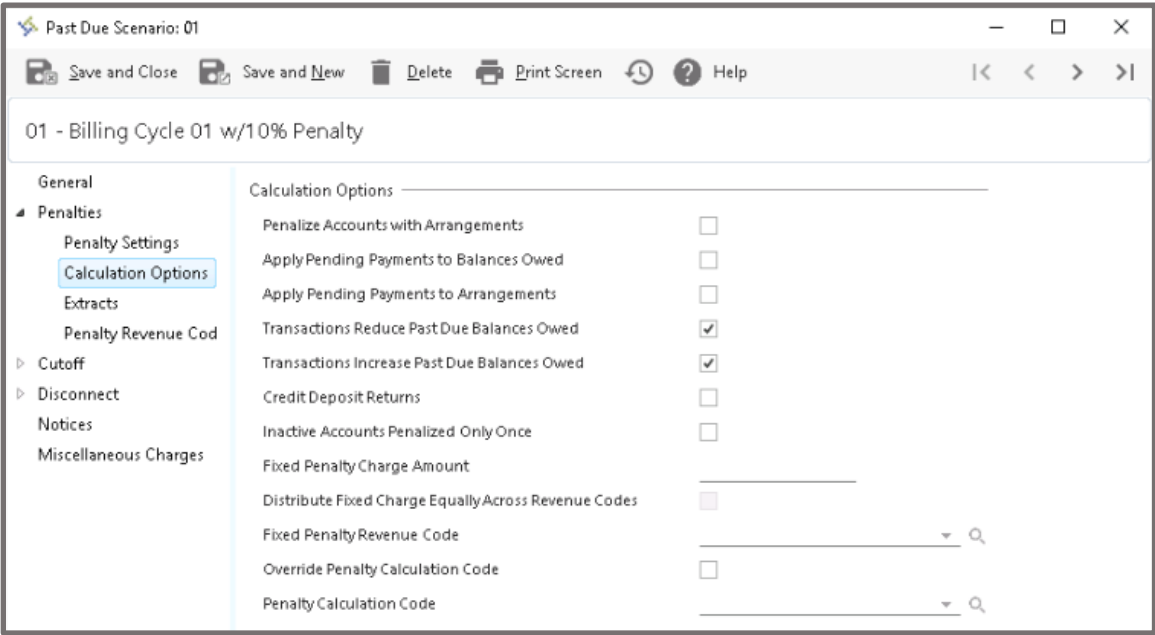
PENALTY SETTINGS MENU ITEM

FIELD NAME	FIELD DESCRIPTION
Penalty Posted As	Select account adjustment, Charge on Next Bill (contract), or none.
Contract Code	Select Charge on Next Bill in the Penalty Posted As field to enable the Contract Code field.
Mark Credit History	Marking this checkbox to mark accounts' credit history when accounts receive penalties. User selects Revenue Code Settings or Fixed Charge.
Penalty Based On	If user selects Fixed Charge, the Calculation Options menu item designates this charge value.
Enforce Minimum Penalty	This field enables Minimum Penalty field.


FIELD NAME	FIELD DESCRIPTION	
Minimum/Maximum Penalty	Minimum Penalty	This field stores the value for the minimum penalty. If used, all accounts in the packet receive a penalty greater than or equal to the amount designated in this field.
	Enforce Maximum Penalty	This field enables Maximum Penalty field.
	Maximum Penalty	This field stores the value for the maximum penalty. If used, all accounts in the packet receive a penalty less than or equal to the amount designated in this field.
	Service Based Min/Max	Mark this checkbox to use the min/max set on service code instead of the scenario code.
	Account Class Based on Min/Max	Mark this checkbox to apply a minimum or maximum penalty based off an account class code.
Minimum Balance to Penalize	Minimum Amount	Minimum and maximum amount designations are designated on each account class code. Specify the minimum revenue balance to penalize. Accounts with revenue balances equal or greater than this value will be included in the packet and will receive a penalty (e.g., If an account has a total revenue balance of \$9.99 and the value in this field is "\$9.99", the system includes this account in penalization).
	Include Bill Amount	Mark this checkbox to include the bill amount of the selected billing packet and the arrears in the balance to penalize. Clearing this checkbox includes only arrears balances in the minimum balance to penalize for the selected billing cycle.
	Apply Free Penalty	Mark this checkbox to allow users to grant customers 1 free pass when calculating penalties. Mark this checkbox to skip applicable accounts rather than penalize them.
Free Penalty Settings*	Free Penalty Type	Select Fixed to apply a free penalty for designated accounts as per setup in Module Control. Manual reset by the user is necessary. Select Rolling to use the periods designated in the Number of Periods field.
	Number of Periods	Designate the number of periods desired prior to resetting the Free Penalty option for accounts.

**For more information on Free Penalties, search the Community for PEN A1001 and review the ERP Pro 10 Free Penalty Setup document.*

CALCULATION OPTIONS MENU ITEM



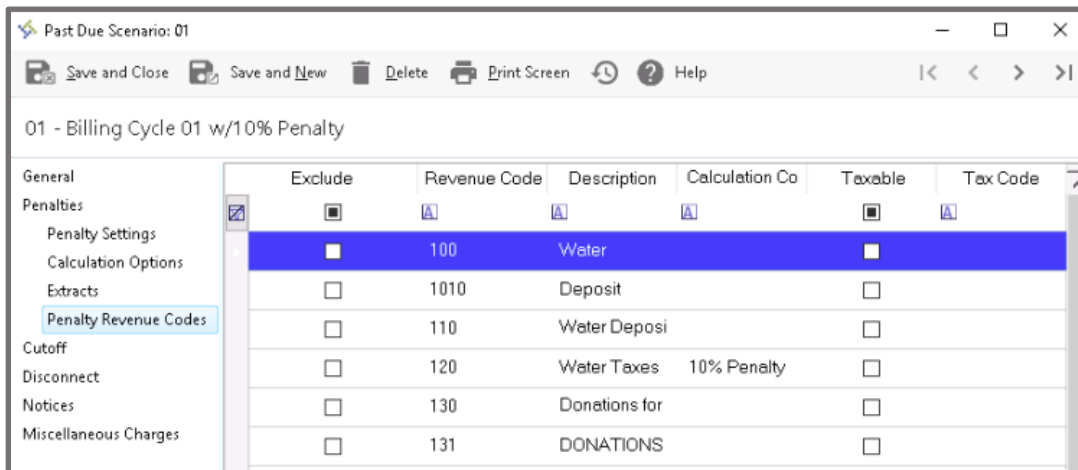
FIELD NAME	FIELD DESCRIPTION
Penalize Accounts with Arrangements	Mark this checkbox to penalize accounts with active arrangements.
Apply Pending Payments to Balances Owed	<p>Mark this checkbox to apply pending payments to account balances owed. If this checkbox is marked, the process will not penalize a customer with a pending payment if the pending payment reduces the customer’s balance to below the Minimum Amount to Penalize (Penalty Settings menu item). If the pending payment does not reduce the balance enough, the system will penalize the customer on the account’s remaining balance.</p> <p>(E.g., Minimum amount to Penalize is \$10.00. Customer owes \$200 and pays \$190. The customer will still receive a penalty, but the penalty will be based on \$10.00 remaining balance.)</p>
Apply Pending Payments to Arrangements	Mark this checkbox to apply pending payments to the arrangements.
Transactions Reduce Past Due Balances Owed	Mark this checkbox to apply posted transactions to reduce the balances owed (i.e., credit adjustments and payments).
Transactions Increase Past Due Balances Owed	Mark this checkbox to apply posted transactions to increase the balances owed (i.e., debit adjustments).

FIELD NAME	FIELD DESCRIPTION
	The system looks at transactions posted after the posting date of the billing cycle selected in the Past Due Process. Usually, these transactions take place between the bill posting date and penalty date. Clear both of these checkboxes if your site penalizes on the last bill, ignoring any debit or credit changes since posting the bill.
Credit Deposit Returns	Mark this checkbox to apply deposits from after the posting of the selected bill packet toward reducing balances owed.
Inactive Accounts Penalized Only Once	Mark this checkbox to penalize inactive accounts only 1 time; otherwise, the system continually penalizes inactive accounts with eligible past due balances.
Fixed Penalty Charge Amount	Enable this field by selecting Fixed Charge in the Penalty Based On field in the Penalty Settings menu item. Enter a flat amount to charge as a penalty.
Fixed Penalty Revenue Code	Enable this field by selecting Fixed Charge in the Penalty Based On field in the Penalty Settings menu item. If enabled, this is a required field. Enter a revenue code in which to apply fixed charge penalty.
Override Penalty Calculation Code	Each revenue code has its own penalty calculation code. Mark this checkbox to override the original penalty calculation codes set on the revenue codes.
Penalty Calculation Code	Sites commonly use this option during conversions or if they bill bi-monthly. Sites can use the Penalty Calculation Code 1 month (i.e. 10%) and override that code to charge a different percentage the 2 nd month (i.e. 5%). Mark the Override Penalty Calculation Code checkbox to enable this field. Designate the penalty calculation code to use here.

EXTRACTS MENU ITEM

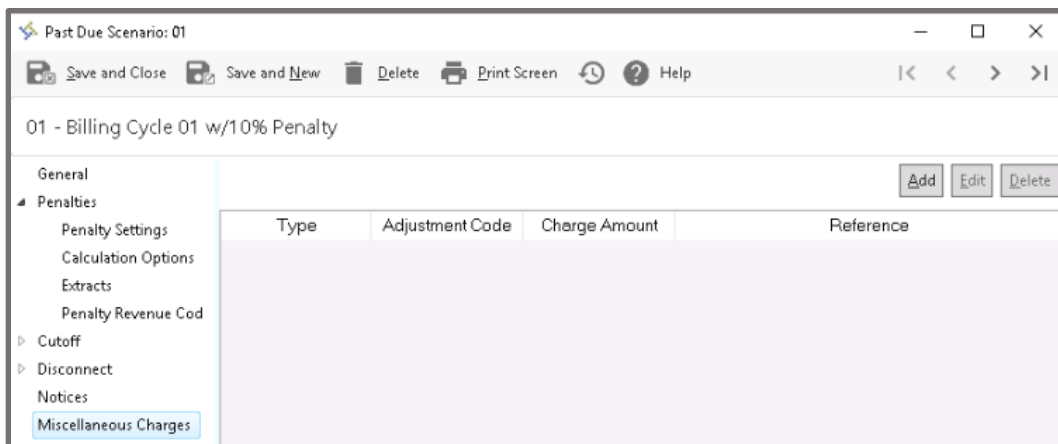
FIELD NAME	FIELD DESCRIPTION
Use Default Extract	Mark this checkbox to use the system's default XML extract.
Extract	If Use Default Extract checkbox is cleared, select the extract definition to use.
Charge for Extract	Mark this checkbox to charge customers included in the extract file and post the charge as account adjustment.
Minimum Balance to Charge	Enter the minimum balance required to charge customers for inclusion in the extract file (enabled when Include Bill Amount flag is marked).
Include Bill Amount	The extract file includes all accounts in the packet, but the system only charges those meeting the minimum balance to charge.
Include No Penalty Accounts	Mark the Charge for Extract checkbox to enable this field, which takes into account the current balance of the selected billing cycle in the Minimum Balance to Charge.
Charge Amount	Include accounts that were excluded via the Options > No Penalty selection on their account
Revenue Code	Specify the charge amount for the extract here.
	Specify the revenue code in which to post the extract charge.

PENALTY REVENUE CODES MENU ITEM



Use this menu item to exclude specific revenue codes from penalization. The system also excludes revenue codes selected on this menu item from inclusion in the calculation of the minimum balance to penalize.

MISCELLANEOUS CHARGES MENU ITEM



Use this menu item to add charges to accounts for which the Past Due Notice Charge will not accommodate. Charges are posted as account adjustments.

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Appendix C | PAST DUE PROCESS STEP TYPES (PENALTY SECTION ONLY)

PAST DUE PROCESS STEP TYPES

Common > Administration > Process Types > Past Due

The table below lists the default step types related to penalties included in the Past Due Process.

DEFAULT PAST DUE PROCESS (PENALTY SECTION) STEP TYPES

STEP NAME (USER DEFINED)	STEP TYPE	WHAT THIS STEP DOES	REQUIRED?
Past Due Setup	Past Due Setup	The user selects the past due scenario code to use and billing packet to penalize.	Yes
Past Due Calculation	Past Due Calculation	This step calculates penalties for accounts.	Yes
Past Due Review	Past Due Review	The user reviews calculated penalties and excluded accounts and can also edit penalty amounts.	Yes
PD Output – Penalty	Past Due Output	This step also allows for the certification or presorting of the notices.	
Build G/L- Penalty	Build GL	This step builds the GL file containing the journal entry used to update the general ledger.	Yes
Penalty Register	Past Due Penalty Register	This step uses register designated Module Control to print a list of records in the packet (most commonly used register is the Penalty Register).	
Penalty Posting	Past Due Penalty Posting	This step posts penalties to utility accounts and the general ledger.	Yes

The table below lists the non-default step types related to penalties included in the Past Due Process.

STEP NAME (USER DEFINED)	STEP TYPE	WHAT THIS STEP DOES
Approval	Approval	This is an optional step added prior to the Update step. The user must have access to this step via security settings. It allows users to put additional controls in place regarding when the packet is updated.
Past Due Penalty Notification	Past Due Penalty Notification	This step launches Tyler Notify callouts for customers receiving a penalty.

STEP NAME (USER DEFINED)	STEP TYPE	WHAT THIS STEP DOES
Past Due Cutoff Notification	Past Due Cutoff Notification	This step launches Tyler Notify callouts for customers subject to cutoff.
Past Due Disconnect Notification	Past Due Disconnect Notification	This step launches Tyler Notify callouts for disconnected customers.
Past Due Notice Charge Build G/L	Past Due Notice Charge Build G/L	This step builds the GL file containing the journal entry used to update the general ledger for the PD Notice Charge Posting step.
Past Due Notice Charge Posting	Past Due Notice Charge Posting	This step posts charges to utility accounts and the general ledger for a mail-out notice (posts charges at the time the system runs this step).
Past Due Notice Extract	Past Due Notice Extract	This step creates an extract file used to send to a third party (interchangeable with Past Due Notice Printing step).
Late Notice Printing	Past Due Notice Printing	This step prints a user-designated form for customers' late notices. The Past Due Scenario Code must designate the form, which posts a memo transaction to the customers' accounts.
Penalty - Miscellaneous Charge Review	Miscellaneous Charge Review	The user reviews Miscellaneous Charges set to post in this packet.
Penalty - Miscellaneous Charge Build GL	Miscellaneous Charge Build GL	This step builds the GL file containing the journal entry used to update the general ledger for the Miscellaneous Charge Posting step.
Penalty - Miscellaneous Charge Posting	Miscellaneous Charge Posting	This step posts charges designated under the Miscellaneous Charge menu item of the Past Due Scenario Code to utility accounts and the general ledger. (posts charges at the time the system runs this step).

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Agenda Item

DATE: July 18, 2023

TO: Finance Committee

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Discussion Regarding the Audited Financial Statements and Management Letter for the Fiscal Year Ending June 30, 2022 by Richardson & Company

RECOMMENDED ACTION:

Discussion of staff responses to the Audited Financial Statements and Management Letter for the Fiscal Year ending June 30, 2022.

SUMMARY:

Through the course of an audit several internal controls are tested by the outside Audit Firm and identified. Areas that would cause a material weakness are presented in the form of a Management Letter from the Audit Firm to the Board of Directors.

The identification of these areas is meant to be opportunities for the District to undertake changes to provide for better internal controls and easier audit performance.

The findings identified in the FY 2021-22 audit and the District's corrective action responses were presented to the Board on March 8, 2023. The Board accepted the Auditor's Management Letter and the District's responses at the March 8th meeting. Furthermore, the Board directed staff to provide updates to the Finance Committee.

Finding 1: Payroll Disbursements

We continue to recommend entry of new employees be protected with password approval by someone other than employees that process the payroll as a control to prevent the entry of fictitious employees.

Corrective Action Response 1:

The District is working to implement an alternative HR/Payroll software to allow for more oversight and reporting capabilities. The District currently use ADP to process payroll and the use of it is cumbersome and the reporting is difficult to utilize.

Finding 2: Cash Receipts

We recommend the Customer Service Manager should periodically produce and review a system report that shows active versus billed accounts and should investigate any discrepancies.

Corrective Action Response 2:

The District is migrating to a new utility billing system. Once completed, segregation of duties will be easier and reporting capabilities will be available to complete this task.

Finding 3: Payable and Wire/Bank Transfer Procedures

We recommend detailed payable and wire/bank transfer procedures be documented to provide new staff.

Corrective Action Response 3:

The District will create detailed procedures.

Update:

The District updated the payable and wire/bank procedures in FY 2022-23.

Finding 4: Whistle Blower Policies

We recommend the District develop a whistleblower policy to complement the District's fraud policy.

Corrective Action Response 4:

The District will create and adopt a whistle blower policy.

Finding 5: Investment Policy

We recommend the District perform an annual review of the investment policy in order to adhere to the District's Financial Management Policy.

Corrective Action Response 5:

The District will perform annual reviews of the Investment Policy.

Update:

The District reviewed and updated the Investment Policy, which was adopted by the Board of Directors on June 14, 2023.

Internal Loan

On August 8, 2018, the Board of Directors approved a loan from the Water Fund to the Sewer to cover a cash deficit of \$1,126,267 at June 30, 2018. The internal loan was to be repaid by June 30, 2028, but annual payments have not been in accordance with the approved payment schedule. We recommend that the Board update the payment schedule to reflect the current outstanding balance of the loan amounting to \$767,399 as of June 30, 2022. In developing the internal loan payment schedule the Board should consider the Sewer fund current negative cash position as of June 30, 2022 amounting to \$3,208,627.

Corrective Action Response to Internal Loan:

The District will resume annual loan payments from the sewer fund to the water fund and will update the loan agreement to reflect the current cash position.

Other Items

The District recently closed fund 101 used for most joint costs into the Water and Sewer Fund. Funds 104 and 108 are still used for joint resources and are split for

financial reporting. We recommend the District create separate Water and Sewer sub-funds for the activities reported in these funds to avoid manually splitting the funds during the audit. Splitting the funds would allow the District to track the use of the resources by the Water and Sewer Fund more easily, which will provide decision-useful information. It will also reduce the reconciliation time spent to make the funds balance for reporting in the financial statements.

Corrective Action Response to Other Items:

The District will continue its post Fund 101 split work to separate water and sewer, including Funds 104 and 108.

Update:

The District closed Fund 101 in FY 2022-23 and all expenditures are posted directly to the Water and Sewer Funds.

FINANCIAL CONSIDERATIONS:

None.

Attachment: Transfer Procedures

TRANSFER OF FUNDS PROCEDURE

Transfers are completed as funds are needed to meet operational expenditures, or to transfer excess funds to LAIF or Chandler Asset Management for investing. Currently, if the District maintains a minimum of \$1.9M in the Umpqua Bank operating account there should not be any bank fees charged.

Transfer requests should be discussed with the Director of Administrative Services (DAS) prior to completing the transfer form for cash needs and to determine the amount of the transfer.

Currently, transfer requests are in the Accounting folder, Bank Reconciliations, Transfer Forms

Discuss Transfer request with Director of Administrative Services (DAS)

- AP and/or the Engineering coordinator alert Accountant II when there is a large invoice to be processed.
- Accountant II determines if sufficient cash is available to pay the large invoice, taking into account all expected regular payments via ACH (payroll, taxes, any loans due, etc.).

Accountant II Initiates the approval request and backup documentation:

- Complete the Wire Transfer Request Form and notes any backup information pertaining to the request such as pending AP, then signs the form.
- Email or print the form and submit it to the DAS for review and signature.
- Email or print the form and submit it to the General Manager for final signature/approval.
- Save or scan the signed request and any backup in the Month's (of the transfer) Cash Recon/Misc Statement folder.

Make the Transfer:

From LAIF to the District's Umpqua Bank Operating Account

- The Accountant II or DAS will request the transfer on the LAIF web portal. The DAS and the Accountant II will be notified by email, and the funds will be wired to the District's account the next day, or on the day indicated in the LAIF transfer portal.
- Verify funds were received in the Umpqua Bank account by accessing the web site.

From the District's Umpqua Bank Operating Account to LAIF

- Determine the day the wire will be sent.
- Locate an available "authorized signer" who can approve the Umpqua wire request. A separate authorized signer from the individual who entered the request must approve the request. The wire request must be approved by 1:00 p.m. the same day it is entered on the Umpqua portal.
- Call LAIF to notify them of the transfer date and obtain a Confirmation Number from LAIF (must call at least the day before).
- Accountant II (or other authorized party) initiates the wire transfer on the Umpqua web site.
- Email or call the "authorized signer" to let them know that the wire transfer is entered and ready for approval, and send the signed wire request and backup to them via email.
- When the approval is complete, the authorized signer sends the confirmation to the Accountant II (or other authorized party) who initiated the request.
- Accountant II saves the wire approval in the Month's Umpqua Cash Recon folder.
- Sign in the next day to verify funds were received in the LAIF account in the online web portal.

From Chandler/US Bank to the District's Umpqua Bank Operating Account

- Notify Chandler reps (currently Stacey Alderson salderson@chandlerasset.com, Kara Raynor-Sanchez k.sanchez@chandlerasset.com and Carlos Oblites coblites@chandlerasset.com) that the District will be requesting funds.
- *Note, there may be a delay if assets are currently held in certain types of investments, or there may be a cost/surcharge to sell assets before they are mature – it is important to work with Chandler ahead of time if possible.*
- Fill out the Transaction Authorization Form (TAF) from US Bank (in addition to the Wire Transfer request form).
- The TAF must be signed by an “authorized signer” other than the initiator.
- Email the signed TAF to the representative at US Bank (currently: Samir Somerville email: samir.somervillepowell@usbank.com).
- US Bank sends an email when the transfer is completed.
- Verify funds were received in Umpqua Bank by accessing the web site.

From the District's Umpqua Bank Operating Account to Chandler

- Notify Chandler reps (currently Stacey Alderson salderson@chandlerasset.com, Kara Raynor-Sanchez k.sanchez@chandlerasset.com and Carlos Oblites coblites@chandlerasset.com) that the District will be wiring funds.
- Locate an available “authorized signer” who can approve the Umpqua wire request. A separate authorized signer from the individual who entered the request must approve the request. The wire request must be approved by 1:00 p.m. the same day it is entered on the Umpqua portal.
- Accountant II (or other authorized party) Initiates the wire transfer on the Umpqua web site.
- Email or call the “authorized signer” to let them know that the wire transfer is entered and ready for approval, and send the signed wire request and backup to them via email.
- When the approval is complete, the authorized signer sends the confirmation to the Accountant II (or other authorized party) who initiated the request.
- Accountant II saves the wire approval in the Month's Umpqua Cash Recon folder.
- Sign in the next day to verify funds were received in the LAIF account in the online web portal.

After Transfer is Completed through the Umpqua Operating Account:

- Print to PDF the transaction detail from the Operating Account and save it in the Month's Cash Recon/Misc, Statement folder.
- Note the amount of funds received or disbursed on the Check Register/Banking Recon worksheet.
- Move the funds within the GL, if necessary, by following the Journal Entry procedures.