

CALAVERAS COUNTY WATER DISTRICT FINANCE COMMITTEE MEETING

AGENDA

Tuesday, November 17, 2020
1:00 p.m.

Calaveras County Water District
120 Toma Court (P O Box 846)
San Andreas, California 95249

Based on guidance from the California Governor's Office, social distancing measures are imposed, Board chamber's capacity will be limited to 8 persons during public meetings. Social distancing and cloth facemasks are required.

The following alternatives are available to members of the public to watch these meetings and provide comments to the Committee before and during the meeting

Join meeting

Or join by phone [+1-408-418-9388](tel:+14084189388) Meeting number (access code): 126 950 3832
Meeting password: qyQajiqK523 (79725475 from phones and video systems)

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 209-754-3028. Notification in advance of the meeting will enable CCWD to make reasonable arrangements to ensure accessibility to this meeting. Any documents related to agenda items that are made available to the Board before or at the meeting shall be available for review by the public at 120 Toma Court, San Andreas, CA 95249.

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. PUBLIC COMMENT: Comments limited to three minutes per person.
2. APPROVAL OF MINUTES: N/A
3. NEW BUSINESS
 - 3a. Report on the Monthly Financial Reports for October 2020
(Rebecca Callen, Director of Administrative Services)
 - 3b. Discussion/Direction regarding the Establishment of a Watershed Health Program Reserve Fund
(Rebecca Callen, Director of Administrative Services)

4. **DIRECTOR OF ADMINISTRATIVE SERVICES COMMENTS**
5. **GENERAL MANAGER COMMENTS**
6. **DIRECTOR COMMENTS**
7. **FUTURE AGENDA ITEMS**
8. **NEXT COMMITTEE MEETING**
9. **ADJOURNMENT**

Agenda Item

DATE: November 17, 2020
TO: Finance Committee
FROM: Rebecca Callen, Director of Administrative Services
SUBJECT: Report on the Monthly Financial Reports for October 2020

RECOMMENDED ACTION:

Receive Report on October 2020 Monthly Financial Reports.

SUMMARY:

The following financial reports are for the month ending October 31, 2020:

Budget Status Report – This is a high-level summary of operating revenues and expenditures with analysis points based on historical trends for the same period of reporting (period being the reporting months to date), budget to actual, and overall District and Departmental status.

Capital Renovation and Replacement (Capital R&R) Report – A summary of Capital R&R revenues and expenditures for the water and wastewater funds. Additionally, some expenditures are paid in arrears and this report may not adequately account for all costs incurred during the reporting period.

Capital Improvement Program Cash Flow/Expenditure Summary – Not available

The following two reports were presented, and approved by the Board at the November 11, 2020 Board Meeting:

Claim Summary – The claim summary is a summary of services, supplies, reimbursements and other vendor claims paid by the District in the reporting month.

Investment Transactions – A summary of investment balances, interest received, and a listing of individual transactions that occurred during the reporting month.

FINANCIAL CONSIDERATIONS:

None

*Attachment: Budget Status Report – October 2020
Capital R&R Report – October 2020*

October 2020 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 fall short of budget and historical trends or Account Types that are at or over the benchmark.

Analysis has been done to evaluate 4-year trends related to revenues and operating expenses. Most importantly, comparing like periods across multiple fiscal years compares high front cost line items (i.e. insurance, supply costs, etc. that occur in the first part of the year) and eliminates them as an issue when they trend in line with prior year amounts. Additionally, a comparison of Year to Date activity versus budget further identifies if there are any impending issues.

Cleanup of budget items will occur at Mid-Year, which is slated to occur in January 2021, once December is closed. At that time, reallocation of budget within departments will occur, adjustment of budget between funds to align with actual trends will occur, and recognition of any unanticipated revenue or unforeseen expenditures will be addressed. In the meantime, any line items that look like they **could** trend to overrun by year end are being communicated internally to address changes in activities to bring the trend into alignment with the current budget. For those items that cannot be absorbed or were not contemplated in the 2020-21 budget but were mandated, those will be discussed and acted on that the Mid-Year meeting.

All District Revenues

This analysis includes operating, capital, expansion, and reserve funds

Revenue YTD Totals	Fiscal Year				Current	Remaining	Benchmark
Account Type	2018	2019	2020	2021	Budget	Balance	33% Of Budget
⊕ W01-Sales & Charges	5,911,209	5,914,551	6,043,979	6,341,632	13,433,501	7,091,869	47.21%
⊕ W02-Water/Sewer Fees	7,374	3,465	11,145	17,300	55,000	37,700	31.45%
⊕ W03-Misc. Operating Revenue	47,731	60,031	32,495	154,488	49,000	(105,488)	315.28%
⊕ X02-Grant Revenue	6,212		28,708	53,510	-	(53,510)	0.00%
⊕ X03-Interest Income	65,415	145,628	184,243	70,623	160,500	89,877	44.00%
⊕ X04-Expansion/Assmt Fees	186,490	359,547	710,632	1,083,558	-	(1,083,558)	0.00%
⊕ X05-Power Sales	284,429	268,985	302,209	269,321	747,000	477,679	36.05%
⊕ X06-Other Revenue	9,668	20,391	296,155	2,814,599	1,124,000	(1,690,599)	250.41%
⊕ X30-Transfers In	1,417,379	865,704	4,401,654	3,387,454	2,899,922	(487,532)	116.81%
Grand Total	7,935,907	7,638,302	12,011,221	14,192,486	21,252,161	7,059,675	66.78%

Analysis of ALL District Revenues identifies the accounts to note:

- Sales & Charges
- Misc Operating Revenue
- Interest Income
- Expansion/Assessment Fees
- Other Revenue

Sales & Charges

	2018	2019	2020	2021	Budget	Balance	%
W01-Sales & Charges	5,911,209	5,914,551	6,043,979	6,341,632	13,433,501	7,091,869	47.21%
41000-Water/Sewer Sales/Resid	4,143,137	4,160,333	4,293,525	4,549,595	13,011,501	8,461,906	34.97%
41010-Capital Program Charges			0	0	-	(0)	0.00%
41010-Capital R&R-Sewer	391,900	393,039	395,692	400,160	-	(400,160)	0.00%
41010-Capital R&R-Water	1,202,034	1,194,312	1,176,981	1,229,020	-	(1,229,020)	0.00%
41010-Sewer Capital Program Charges	0	0			-	-	0.00%
41010-Water Capital Program Charges	0	0			-	-	0.00%
41200-Water Sales-Fire Hydrant	84,649	75,193	80,943	87,943	165,000	77,057	53.30%
44100-Account Establishment Fees	20,215	21,181	20,919	32,863	44,000	11,137	74.69%
44110-Delinquent Account Charge	69,274	70,494	75,918	42,051	213,000	170,949	19.74%

41200: Hydrant revenue is trending higher than budget due to increased construction activity within the County.

44100: Customer Service reports that properties are changing hands more now than in the past, another factor is the increase in new connections (see below).

Miscellaneous Operating Revenue

	2018	2019	2020	2021	Budget	Balance	%
W03-Misc. Operating Revenue	47,731	60,031	32,495	154,488	49,000	(105,488)	315.28%
42000-Inspection Fees	544	417	2,759	6,407	4,000	(2,407)	160.18%
42000-Water Inspection Fee	244	61			-	-	0.00%
42100-Plan Check Fees	1,280	200			2,000	2,000	0.00%
44200-Backflow Certification Testing	150				3,000	3,000	0.00%
44500-Repair Labor/Materials	8,647	13,016	10,675	28,056	20,000	(8,056)	140.28%
44510-Misc Operating Revenue	0				-	-	0.00%
44510-Reimbursable Expense	4,896	4,142	17,131	19,118	10,000	(9,118)	191.18%
44600-Copies of Documents	19				-	-	0.00%
44900-Other Water/Sewer Charges		-195			-	-	0.00%
48130-Rental Revenue	30,646	22,445			-	-	0.00%
48190-Miscellaneous Operating Rev	524	19,120	1,930	100,907	10,000	(90,907)	1009.07%
48190-Other Operating Revenue	780	825			-	-	0.00%

42000: Developer activity has increased substantially over the summer resulting in an increase in Inspection Fee revenue, with Copperopolis seeing the most activity.

44500: Repair Labor/Materials is made up of construction costs associated with the new connections, again the majority being in Copperopolis.

44510: The Reimbursable Expense is made up of staff time billed on developer projects, and the reimbursement of CPPA electricity charges for meters used by Blue Lake Springs and Gentium Golf.

48190: The Utility Department currently has a Fuel Reduction Program at some wastewater facilities. Sierra Pacific Industries has paid the District \$91K in lumber sales, although a majority of these funds will be disbursed to the CHIPS program.

Interest Income

	2018	2019	2020	2021	Budget	Balance	%
X03-Interest Income	65,415	145,628	184,243	70,623	160,500	89,877	44.00%
51100-Interest Income/CCWD Invest	65,415	145,628	184,243	70,623	160,500	89,877	44.00%

51100: The majority of the Districts excess funds are held in the Local Agency Investment Fund (LAIF) through the California State Treasurers Office and interest is paid in the month following the end of the calendar quarter. Interest rates continue to decline, and as of October 31, 2020 the LAIF Interest rate was .60%.

Expansion/Assessment Fees

	2018	2019	2020	2021	Budget	Balance	%
X04-Expansion/Assmt Fees	186,490	359,547	710,632	1,083,558	-	(1,083,558)	0.00%
52410-Expansion Fees	186,490	359,547	710,632	1,083,558	-	(1,083,558)	0.00%

52410: There has been a tremendous amount of new connections in the Copperopolis area with 42 water connections and 39 sewer connections. There were 2 water connections and 4 sewer connections in other areas of the District.

Other Revenue

	2018	2019	2020	2021	Budget	Balance	%
X06-Other Revenue	9,668	20,391	296,155	2,814,599	1,124,000	(1,690,599)	250.41%
48130-Rental Income	4,120	1,000			-	-	0.00%
48130-Rental Revenue			27,854	27,650	73,000	45,350	37.88%
52430-Area of Benefit Reimbursement	-3,794				-	-	0.00%
54600-Other Non-Op Revenue				5,075	-	(5,075)	0.00%
54600-Other Non-Operating Revenue			259,902	2,781,875	920,000	(1,861,875)	302.38%
54605-Misc Developer Reimbursements	9,343	19,391	8,399		-	-	0.00%

54600: During July the District received \$2.4M from PG&E for the 2015 Butte Fire settlement. These funds were transferred, per Board direction, to the Interest Reserve Fund in October, to the renamed Water Resources and FERC Relicensing Reserve. This transfer will be reflected in the Transfers In/Out between Funds 108 and 300/500. The remainder of the account balance is the invoicing to NCPA/MID for FERC fees and other government agencies billings for reimbursements. The related expense will be recorded in the Water Resources budget.

District Operating Revenues

These revenues are isolated to Water, Sewer, and the District General Fund.

Revenue YTD Totals	Fiscal Year				Current	Remaining	Benchmark
Account Type	2018	2019	2020	2021	Budget	Balance	33% Of Budget
W01-Sales & Charges	4,317,275	4,327,200	4,471,305	4,712,452	13,433,501	8,721,049	35.08%
W02-Water/Sewer Fees	7,374	3,465	11,145	17,300	55,000	37,700	31.45%
W03-Misc. Operating Revenue	47,731	60,031	32,495	148,236	49,000	(99,236)	302.52%
X02-Grant Revenue	6,212		12,130	53,510	-	(53,510)	0.00%
X03-Interest Income	18,969	46,147	64,359	3,680	160,500	156,820	2.29%
X05-Power Sales	284,429	268,985	302,209	269,321	747,000	477,679	36.05%
X06-Other Revenue	9,343	19,391	296,155	2,814,599	1,124,000	(1,690,599)	250.41%
X30-Transfers In	942,487	865,704	4,200,856	941,659	2,899,922	1,958,263	32.47%
Grand Total	5,633,820	5,590,924	9,390,656	8,960,757	21,252,161	12,291,404	42.16%

The main Account Types to note are:

- Misc. Operating Revenue
- Interest Income
- Other Revenue

See above explanations

District Operating Expenses

District Operating Expenses are under the 33% benchmark.

Expense YTD Totals Account Type	Fiscal Year				Current Budget	Remaining Balance	Benchmark
	2018	2019	2020	2021			33% Of Budget
⊕ Y01-Sal/Wage/Benefits	3,027,328	3,117,504	3,057,446	3,048,673	9,771,263	6,722,590	31.20%
⊕ Y02-Utility Service	354,216	324,929	332,118	323,497	1,010,735	687,238	32.01%
⊕ Y03-Materials/Supplies	390,073	381,664	476,170	595,876	1,272,551	676,675	46.83%
⊕ Y04-Outside Services	193,397	215,478	359,737	337,823	978,125	640,302	34.54%
⊕ Y05-Professional Services	161,222	106,009	110,580	123,889	553,001	429,112	22.40%
⊕ Y06-Vehicle/Equipment	102,017	121,604	140,828	213,883	418,720	204,837	51.08%
⊕ Y07-Office Expenses	77,442	106,732	119,235	122,095	164,909	42,815	74.04%
⊕ Y08-Travel/Training	11,422	15,198	26,039	8,016	72,087	64,071	11.12%
⊕ Y11-Retired Employee	175,148	178,112	206,914	192,508	620,000	427,492	31.05%
⊕ Y12-Bad Debts	21,724	20,452	12,623	11,553	52,000	40,447	22.22%
⊕ Y13-Misc Op Expenses	140,126	142,291	493,948	620,699	1,527,324	906,625	40.64%
⊕ Y15-Director Costs	37,867	35,649	42,289	32,669	162,794	130,125	20.07%
⊕ Y16-Legal	49,639	51,990	77,042	86,987	275,000	188,013	31.63%
⊕ Z02-Debt Repayment	1,235,521	969,907	1,095,839	1,119,162	3,146,402	2,027,240	35.57%
⊕ Z03-Capital Equipment	96,463	56,304	177,696	28,641	800,864	772,223	3.58%
⊕ Z04-Misc Non Operating	8,921	8,465	7,500	0	37,721	37,721	0.00%
⊕ Z30-Transfers Out			3,331,493	2,494,605	-	(2,494,605)	0.00%
Grand Total	6,082,526	5,852,289	10,067,496	9,360,574	21,161,759	11,801,185	44.23%

The main Account Types to note are:

- Materials/Supplies
- Vehicle/Equipment
- Office Expenses
- Misc Op Expenses

see next page

Materials/Supplies

	2018	2019	2020	2021	Budget	Balance	%
Y03-Materials/Supplies	390,073	381,664	476,170	595,876	1,272,551	676,675	46.83%
60310-Materials and Supplies	35,412	54,494	38,761	55,593	147,051	91,458	37.80%
60311-Herbicide	274			928	1,500	572	61.86%
60312-Safety Eq Repl consumables	7,992	13,083	15,463	17,334	40,000	22,666	43.34%
60313-Tools	8,787	39,036	23,789	9,921	30,500	20,579	32.53%
60314-Uniforms - New	10,259	6,644	9,996	5,433	12,000	6,567	45.28%
60320-Safety Material and Supplies			137		8,000	8,000	0.00%
60325-Lab Supplies Consumables	4,861	16,162	15,810	21,227	40,000	18,773	53.07%
60327-Ozone System Parts	667		4,143	448	10,000	9,552	4.48%
60328-UV Parts and Supplies	25,448	8,327	56,939	86,305	102,000	15,695	84.61%
60331-Electrical Parts Replacement	19,327	23,090	17,790	21,423	80,000	58,577	26.78%
60332-Leak Repair Supplies	43,231	25,622	44,228	72,728	100,000	27,272	72.73%
60333-Road Repair Materials	11,498	10,879	7,539	19,949	25,000	5,051	79.80%
60334-SCADA Radio Supplies	3,056	6,569	5,212	497	40,000	39,503	1.24%
60335-Septic Tanks - New & Repairs	1,977	1,633	4,150	4,738	20,000	15,262	23.69%
60338-Meters New Conn and Repl	10,683	13,208	38,375	16,202	55,000	38,798	29.46%
60350-Aerator/Compressor etc repair	21,257	6,035	799	7,287	18,000	10,713	40.48%
60353-Computers/peripherals	412	174	450	658	6,000	5,342	10.97%
60354-Control Sys/Pressure Transducer			6,599	2,384	10,000	7,616	23.84%
60355-Headworks/Solids Removal Rep.	962	1,775	3,248	4,991	20,000	15,009	24.95%
60356-HVAC	2,529	7,499	4,538	3,778	8,500	4,722	44.45%
60357-Mixers	26,414	2,866	7,253	3,438	15,000	11,562	22.92%
60359-Pumps/Motors Repair	11,908	14,669	43,648	37,989	100,000	62,011	37.99%
60360-Solids Handling Equip Repair			1,051		5,000	5,000	0.00%
60390-Admin. Technologies/Comm.	2,923	9,755	13,815	9,209	20,000	10,791	46.05%
60395-Chemicals	140,197	120,144	112,438	193,416	340,000	146,584	56.89%

Although there are some significant percent discrepancies, both higher and lower, the overall Account Type is 13.8% over budget.

Vehicle/Equipment

	2018	2019	2020	2021	Budget	Balance	%
Y06-Vehicle/Equipment	102,017	121,604	140,828	213,883	418,720	204,837	51.08%
60610-Operating Exp Gas and Oil	47,781	59,336	69,041	82,782	231,000	148,218	35.84%
60620-Repair Exp/Parts and Repairs	33,479	57,617	52,756	40,631	75,000	34,369	54.18%
60625-Fuel/Repair - Generators	7,314	3,074	16,176	7,439	50,000	42,561	14.88%
60650-Rental Exp Vehicles and Equip	13,442	1,576	2,855		-	-	0.00%
60660-Vehicle Lease & Maintenance				1,498	8,246	6,748	18.17%
60650-Rental Exp Vehicles and Equip				81,532	54,474	(27,058)	149.67%

60620: Vehicle repairs year to date include a tire purchases, ongoing maintenance, a transmission replacement, and repairs to a damaged vehicle that has been submitted to ACWA/JPIA on an insurance claim.

60650: Road repairs due to the 2019 Storm Event required the rental of a grader and a roller to complete these projects. FEMA funds have already been received for these repairs.

Office Expenses

	2018	2019	2020	2021	Budget	Balance	%
Y07-Office Expenses	77,442	106,732	119,235	122,095	164,909	42,815	74.04%
60700-Forms and Supplies		84	480	527	3,351	2,824	15.74%
60710-Permits and Licenses	2,107	2,979	2,328	2,604	15,000	12,396	17.36%
60720-Postage	5,033	3,717	4,568	3,111	17,521	14,410	17.76%
60730-Publications/Subscriptions	445			7	2,751	2,744	0.25%
60732-Memberships and Dues	69,858	99,830	111,432	115,821	125,786	9,965	92.08%
60760-Recording/Title Reports		122	427	24	-	(24)	0.00%

60732: The majority of membership dues are typically paid for during the first part of the fiscal year. Membership renewals for Field staff associations will be ongoing.

Misc Operating Expense

	2018	2019	2020	2021	Budget	Balance	%
Y13-Misc Op Expenses	140,126	142,291	493,948	620,699	1,527,324	906,625	40.64%
61315-Rate Assistance Program			16,583	15,628	60,000	44,372	26.05%
61409-Unemployment Claims			0	-1,125	-	1,125	0.00%
61410-Insurance	120,332	117,061	206,031	228,998	216,334	(12,664)	105.85%
61420-State Water and Sewer Fees	1,362	1,714	1,902	6,187	236,000	229,813	2.62%
61430-State/Federal/County Fees		3,282			-	-	0.00%
61435-State/Federal/County Fees			254,526	345,388	786,000	440,612	43.94%
61450-Mandated Plans		2,662			140,000	140,000	0.00%
61455-Water Conservation	1,673	625	1,749	1,700	3,000	1,300	56.67%
61485-Third Party Payment Processing	16,738	16,947	13,158	23,923	83,990	60,067	28.48%
61490-Misc Op/Maint Expense	20				-	-	0.00%

61410: Insurance premiums are paid to ACWA/JPIA depending on their coverage dates. Insurance premiums will be up by at least 5% over the prior year, and property insurance increased almost 14% due to a rate increase by the carrier.

61435: FERC fees and other government agencies billings were either paid for in July and August, or were paid in the previous year for current year fees.

61455: Scholarships awards have been issued to three recipients to date, and rebates have been issued to utility customers for the Toilet Rebate program.

see next page

DEPARTMENTAL REPORTS

Dept 50 – Non-Departmental

Expense YTD Totals	Fiscal Year				Current	Remaining	Benchmark
Account Type	2018	2019	2020	2021	Budget	Balance	33% Of Budget
⊕ Y02-Utility Service	9,355	7,740	7,902	3,351	24,783	21,432	13.52%
⊕ Y03-Materials/Supplies	8,645	11,507	11,683	10,326	40,500	30,174	25.50%
⊕ Y04-Outside Services	12,447	13,799	12,631	12,557	50,021	37,464	25.10%
⊕ Y11-Retired Employee	175,148	178,112	206,914	192,508	620,000	427,492	31.05%
⊕ Y13-Misc Op Expenses	120,332	120,343	206,031	228,998	216,334	(12,664)	105.85%
⊕ Z02-Debt Repayment	1,235,521	969,907	1,095,839	1,119,162	3,146,402	2,027,240	35.57%
⊕ Z04-Misc Non Operating	1,421	965			30,221	30,221	0.00%
Grand Total	1,562,868	1,302,373	1,540,999	1,566,901	4,128,261	2,561,360	37.96%

Analysis shows that there are two account types to note:

- Misc Op Expense

Misc Op Expense

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y13-Misc Op Expenses	120,332	120,343	206,031	228,998	216,334	(12,664)	105.85%
61410-Insurance	120,332	117,061	206,031	228,998	216,334	(12,664)	105.85%
61430-State/Federal/County Fees		3,282			-	-	0.00%

61410: During the FY 20-21 budget process the insurance expense was increased based on the data received from ACWA/JPIA. The actual premiums came in a little over budget.

Dept. 54 - Utility Services

Expense YTD Totals	Fiscal Year				Current	Remaining	Benchmark
Account Type	2018	2019	2020	2021	Budget	Balance	33% Of Budget
⊕ Y01-Sal/Wage/Benefits	2,158,239	2,106,934	2,097,568	2,280,070	6,960,956	4,680,886	32.76%
⊕ Y02-Utility Service	344,861	317,188	324,216	320,146	985,952	665,806	32.47%
⊕ Y03-Materials/Supplies	377,811	360,027	449,682	575,704	1,199,000	623,296	48.02%
⊕ Y04-Outside Services	144,517	136,157	289,472	260,295	741,900	481,605	35.08%
⊕ Y05-Professional Services	11,355	13,176	27,271	31,761	89,300	57,539	35.57%
⊕ Y06-Vehicle/Equipment	102,017	121,604	140,828	213,883	418,720	204,837	51.08%
⊕ Y07-Office Expenses	9,870	6,346	9,154	10,108	31,500	21,392	32.09%
⊕ Y08-Travel/Training	7,185	8,400	12,103	3,402	35,185	31,783	9.67%
⊕ Y13-Misc Op Expenses	1,362	1,714	1,902	6,187	236,000	229,813	2.62%
⊕ Z03-Capital Equipment	96,463	46,140	177,696	28,641	703,084	674,443	4.07%
⊕ Z04-Misc Non Operating				0	-	-	0.00%
Grand Total	3,253,681	3,117,685	3,529,893	3,730,196	11,406,597	7,676,401	32.70%

The accounts to note are:

- Materials/Supplies
- Vehicle/Equipment

Materials/Supplies

	2018	2019	2020	2021	Budget	Balance	%
Y03-Materials/Supplies	377,811	360,027	449,682	575,704	1,199,000	623,296	48.02%
60310-Materials and Supplies	26,072	43,338	26,225	44,630	102,000	57,370	43.75%
60311-Herbicide	274			928	1,500	572	61.86%
60312-Safety Eq Repl consumables	7,992	13,083	15,463	17,334	40,000	22,666	43.34%
60313-Tools	8,787	38,310	23,789	9,921	30,000	20,079	33.07%
60314-Uniforms - New	10,259	6,644	9,996	5,433	12,000	6,567	45.28%
60325-Lab Supplies Consumables	4,861	16,162	15,810	21,227	40,000	18,773	53.07%
60327-Ozone System Parts	667		4,143	448	10,000	9,552	4.48%
60328-UV Parts and Supplies	25,448	8,327	56,939	86,305	102,000	15,695	84.61%
60331-Electrical Parts Replacement	19,327	23,090	17,790	21,423	80,000	58,577	26.78%
60332-Leak Repair Supplies	43,231	25,622	44,228	72,728	100,000	27,272	72.73%
60333-Road Repair Materials	11,498	10,879	7,539	19,949	25,000	5,051	79.80%
60334-SCADA Radio Supplies	3,056	6,569	5,212	497	40,000	39,503	1.24%
60335-Septic Tanks - New & Repairs	1,977	1,633	4,150	4,738	20,000	15,262	23.69%
60338-Meters New Conn and Repl	10,683	13,208	38,375	16,202	55,000	38,798	29.46%
60350-Aerator/Compressor etc repair	21,257	6,035	799	7,287	18,000	10,713	40.48%
60353-Computers/peripherals	412	174	450	658	6,000	5,342	10.97%
60354-Control Sys/Pressure Transducer			6,599	2,384	10,000	7,616	23.84%
60355-Headworks/Solids Removal Rep.	962	1,775	3,248	4,991	20,000	15,009	24.95%
60356-HVAC	2,529	7,499	4,538	3,778	8,500	4,722	44.45%
60357-Mixers	26,414	2,866	7,253	3,438	15,000	11,562	22.92%
60359-Pumps/Motors Repair	11,908	14,669	43,648	37,989	100,000	62,011	37.99%
60360-Solids Handling Equip Repair			1,051		5,000	5,000	0.00%
60395-Chemicals	140,197	120,144	112,438	193,416	340,000	146,584	56.89%

See page 5 for an explanation.

Vehicle/Equipment

	2018	2019	2020	2021	Budget	Balance	%
Y06-Vehicle/Equipment	102,017	121,604	140,828	213,883	418,720	204,837	51.08%
60610-Operating Exp Gas and Oil	47,781	59,336	69,041	82,782	231,000	148,218	35.84%
60620-Repair Exp/Parts and Repairs	33,479	57,617	52,756	40,631	75,000	34,369	54.18%
60625-Fuel/Repair - Generators	7,314	3,074	16,176	7,439	50,000	42,561	14.88%
60650-Rental Exp Vehicles and Equip	13,442	1,576	2,855		-	-	0.00%
60660-Vehicle Lease & Maintenance				1,498	8,246	6,748	18.17%
60650-Rental Exp Vehicles and Equip				81,532	54,474	(27,058)	149.67%

See page 5 for an explanation.

Dept 56 – General Management

Expense YTD Totals	Fiscal Year				Current	Remaining	Benchmark
Account Type	2018	2019	2020	2021	Budget	Balance	33% Of Budget
⊕ Y01-Sal/Wage/Benefits	234,698	289,095	275,643	223,568	670,813	447,245	33.33%
⊕ Y03-Materials/Supplies	618	229	779	334	10,800	10,466	3.10%
⊕ Y04-Outside Services	896	19,578	4,477	6,655	15,051	8,396	44.22%
⊕ Y05-Professional Services	17,344	31,147	23,754	21,318	149,300	127,982	14.28%
⊕ Y07-Office Expenses	30,805	42,396	43,791	44,159	47,697	3,538	92.58%
⊕ Y08-Travel/Training	3,520	4,966	11,431	1,369	17,251	15,882	7.94%
⊕ Y13-Misc Op Expenses			0	-1,125	2,000	3,125	-56.25%
⊕ Y16-Legal	27,762	28,324	38,058	39,840	160,000	120,160	24.90%
⊕ Z04-Misc Non Operating		0			-	-	0.00%
Grand Total	315,643	415,735	397,933	336,118	1,072,912	736,794	31.33%

Although General Management is trending under budget there are a few noteworthy items:

- Outside Services
- Office Expenses
- Misc Op Expenses

Outside Services

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y04-Outside Services	896	19,578	4,477	6,655	15,051	8,396	44.22%
60420-Drug and Alcohol Testing		70			2,200	2,200	0.00%
60429-Recruiting	896	19,508	4,477	6,655	12,851	6,196	51.78%

60429: Advertising for various positions throughout the District: External Affairs Manager, Construction & Maintenance Manager, Engineering Coordinator, and Accountant II.

Office Expenses

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y07-Office Expenses	30,805	42,396	43,791	44,159	47,697	3,538	92.58%
60700-Forms and Supplies		84			800	800	0.00%
60730-Publications/Subscriptions				7	151	144	4.62%
60732-Memberships and Dues	30,805	42,312	43,791	44,152	46,746	2,594	94.45%

60732: The majority of membership dues are paid for during the first few months of the year.

Misc Op Expenses

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y13-Misc Op Expenses			0	-1,125	2,000	3,125	-56.25%
61409-Unemployment Claims			0	-1,125	-	1,125	0.00%

61409: A check previously issued to EDD in FY 19-20 for unemployment insurance claims has subsequently been voided, pending reissuance.

Dept 57 – Board of Directors

Expense YTD Totals	Fiscal Year				Current	Remaining	Benchmark
Account Type	2018	2019	2020	2021	Budget	Balance	33% Of Budget
⊕ Y01-Sal/Wage/Benefits	579	400			-	-	0.00%
⊕ Y03-Materials/Supplies	36	32			-	-	0.00%
⊕ Y15-Director Costs	37,867	35,649	42,289	32,669	162,794	130,125	20.07%
Grand Total	38,483	36,081	42,289	32,669	162,794	130,125	20.07%

Something to note for this department is that all Director expenditures are in Account Type Y15, with the exception of Fiscal Year 2018. The breakdown table of Account Type Y15 follows.

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y15-Director Costs	37,867	35,649	42,289	32,669	162,794	130,125	20.07%
60000-Salaries/Wages	8,880	9,120	9,120	7,560	43,200	35,640	17.50%
60100-Benefits	25,648	24,378	28,840	25,425	98,443	73,018	25.83%
60102-Medical Reimbursements				440	2,000	1,560	22.00%
60310-Materials and Supplies				181	751	743	1.06%
60810-Training Conf and Travel	1,284	756	2,002	-1,448	15,000	16,448	-9.66%
60820-Director Other Travel Costs				684	3,400	2,716	20.12%
60820-Other Travel Costs	2,055	1,395	2,146		-	-	0.00%

Further analysis shows a credit balance in Training Conf and Travel expense due to refunds of the ACWA Fall Conference registration fees because of COVID-19.

Dept 58 – Engineering

Expense YTD Totals	Fiscal Year				Current	Remaining	Benchmark
Account Type	2018	2019	2020	2021	Budget	Balance	33% Of Budget
⊕ Y01-Sal/Wage/Benefits	164,580	218,086	299,893	138,259	668,865	530,606	20.67%
⊕ Y03-Materials/Supplies		114	3,389		1,000	1,000	0.00%
⊕ Y04-Outside Services	3,180	1,800	7,320	11,880	15,106	3,226	78.64%
⊕ Y05-Professional Services	5,609		-4,885	17,378	57,451	40,073	30.25%
⊕ Y07-Office Expenses	115	122	542	24	1,800	1,777	1.31%
⊕ Y08-Travel/Training	20	15	845		8,100	8,100	0.00%
Grand Total	173,504	220,136	307,104	167,540	752,322	584,782	22.27%

Account Type Outside Services is higher than previous years and higher than the benchmark.

Outside Services

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y04-Outside Services	3,180	1,800	7,320	11,880	15,106	3,226	78.64%
60410-Service Maintenance Contracts	3,180	1,800	5,425	11,880	15,106	3,226	78.64%
60431-Computer Lic Maint Contracts			1,895		-	-	0.00%

60410: Two service contracts have been paid for the year, with two remaining to be billed to the District. At this point, with the upgrade to the Innovzye contract, the budget will be over by \$3700 by the end of the year.

Dept 59 – Administrative Services

Expense YTD Totals Account Type	Fiscal Year				Current Budget	Remaining Balance	Benchmark 33% Of Budget
	2018	2019	2020	2021			
⊕ Y01-Sal/Wage/Benefits	367,068	391,631	318,428	341,806	1,255,222	913,416	27.23%
⊕ Y03-Materials/Supplies	2,923	9,755	10,637	9,512	20,751	11,239	45.84%
⊕ Y04-Outside Services	32,356	44,144	45,837	46,436	156,047	109,611	29.76%
⊕ Y05-Professional Services	68,273	40,683	49,914	33,600	127,450	93,850	26.36%
⊕ Y07-Office Expenses	5,343	4,127	5,383	3,799	20,468	16,669	18.56%
⊕ Y08-Travel/Training	156	156	358	2,895	6,800	3,905	42.58%
⊕ Y12-Bad Debts	21,724	20,452	12,623	11,553	52,000	40,447	22.22%
⊕ Y13-Misc Op Expenses	16,758	16,947	31,489	41,251	146,990	105,739	28.06%
⊕ Z03-Capital Equipment		10,165			97,780	97,780	0.00%
⊕ Z04-Misc Non Operating	7,500	7,500	7,500		7,500	7,500	0.00%
⊕ Z30-Transfers Out			3,331,493	2,494,605	-	(2,494,605)	0.00%
Grand Total	522,101	545,560	3,813,663	2,985,457	1,891,008	(1,094,449)	157.88%

There are two accounts to note – Materials/Supplies and Travel/Training.

Materials/Supplies

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y03-Materials/Supplies	2,923	9,755	10,637	9,512	20,751	11,239	45.84%
60310-Materials and Supplies				302	751	449	40.25%
60390-Admin. Technologies/Comm.	2,923	9,755	10,637	9,209	20,000	10,791	46.05%

60310: This line item should stay within budget for the year.

60390: Purchases of monitors, laptops, docking stations, and keyboards for staff working remotely due to COVID-19, and two Surface Pro computers for the Collections crew.

Travel/Training

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y08-Travel/Training	156	156	358	2,895	6,800	3,905	42.58%
60810-Training Conf and Travel			358	2,879	6,000	3,121	47.98%
60820-Other Travel Costs	156	156		16	800	784	2.01%

60810: Although the year to date amount is over the benchmark, the line item should stay within budget by years end. Training to date includes GFOA training for Rebecca Callen’s educational credits, and a team building webinar for the Finance, Customer Service and IT staff members.

Dept 60 – Water Resources

Expense YTD Totals	Fiscal Year				Current	Remaining	Benchmark
Account Type	2018	2019	2020	2021	Budget	Balance	33% Of Budget
⊕ Y01-Sal/Wage/Benefits	102,164	111,358	65,914	64,969	215,407	150,438	30.16%
⊕ Y03-Materials/Supplies	42				500	500	0.00%
⊕ Y05-Professional Services	58,641	21,003	14,525	19,831	129,500	109,669	15.31%
⊕ Y07-Office Expenses	31,310	53,742	60,365	64,006	63,444	(562)	100.89%
⊕ Y08-Travel/Training	542	1,661	1,301	350	4,751	4,401	7.37%
⊕ Y13-Misc Op Expenses	1,673	3,287	254,527	345,388	926,000	580,612	37.30%
⊕ Y16-Legal	21,877	23,667	38,985	47,147	115,000	67,853	41.00%
Grand Total	216,247	214,718	435,616	541,692	1,747,865	1,206,173	30.99%

The following Account Types are trending higher than prior year and higher than the benchmark, Office Expenses and Legal Fees.

Office Expenses

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y07-Office Expenses	31,310	53,742	60,365	64,006	63,444	(562)	100.89%
60732-Memberships and Dues	31,310	53,742	60,365	64,006	63,444	(562)	100.89%

60732: All association membership dues have been paid for the year.

Legal

	2018	2019	2020	2021	Budget	Balance	%
⊖ Y16-Legal	21,877	23,667	38,985	47,147	115,000	67,853	41.00%
60505-Outside Legal Fees	21,877	23,667	38,985	47,147	115,000	67,853	41.00%

60505: Ongoing legal services related to water rights; and the one time billing by Downey Brand for legal services related to the Eastside San Joaquin GSA.

Water Capital Renovation and Replacement Fund

July 1, 2013 through October 31, 2020

	Through Jun 30, 2020	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Y-T-D FY 20-21	Total to Date
Revenues:							
Capital R&R Water Revenues	\$ 20,582,475	\$ 975,474	\$ 253,546	\$ -	\$ -	\$ 1,229,020	\$ 21,811,495
Interest Income	584,368	29	14,736	-	-	14,765	599,133
Capital R&R Loan *	6,622,000	-	-	-	-	-	6,622,000
Grant Revenues	5,244,297	-	-	-	-	-	5,244,297
Total Revenues	\$ 33,033,141	\$ 975,503	\$ 268,282	\$ -	\$ -	\$ 1,243,785	\$ 34,276,926
Expenditures:							
Ebbetts Pass Techite Line	\$ 725,630	\$ 419,557	\$ 312,325	\$ -	\$ -	\$ 731,882	\$ 1,457,513
Ebbetts Pass Reach 1	6,256,221	795,681	541,844	-	-	1,337,525	7,593,746
Jenny Lind A-B Trans Line	24,489	2,682	534	-	-	3,216	27,705
Jenny Lind Pretreatment Facility	5,041,174	34,376	848	-	-	35,223	5,076,397
EP Redwood Tanks HMGP	38,416	428	576	-	-	1,004	39,420
AMR/AMI Radio Read Meter Progr	191,199	11,350	323	-	-	11,673	202,872
Hunters Raw Water Pump Renov	5,216	-	-	-	-	-	5,216
Meadowmont Pump Station Impro	84,169	-	-	-	-	-	84,169
Wallace SCADA Improvements	19,400	10,837	-	-	-	10,837	30,237
West Point Backup Water Filter	434	225	978	-	-	1,203	1,637
West Point SCADA Improvements	434	-	-	-	-	-	434
Big Trees Pump Station 1,4,5 Repl	107	-	-	-	-	-	107
Reeds Turnpike P/S Repl	214	873	-	-	-	873	1,087
CC Tank B P/S Renovation	-	-	-	-	-	-	-
Tank Management Plan	69,324	-	-	-	-	-	69,324
Pipeline Replacement	723,765	14,419	1,274	-	-	15,694	739,459
CC SCADA Improvements	-	-	11,910	-	-	-	-
Turbidimeter/Analyzer	-	-	25,187	-	-	-	-
Completed Projects (see Funding)	8,581,996	-	-	-	-	-	8,581,996
Total Expenditures	\$ 21,762,189	\$ 1,290,429	\$ 895,798	\$ -	\$ -	\$ 2,149,130	\$ 23,911,319
Beginning Balance		\$ 8,857,119	\$ 7,948,894	\$ 7,321,378	\$ 7,321,378	\$ 8,857,119	\$ -
Total Revenues	33,033,141	975,503	268,282	-	-	1,243,785	34,276,926
Less							
Loan Payments	2,413,833	593,300	-	-	-	593,300	3,007,133
Project Costs	21,762,189	1,290,429	895,798	-	-	2,149,130	23,911,319
Ending Balance	\$ 8,857,119	\$ 7,948,894	\$ 7,321,378	\$ 7,321,378	\$ 7,321,378	\$ 7,358,474	\$ 7,358,474

* R&R/USDA Loans - Outstanding P&I D \$ 4,146,156

Water Capital Renovation and Replacement Funding
 July 1, 2013 through October 31, 2020

Project Funding	Project Budget	Expenses To Date	Balance	Operating Funds	Expansion Funds	Capital R&R	Grant Revenues
Ebbetts Pass Techite Line	\$ 2,463,000	\$ 1,457,513	\$ 1,005,487	\$ -	\$ -	\$ 2,463,000	\$ -
Ebbetts Pass Reach 1	8,353,000	7,593,746	759,254	-	1,000,000	7,353,000	-
Jenny Lind A-B Trans Line	5,513,000	27,705	5,485,295	-	-	5,513,000	-
Jenny Lind Pretreatment Facility	5,067,000	5,076,397	(9,397)	-	-	1,655,250	3,411,750
EP Redwood Tanks HMGP	3,038,000	39,420	2,998,580	-	-	938,000	2,100,000
AMR/AMI Radio Read Meter Progr	6,112,000	202,872	5,909,128	-	-	4,112,000	2,000,000
Hunters Raw Water Pump Renov	2,015,000	5,216	2,009,784	-	-	2,015,000	-
Meadowmont Pump Station Impro	234,000	84,169	149,831	-	-	234,000	-
Wallace SCADA Improvements	101,000	30,237	70,763	-	-	101,000	-
West Point Backup Water Filter	2,000,000	1,637	1,998,363	-	-	2,000,000	-
West Point SCADA Improvements	110,000	434	109,566	-	-	110,000	-
Big Trees Pump Station 1,4,5 Repl	860,000	107	859,893	-	-	860,000	-
Reeds Turnpike P/S Repl	350,000	1,087	348,913	-	-	350,000	-
CC Tank B P/S Renovation	910,000	-	910,000	-	-	910,000	-
Tank Management Plan	3,726,000	69,324	3,656,676	-	-	3,726,000	-
Pipeline Replacement	600,000	739,459	(139,459)	-	-	600,000	-
Big Trees Tank Replacement	1,160,000	1,430,906	(270,906)	290,000	-	-	870,000
Ebbetts Pass Reach 3a	5,360,000	5,829,093	(469,093)	-	-	3,982,000	1,378,000
Jenny Lind Pressure Reg Station	190,000	316,944	(126,944)	-	-	190,000	-
Vista Del Lago/SR 26 Relocate	190,000	200,671	(10,671)	-	-	200,671	-
Lake Tulloch Drought Emergency	750,000	749,414	586	-	-	749,414	-
Ebbetts Pass WTP Filter Rehab	480,000	468,762	11,238	-	-	480,000	-
Lake Tulloch Raw Water Pump Ren	3,500,000	102,292	3,397,708	-	-	3,500,000	-
White Pines Lake Restoration	200,000	67,747	132,253	-	-	200,000	-
Capital Program Management	50,000	54,969	(4,969)	-	-	54,969	-
Total Expenditures	\$ 53,332,000	\$ 24,550,119	\$ 28,781,881	\$ 290,000	\$ 1,000,000	\$ 42,297,304	\$ 9,759,750

(1) completed project

Wastewater Capital Renovation and Replacement Fund
 July 1, 2013 through October 31, 2020

	Through Jun 30, 2020	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Y-T-D FY 20-21	Total to Date
Revenues:							
Capital R&R Wastewater Revenues	7,480,038	\$ 329,881	\$ 70,279	\$ -	\$ -	\$ 400,160	\$ 7,880,198
Interest Income	187,346	15	9,356	-	-	9,371	196,717
Capital R&R Loan *	2,300,001	-	-	-	-	-	2,300,001
Grant Revenues	132,908	-	-	-	-	-	132,908
Total Revenues	\$ 10,100,292	\$ 329,896	\$ 79,635	\$ -	\$ -	\$ 409,531	\$ 10,509,823
Expenditures:							
Copper Cove L/S 6,8; Force Main Bypass	\$ 162,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,743
Copper Cove LS 15 & 18 Renovation	\$ 214,805	109	-	-	-	109	214,914
Wallace Renovation/SCADA/PLC	\$ 2,934	3,988	1,914	-	-	5,903	8,836
West Point/Wilseyville Construction	\$ 5,315	5,885	1,314	-	-	7,199	12,514
Arnold Secondary Clarifier	\$ 23,841	43,698	9,147	-	-	52,844	76,686
Arnold Leach Field Improvements	\$ 3,655	-	319	-	-	319	3,974
La Contenta Biolac, Clarifier and UV	\$ 635	319	-	-	-	319	954
Copper Cove TP/UV Improvements	\$ 28,527	-	209	-	-	209	28,736
Huckleberry Lift Station Rehab	\$ 88,638	-	-	-	-	-	88,638
Indian Rock East Sand Filter Rehab	\$ 658	4,495	-	-	-	4,495	5,153
Southworth Collection I&I Mitigation	\$ 101,885	6,142	-	-	-	6,142	108,027
Vallecito/DF Headworks Screen	\$ 107	-	60,328	-	-	60,328	60,435
Non-CIP Capital Projects	\$ -	2,541	12,542	-	-	15,083	15,083
Completed Projects (see Funding)	2,336,367	-	-	-	-	-	2,336,367
Total Expenditures	\$ 2,970,111	\$ 67,176	\$ 85,774	\$ -	\$ -	\$ 152,950	\$ 3,123,061
Beginning Balance		\$ 4,945,398	\$ 5,008,569	\$ 5,002,431	\$ 5,002,431	\$ 4,945,398	\$ -
Total Revenues	10,100,292	329,896	79,635	-	-	409,531	10,509,823
Less							-
Loan Payments/Expenses	2,184,784	199,548	-	-	-	199,548	2,384,332
Project Costs	2,970,111	67,176	85,774	-	-	152,950	3,123,061
Ending Balance	\$ 4,945,398	\$ 5,008,569	\$ 5,002,431	\$ 5,002,431	\$ 5,002,431	\$ 5,002,431	\$ 5,002,431

* Sewer R&R Loan - Outstanding P&I Due: \$ 197,428

Wastewater Capital Renovation and Replacement Funding
 July 1, 2013 through October 31, 2020

Project Funding	Project Budget	Expenses To Date	Balance	Operating Funds	Expansion Funds	Capital R&R	Grant Revenues
Copper Cove L/S 6,8; Force Main Bypass	3,652,000	162,743	3,489,257	-	-	3,652,000	-
Copper Cove LS 15 & 18 Renovation	2,656,000	214,914	2,441,086	-	-	2,656,000	-
Wallace Renovation/SCADA/PLC	124,000	8,836	115,164	-	-	100,000	-
West Point/Wilseyville Construction	4,757,000	12,514	4,744,486	-	-	-	4,750,000
Arnold Secondary Clarifier	2,010,000	76,686	1,933,314	-	402,000	1,608,000	-
Arnold Leach Field Improvements	702,000	3,974	698,026	-	140,400	561,600	-
La Contenta Biolac, Clarifier and UV	4,000,000	954	3,999,046	-	2,000,000	2,000,000	-
Copper Cove TP/UV Improvements	13,016,000	28,736	12,987,264	-	6,508,000	6,508,000	-
Huckleberry Lift Station Rehab	480,000	88,638	391,362	-	-	480,000	-
Indian Rock East Sand Filter Rehab	200,000	5,153	194,847	-	-	200,000	-
Southworth Collection I&I Mitigation	150,000	108,027	41,973	-	-	100,000	-
Vallecito/DF Headworks Screen	275,000	60,435	214,565	-	-	275,000	-
Capital Non-CIP Projects	111,000	15,083	95,917	-	-	111,000	-
Vallecito I&I/Equalization (1)	400,000	39,285	360,715	-	-	-	-
Copper Cove Reclaim Permit (1)	250,000	221,825	28,175	-	-	-	-
WP/Wilseyville Consolidation (1)	45,000	5,728	39,272	-	-	-	-
Copper Cove Lift Station 22 (1)	1,600,000	1,516,935	83,065	-	-	-	-
Poker Flat LS 9, 10 and 11 (1)	285,000	493,406	(208,406)	-	-	-	-
Vallecito Recycle Water Distributic (1)	280,000	156,457	123,543	-	-	100,000	180,000
Capital Program Management (1)	50,000	59,188	(9,188)	-	-	-	-
Total Expenditures	\$ 35,043,000	\$ 3,279,518	\$ 31,763,482	\$ -	\$ 9,050,400	\$ 11,943,600	\$ 4,930,000

(1) completed project

Agenda Item

DATE: November 12, 2020

TO: Finance Committee

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Establishment of a Watershed Health Program reserve fund with unanticipated revenue from the West Arnold Fuel Break Project

RECOMMENDED ACTION:

Discussion/direction regarding the establishment of a new reserve fund for future forest management activities.

SUMMARY:

The Calaveras County Water District recognizes that forest management is an important part of maintaining healthy watersheds. Where forests have become too dense, forest thinning and fuel reduction projects can improve water yield, allow for a deeper snowpack that lasts farther into the year, decrease risk of severe wildfire, and increase carbon sequestration. The projects also provide local economic benefits for nearby communities. Pursuant to CCWD's water resources planning responsibilities, the District has been involved in forest management activities in different capacities for many years. CCWD's involvement is often through partnerships with other entities, such as the Upper Mokelumne River Watershed Authority (UMRWA) or Calaveras Healthy Impacts Products Solutions (CHIPS).

Within the last decade the tree mortality crises that killed over 100 million trees in the Sierra Nevada headwaters, the increasingly devastating wildfires each year, the advent of PSPS events, and the regulatory attempts to reallocate water rights to meet environmental and consumptive demands have prompted water agencies in the headwaters to take action to improve watershed health. CCWD has been part of that effort and is now reorganizing its efforts to take a more programmatic approach to its forest management activities. The objective is to increase CCWD's forest management efforts without diverting resources away from CCWD's other operational priorities. To do this, CCWD will continue to develop partnerships with local, state, and federal entities that share its forest management mission, leverage existing resources through those partnerships, and identify new sources of funding to ensure local agencies aren't bearing a disproportionate share of the cost of projects that have regional, or even statewide benefits.

The new Watershed Health Program (Water HelP) will reside within the District's Water Resources Planning Department, but will be a multi-disciplinary program. The primary Water HelP team will be the General Manager, the Water Resources Program Manager,

and the External Affairs Manager, but CCWD team members from all departments will also be involved. Water Help would include integrated watershed management of Calaveras County's major water resources (applicable Stanislaus, Calaveras, and Mokelumne River and tributary areas). The program would lead to a better understanding of potential risks to long-term reliability of District water supplies and implement forest management projects that improve watershed health. Specific projects and programs under Water Help will expand on CCWD's previous watershed health and forest management activities and could include efforts such as forest thinning and vegetation control projects, revenue-generating forest management activities, and obtaining grant funds to study climate change risks to County resources and District water rights. More details regarding the Water Help framework and work efforts are expected to be discussed during the December 4, 2020 Special Board Meeting in Arnold, California (exact time and location to be determined).

As one of the first actions under Water Help, staff propose using unanticipated revenue from the recently completed West Arnold Fuel Break Project (Project) to establish a Water Help reserve fund. The Project was a partnership with CHIPS, which generated around \$91,108 in revenue from Project timber sales. A final accounting is not yet complete, but once Project costs are covered, staff anticipate a net revenue from the Project of approximately \$36,000.

Given the nexus between the Project and Water Help, District staff would like to utilize the revenues to provide seed money for Water Help activities. To do so, District staff recommends creating a Water Help reserve within the existing Interest Reserve fund, with the transfer of net Project revenues to the new reserve. The creation of the reserve fund will ensure Project revenues are used to pursue future forest management activities. Section 5.00.2.13 of the District's Budget Policy requires Board action for the appropriation of reserves or use of any unanticipated revenues.

Several related mandated planning and other watershed coordination efforts within the District's Water Resources Department could also support broader WSMP concepts early on (e.g., local hazard risk mitigation documents, Urban Water Management Plan water supply risk assessments, Integrated Regional Water Management activities). Project revenues placed in a Water Help sub-reserve will provide some initial funds to support needed assessments in parallel with other District departmental efforts, but the aim will be to establish defined Water Help roles and program activities with alternative funding sources going forward.

FINANCIAL CONSIDERATIONS:

Create a Water Help Reserve within the existing District Interest Reserve fund and transfer revenues remaining from the West Arnold Fuel Break Project once final project accounting is complete. Project net revenue will be unrestricted and shares a clear nexus to the proposed sub-reserve fund.