



**RESOLUTION NO. 2024-12**  
**RESOLUTION NO. PFA-01**  
**ORDINANCE NO. 2024-01**

## **AGENDA**

### **OUR MISSION**

Protect, enhance, and develop Calaveras County's water resources and watersheds to provide safe, reliable, and cost-effective services to our communities.

2021-2026 Strategic Plan, Adopted April 28, 2021, and can be viewed at this [link](#)

Regular Board Meeting  
Wednesday, February 28, 2024  
1:00 p.m.

[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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### Microsoft Teams meeting

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 224 605 927 844

Passcode: qDtDHA

[Download Teams](#) | [Join on the web](#)

**Or call in (audio only)**

[+1 323-647-8603,409112649#](#)

Phone Conference ID: 409 112 649#

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 that are made available to the Board before or at the meeting, not privileged or otherwise protected from disclosure, and related to agenda items, will be made available at CCWD for review by the public.

### **ORDER OF BUSINESS**

#### **CALL TO ORDER / PLEDGE OF ALLEGIANCE**

#### **1. ROLL CALL**

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#### **BOARD OF DIRECTORS**

Russ Thomas, President  
Cindy Secada, Director

Bertha Underhill, Vice President  
Scott Ratterman, Director

Jeff Davidson, Director

**2. PUBLIC COMMENT**

**At this time, members of the public may address the Board on any non-agendized item. The public is encouraged to work through staff to place items on the agenda for Board consideration. No action can be taken on matters not listed on the agenda. Comments are limited to three minutes per person.**

**3. CONSENT AGENDA**

3a Report on the Monthly Investment Transactions for January 2024  
(Jeffrey Meyer, Director of Administrative Services)

**4. NEW BUSINESS**

4a Presentation of a Resolution Honoring Dylan Cuneo and the Retirement of his Truck Radio Number  
(Damon Wyckoff, Director of Operations) **RES 2024-\_\_\_\_\_**

4b Discussion/Action Regarding the Audited Financial Statements for the Fiscal Year Ending June 30, 2023, by Richardson & Company, LLP  
(Jeffrey Meyer, Director of Administrative Services)

4c Discussion/Direction Regarding the Audited Financial Statements and Management Letter for the Fiscal Year Ending June 30, 2023, by Richardson & Company, LLP  
(Jeffrey Meyer, Director of Administrative Services)

4d Discussion/Action Regarding the Mid-Year FY 2023-24 Operating and Capital Improvement Program Budgets  
(Jeffrey Meyer, Director of Administrative Services) **RES 2024-\_\_\_\_\_**

**5. REPORTS**

5a\* General Manager's Report  
(Michael Minkler)

**6. BOARD REPORTS / INFORMATION / FUTURE AGENDA ITEMS**

**7. NEXT BOARD MEETINGS**

- Wednesday, March 13, 2024, 1:00 p.m., Regular Board Meeting
- Wednesday, March 27, 2024, 1:00 p.m., Regular Board Meeting

**8. CLOSED SESSION**

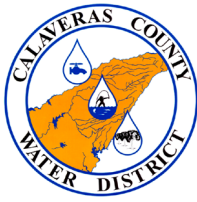
8a Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to subdivision (d)(2) of Government Code section 54956.9. - three potential cases

8b Public Employee Performance Evaluation-Government Code §54957  
General Manager

**9. REPORTABLE ACTION FROM CLOSED SESSION**

**10. ADJOURNMENT**

\*No information included in packet



# CALAVERAS COUNTY WATER DISTRICT

## Board of Directors

District 1      Scott Ratterman  
District 2      Cindy Secada  
District 3      Bertha Underhill  
District 4      Russ Thomas  
District 5      Jeff Davidson

## Financial Services

Umpqua Bank  
US Bank  
Wells Fargo Bank

## CCWD Committees

\*Engineering Committee  
\*Finance Committee  
\*Legal Affairs Committee  
\*External Relations Committee  
Real Estate Review Committee (ad hoc)

## Joint Power Authorities

ACWA / JPIA  
CCWD Public Financing Authority  
Calaveras-Amador Mokelumne River Authority (CAMRA)  
Calaveras Public Power Agency (CPPA)  
Eastern San Joaquin Groundwater Authority  
Tuolumne-Stanislaus Integrated Regional Water  
Management Joint Powers Authority (T-Stan JPA)  
Upper Mokelumne River Watershed Authority (UMRWA)

## Other Regional Organizations of Note

Calaveras County Parks and Recreation  
Committee  
Mountain Counties Water Resources  
Association (MCWRA)  
Mokelumne River Association (MRA)  
Tuolumne-Stanislaus Integrated Regional Water  
Mgt. Watershed Advisory Committee to the JPA (WAC)  
Eastern San Joaquin Groundwater Authority-Technical  
Advisory Committee

## Legal Counsel

Matthew Weber, Esq.  
Downey Brand, LLP

## Auditor

Richardson & Company, LLP

## Membership\*\*

Thomas / Davidson (alt. Secada)  
Secada / Underhill (alt. Thomas)  
Ratterman / Davidson (alt. Thomas)  
Thomas / Secada (alt. Underhill)  
Thomas / Ratterman  
  
Ratterman (alt. Michael Minkler)  
All Board Members  
Ratterman / Secada (alt. Michael Minkler)  
Michael Minkler (alt. Damon Wyckoff)  
Thomas  
Underhill (alt. Thomas)  
  
Davidson (alt. Ratterman)  
  
Thomas (alt. Ratterman)  
  
All Board Members  
  
All Board Members  
Kelly Gerkenmeyer (alt. Juan Maya)  
  
Mark Rincon-Ibarra (alt. Sam Singh)

\* Standing committees, meetings of which require agendas & public notice 72 hours in advance of meeting.

\*\* The 1<sup>st</sup> name listed is the committee chairperson.

3 a

A G E N D A  
I T E M

3 a

# Agenda Item

DATE: February 28, 2024

TO: Michael Minkler, General Manager

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Report on the Monthly Investment Transactions for January 2024

## RECOMMENDED ACTION:

For information only.

## SUMMARY:

Per the District's Investment Policy, staff will report the monthly investment activity for the preceding month. During January 2024, the following investment transactions occurred:

<b>Chandler Asset Management Activity:</b>	<b>General</b>	<b>Water CIP Loan</b>	<b>Sewer CIP Loan</b>
<b>Book Value at 12/31/2023</b>	<b>20,300,647.37</b>	<b>19,673,275.73</b>	<b>7,409,394.89</b>
Security Purchases	369,777.17		
Money Market Fund Purchases	226,600.77	82,990.26	31,255.95
Money Market Contributions			
Security Sales	(162,470.55)		
Money Market Fund Sales	(370,379.16)		
Maturities			
Principal Paydown	(41,530.04)		
Money Market Fund Withdrawals	(1,827.18)		
Amortization/Accretion	(144.53)		
Gain/Loss on Dispositions	(2,506.25)	-	
<b>Book Value at 1/31/2024</b>	<b>20,318,167.60</b>	<b>19,756,265.99</b>	<b>7,440,650.84</b>
<b>Local Agency Investment Fund Activity:</b>			
<b>Balance at 12/31/2023</b>	<b>7,628,004.85</b>		
<b>Withdrawals, Operating Cash</b>	-		
<b>Interest</b>	88,836.64		
<b>Balance at 1/31/2024</b>	<b>7,716,841.49</b>		

LAIF (Local Agency Investment Fund) daily interest rates are 4.01% as of January 31, 2024.

**CALAVERAS COUNTY WATER DISTRICT**  
**INVESTMENT ACTIVITY**  
**FOR THE MONTH ENDING January 31, 2024**

INVESTMENT TRUSTEE	TYPE OF FUNDS/Availability	MARKET VALUE	INVESTMENT COST			DATE INVST	CM INTEREST AND DIVIDEND RECVD
			COST	PAR (PRINC)	CPN RATE		
Local Agency Investment Fund	Restricted for Reserves/Special Projects	7,716,841.49	7,716,841.49	7,716,841.49	4.010%	ongoing	<b>88,836.64</b>
Chandler Asset Management	Restricted/Reserves/Expansion/AD/R&R	19,731,303.92	20,318,167.60	20,412,417.49	2.170%	ongoing	<b>17,520.23</b>
Chandler Asset Management - Water Loan	Committed to Specific CIP Projects	19,756,265.99	19,756,265.99	19,756,265.99	4.980%	ongoing	<b>82,990.26</b>
Chandler Asset Management - Sewer Loan	Committed to Specific CIP Projects	7,440,650.84	7,440,650.84	7,440,650.84	4.980%	ongoing	<b>31,255.95</b>
<b>Totals</b>		<b>54,645,062.24</b>	<b>55,231,925.92</b>	<b>55,326,175.81</b>			<b>220,603.08</b>

**MONTHLY ACTIVITY**

Chandler Asset Management Activity:	General	Water CIP Loan	Sewer CIP Loan
<b>Book Value at 12/31/2023</b>	<b>20,300,647.37</b>	<b>19,673,275.73</b>	<b>7,409,394.89</b>
Security Purchases	369,777.17		
Money Market Fund Purchases	226,600.77	82,990.26	31,255.95
Money Market Contributions			
Security Sales	(162,470.55)		
Money Market Fund Sales	(370,379.16)		
Maturities			
Principal Paydown	(41,530.04)		
Money Market Fund Withdrawals	(1,827.18)		
Amortization/Accretion	(144.53)		
Gain/Loss on Dispositions	(2,506.25)	-	
<b>Book Value at 1/31/2024</b>	<b>20,318,167.60</b>	<b>19,756,265.99</b>	<b>7,440,650.84</b>
<b>Local Agency Investment Fund Activity:</b>			
<b>Balance at 12/31/2023</b>	<b>7,628,004.85</b>		
Withdrawals, Operating Cash	-		
Interest	88,836.64		
<b>Balance at 1/31/2024</b>	<b>7,716,841.49</b>		

**CALAVERAS COUNTY WATER DISTRICT  
CHANDLER ASSET MANAGEMENT (General)**

FOR THE MONTH ENDED January 31, 2024

INVESTMENT TRUSTEE/TYPE	MARKET VALUE	INVESTMENT COST			Dividends Earned	Interest Earned
		BOOK	PAR Value/Units	CPN RATE		
Asset Backed Security	489,868.26	498,849.55	498,873.24	1.87%		3,267.79
Agency Securities	2,966,942.00	3,006,976.80	3,000,000.00	2.78%		
CMO	1,305,303.06	1,314,126.33	1,340,000.00	3.91%		2,856.58
Corporate Securities	4,485,772.37	4,561,211.45	4,570,000.00	2.80%		3,719.88
Money Market Fund (Cash)	33,544.25	33,544.25	33,544.25	4.95%	505.93	
Municipal Bonds	209,639.20	203,064.76	200,000.00	5.12%		
Supranational Securities	1,065,123.63	1,119,789.40	1,120,000.00	0.65%		
US Treasury	9,175,111.15	9,580,605.06	9,650,000.00	1.64%		12,250.00
<b>Totals</b>	<b>19,731,303.92</b>	<b>20,318,167.60</b>	<b>20,412,417.49</b>	<b>2.21%</b>	<b>505.93</b>	<b>22,094.25</b>

4b

A G E N D A  
I T E M

4b



# Agenda Item

DATE: February 28, 2024  
TO: Board of Directors  
FROM: Jeffrey Meyer, Director of Administrative Services  
SUBJECT: Presentation of the Audited Financial Statements for the Fiscal Year Ending June 30, 2023, by Richardson & Company, LLP

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## RECOMMENDED ACTION:

Motion: \_\_\_\_\_/\_\_\_\_\_ to Receive and File the Audited Financial Statements for the Fiscal Year Ending June 30, 2023, by the Auditing Firm of Richardson & Company, LLP.

## SUMMARY:

Staff is pleased to present the Independent Auditor's Report and Financial Statements for the Calaveras County Water District for the fiscal year ending June 30, 2022, completed by Richardson & Company, LLP, Certified Public Accountants. The purpose of the report is to provide the Board of Directors, District staff, ratepayers, bondholders, and other interested parties with useful information concerning the District's operations and financial position. The District is responsible for the accuracy, completeness, and fairness of the data presented in this report.

### Report Format

There are three main sections of this report:

Basic Financial Statements – The introductory sections contain the Table of Contents, the Independent Auditor's Report, and the Management's Discussion and Analysis (MD&A). The financial section, which is comprised of the Balance Sheet, the Statement of Revenues, Expenses, and Changes in Net Positions – Proprietary Funds, the Statement of Cash Flows, the Statement of Fiduciary Net Position – Assessment District Agency Fund, and the Notes to Financial Statements.

Required Supplementary Information – The Schedules of Proportional Share of Net Pension Liability and Contributions to the Pension Plan, and the Schedule of changes in the Net Other Postemployment Benefits (OPEB) liability and related ratios, and Schedule of Contributions to OPEB.

Other Supplementary Information – The Combining Schedule of Fiduciary Net Position,

and the Debt Service Coverage Ratios for the Water and Sewer Funds.

Compliance Report – Independent Auditor’s Report on Internal Control over Financial Reporting, Compliance, and other matters based on the audit.

### Audit Opinion

At the conclusion of the District’s audit, the auditor renders an opinion on the overall financial statements. The auditors have issued an “unqualified” opinion for the FY 2022-23 audit, which is a “clean” opinion, or one in which the independent auditors can state without reservation that the financial statements are fairly presented in all material respects in conformity with generally accepted accounting principles and government accounting standards.

Brian Nash, CPA, of Richardson & Company will make a presentation to the Board and will answer any questions the Board or general public may have regarding the FY 2022-23 Audited Financial Statements.

### **FINANCIAL CONSIDERATIONS:**

None.

*Attachments:     Audited Financial Statement for the Fiscal Year Ending June 30, 2023  
                          Governance Letter  
                          Management Letter*

**CALAVERAS COUNTY WATER DISTRICT**

**AUDITED FINANCIAL STATEMENTS**

**June 30, 2023**

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CALAVERAS COUNTY WATER DISTRICT

AUDITED FINANCIAL STATEMENTS

June 30, 2023

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TABLE OF CONTENTS

Independent Auditor's Report.....	1
Management's Discussion and Analysis .....	4
<u>Basic Financial Statements</u>	
Statement of Net Position – Proprietary Funds.....	14
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	16
Statement of Cash Flows – Proprietary Funds.....	17
Statement of Fiduciary Net Position – Assessment District Custodial Funds .....	19
Statement of Changes in Fiduciary Net Position – Assessment District Custodial Funds.....	20
Notes to the Basic Financial Statements.....	21
<u>Required Supplementary Information</u>	
Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions to the Pension Plan – Miscellaneous Plan (Unaudited) .....	47
Schedule of Changes in the Net OPEB Liability and Related Ratios (Unaudited).....	48
Schedule of Contributions to the OPEB Plan (Unaudited).....	49
<u>Other Supplementary Information</u>	
Combining Schedule of Fiduciary Net Position – Assessment District Custodial Funds.....	50
Combining Schedule of Changes in Fiduciary Net Position – Assessment District Custodial Funds.....	52
Debt Service Coverage Ratio – Water Fund.....	54
Debt Service Coverage Ratio – Sewer Fund.....	55

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Sacramento, California 95825  
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FAX: (916) 564-8728

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Calaveras County Water District  
San Andreas, California

### **Report on the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities, each major fund and the fiduciary funds of the Calaveras County Water District (the District) as of and for the year ending June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the fiduciary funds of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

To the Board of Directors  
Calaveras County Water District

an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Other Matters**

##### *Report on Summarized Comparative Information*

We have previously audited the District's 2022 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated March 2, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent in all material respects, with the audited financial statements from which it has been derived.

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, schedule of changes in the net OPEB liability and related ratios and schedule of contributions to the OPEB plan, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

##### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is



To the Board of Directors  
Calaveras County Water District

presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

February 22, 2024

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## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

This section of the Calaveras County Water District's (“District”) Audited Financial Statements provides management’s discussion and analysis of the District’s financial performance for the period ending June 30, 2023. Readers are encouraged to consider the information presented here as complementary to the information contained in the accompanying financial statements.

The Management’s Discussion and Analysis is presented under the following headings:

- Organization and Business
- Overview of the Basic Financial Statements
- Financial Analysis of the District
- Capital Assets and Debt Administration
- Economic Condition and Outlook
- Requests for Information

### **ORGANIZATION AND BUSINESS**

The District has operated continuously since 1946 under the laws of the State of California as a county water district for the purpose of providing water and wastewater services to residents and businesses of Calaveras County. The District is a political subdivision of the State of California and is not a part of, or under the control of, Calaveras County.

Under State law, the District has broad general powers over the use of the water within its boundaries, including the right of eminent domain, authority to acquire, control, distribute, store, spread, sink, treat, purify, reclaim, process and salvage any water for beneficial use, to provide sewer service, to sell treated or untreated water, to acquire or construct hydroelectric facilities and sell the power and energy produced to public agencies or public utilities engaged in the distribution of power, to contract with the United States, other political subdivisions, public utilities, or other persons, and, subject to Article XIII A of the California State Constitution, to levy taxes for improvements.

The District is in the central Sierra Nevada foothills, approximately 100 miles east of San Francisco and 60 miles southeast of Sacramento. The District’s boundaries encompass approximately 1,037 square miles of land ranging from the San Joaquin valley to the Sierra Nevada mountains. With elevations ranging from 200 feet in the west to over 8,000 feet in the east, the District’s facilities cover a diverse geographical area with numerous water, wastewater, and hydroelectric projects.

The District currently provides water service to approximately 13,373 residential and commercial customer accounts in five major water service areas. This is an increase of 21 accounts from 2021-22. Apart from the Wallace service area, the District uses surface water from the Mokelumne, Calaveras and Stanislaus rivers to service its customers. Wallace customers are served by groundwater pumped from wells owned and operated by the District. The District also operates and maintains five major wastewater service areas that provide sanitary sewer services to approximately 5,035 customers. This is an increase of 11 accounts from 2021-22.

In addition to water and wastewater operations, the District owns hydroelectric facilities inclusive of major dams, reservoirs, tunnels, and generation facilities which are governed and licensed by the Federal Energy Regulatory Commission (“FERC”) and operated by other entities, and aside from augmenting revenues these assets are not addressed in this report.

### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The District is a proprietary entity and uses enterprise fund accounting to report its activities for financial statement purposes in accordance with the Government Accounting Standards Board (“GASB”). Proprietary funds are reported using the accrual basis of accounting and account for activities in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed primarily through user rates, fees, and charges.

The Audited Financial Statements provide readers with a broad overview of the District’s finances and include the following four sections: The Basic Financial Statements, Required Supplementary Information, Other Supplementary Information, and the Compliance Report (see below for further details). Another key component of the Audit is this section, Management’s Discussion and Analysis.

### REQUIRED FINANCIAL STATEMENTS

The required financial statements include the Statement of Net Position (Balance Sheet), the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows, which when taken in its totality offer both short and long-term financial information about the District’s activities.

The *Balance Sheet* includes all the District’s assets, deferred outflows, liabilities, and deferred inflows, which provide information about the nature and amounts of investments in assets and obligations to District creditors.

The *Statement of Revenues, Expenses, and Changes in Net Position* accounts for the current year’s operating revenue, operating expenses, nonoperating revenues and expenses, capital contributions, and the changes associated with the net position. This statement can be used to determine the extent to which the District has successfully recovered its costs through its rates, fees, facility capacity charges, and other charges, and explain the changes in the beginning and ending balances and changes from year over year.

The *Statement of Cash Flows* provides information about the District’s cash receipts and payments during the reporting period, as well as net changes in cash resulting from operations, investing, and financing activities, while excluding such non-cash accounting measures as the depreciation of assets. The statement explains where cash came from, where cash was used, and the change in the cash balance during the reporting period.

The *Statement of Fiduciary Net Position – Assessment District Custodial Funds* accounts for the assets and liabilities associated with the Assessment Districts.

### NOTES TO BASIC FINANCIAL STATEMENTS

The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to the Basic Financial Statements are an integral part of, and can be found immediately following, the financial statements.

### OTHER INFORMATION

The Basic Financial Statements also present certain required supplemental information. This includes a *Schedule of the District’s Proportionate Share of the Net Pension Liability*, a *Schedule of Contributions to the Pension Plan*, a *Schedule of Changes in the Net OPEB Liability and Related Ratios*, a *Schedule of Contributions to the OPEB Plan*, a *Combining Statement of Fiduciary Net Position Assessment District Agency Fund*, and the *Debt Service Coverage Ratios for the Water and Sewer Funds*.

## **FINANCIAL ANALYSIS OF THE DISTRICT**

For the Management’s Discussion and Analysis, the District analyzes changes in its two major funds, the water fund, and the sewer fund, separately and “in total.” The public financing authority is included in the water fund.

Below are some of the key financial highlights for the fiscal year ending June 30, 2023, and how they compare to the prior fiscal year (FY 2021-22). The source documents for the following condensed tables (A-1 through A-9) can be found in the *Basic Financial Statements*. A detailed analysis of the tables’ categories and year-to-year changes follows each table.

- The District’s Net Position, total assets, and deferred outflows less total liabilities and deferred inflows, decreased by \$965 thousand.
- Operating Revenues increased by \$262 thousand.
- Non-operating Revenues increased by \$3.0 million.
- Operating Expenses increased by \$12.2 million.
- Non-operating Expenses increased by \$658 thousand.
- Capital assets, net of depreciation, are \$134.0 million, a \$9.0 million increase.
- Long-term liabilities, as reported in Note E, decreased 4.15%, or \$1.9 million.

## BALANCE SHEETS

The District’s condensed balance sheets are displayed below:

**Table A-1**  
**Condensed Balance Sheets**

	As of June 30,						Dollar Change	Percent Change
	Water 2023	Sewer 2023	Total 2023	Water 2022	Sewer 2022	Total 2022		
Current assets	\$ 14,884,921	\$ 3,688,416	\$ 18,573,337	\$ 16,442,171	\$ 2,167,917	\$ 18,610,088	\$ (36,751)	-0.20%
Noncurrent assets	31,223,261	20,349,833	51,573,094	35,060,365	23,642,248	58,702,613	(7,129,519)	-12.15%
Lease receivable - noncurrent	572,398	211,709	784,107	539,673	220,763	760,436	23,671	100.00%
Interfund Loans	645,746	-	645,746	767,399	-	767,399	(121,653)	-15.85%
Capital assets, net of accumulated depreciation	87,584,944	46,394,664	133,979,608	83,546,537	41,389,081	124,935,618	9,043,990	7.24%
Deferred outflows of resources	9,123,248	3,374,353	12,497,601	3,617,144	1,427,878	5,045,022	7,452,579	147.72%
Total assets and deferred outflows of resources	144,034,518	74,018,975	218,053,493	139,973,289	68,847,887	208,821,176	9,232,317	4.42%
Current liabilities	4,301,329	2,748,621	7,049,950	4,943,488	1,637,058	6,580,546	469,404	7.13%
Noncurrent liabilities	42,444,499	17,131,229	59,575,728	33,231,636	14,186,137	47,417,773	12,157,955	25.64%
Deferred inflows of resources	2,856,309	1,056,443	3,912,752	4,565,770	1,777,253	6,343,023	(2,430,271)	-38.31%
Net position	94,432,381	53,082,682	147,515,063	97,232,395	51,247,439	148,479,834	(964,771)	-0.65%
Total liabilities, deferred inflows and net position	144,034,518	74,018,975	218,053,493	139,973,289	68,847,887	208,821,176	9,232,317	4.42%
Detail of net position								
Net investment in capital assets	79,420,806	42,297,094	121,717,900	75,411,895	40,186,028	115,597,923	6,119,977	5.29%
Restricted for expansion and construction	11,995,529	13,003,579	24,999,108	13,840,518	12,857,336	26,697,854	(1,698,746)	-6.36%
Restricted for grant program	-	-	-	4,516	-	4,516	(4,516)	-100.00%
Unrestricted	3,016,046	(2,217,991)	798,055	7,975,466	(1,795,925)	6,179,541	(5,381,486)	-87.09%
Total net position:	\$ 94,432,381	\$ 53,082,682	\$ 147,515,063	\$ 97,232,395	\$ 51,247,439	\$ 148,479,834	\$ (964,771)	-0.65%

### Current Assets

*Includes unrestricted cash and investments, receivables, inventory, and prepaid expenses.*

As of June 30, 2023, current assets totaled \$18.6 million, or \$37 thousand lower than the prior year. While there was a \$387 thousand increase in cash and cash equivalents compared to the prior year, the increase was offset by a \$448 thousand decrease in accounts receivable and grants receivable.

### Noncurrent Assets

*Includes restricted cash and investments, and other receivables.*

As of June 30, 2023, noncurrent assets totaled \$51.6 million, which is \$7.1 million lower than FY 2021-22. The decrease is a result of using the 2022 Series Water and Sewer CIP Loan proceeds for CIP projects.

### Other Noncurrent – Lease Receivable

*Includes certain lease assets and liabilities and recognizes inflows of resources or outflows of resources based on the payment provisions of the contract.*

A new asset category created in FY 2021-22 is Lease Receivable – Noncurrent. This new category is a result of the implementation of GASB 87, which requires the recognition of lease assets and liabilities for the District’s cell tower

leases that previously were classified as operating leases and recognized as inflows of resources based on the payment provisions of the contract. As of June 30, 2023, the noncurrent assets, lease receivable was \$784 thousand, an increase of \$24 thousand from FY 2021-22.

### **Net Capital Assets**

*Includes property, plants, equipment, and construction in progress, net of accumulated depreciation.*

As of June 30, 2023, net capital assets totaled \$134.0 million. There was an increase of \$13.9 million in capital assets cost, less depreciation of \$5.0 million, for a net increase of \$9.0 million. The largest contributors to the \$12.9 million increase in Construction in Progress were the District Corporation Yard Project, the Ebbetts Pass Redwood Tank Replacement Project, the West Point Backup Water Filer Project, Copper Cove Lift Station 6, 8 and Force Main Bypass Project, and the West Point/Wilseyville Consolidation Project.

### **Deferred Outflows of Resources**

*Deferred outflows of resources are classified as a consumption of net assets that are applicable to a future reporting period.*

Deferred outflows of resources totaled \$12.5 million. The increase of \$7.5 million is related to calculations based on pension and OPEB actuarial reports to determine the current year deferred outflows of resources. The deferred outflows of resources for the pension plan increased by \$3.7 million and the deferred outflow of resources for the other postemployment benefits (OPEB) increased by \$3.8 million. For more information on these plans, see Note J (pension) and Note K (OPEB) in the *Notes to the Basic Financial Statements*.

### **Current Liabilities**

*Liabilities that are due within one year are considered current liabilities. They include accounts payable, accrued liabilities, and the current portion of long-term liabilities.*

As of June 30, 2023, current liabilities totaled \$7.0 million, \$469 thousand higher than the prior year. This increase is due in part to higher Accounts Payable accruals related to current water and sewer projects.

### **Noncurrent Liabilities**

*Noncurrent liabilities are liabilities net of current portion. They include long-term debt and loans due after one year and net pension liability.*

Noncurrent liabilities totaled \$59.6 million as of June 30, 2023. The increase of \$12.2 million is due to an increase in the District's pension plan and the other postemployment benefits (OPEB). For more information on these plans, see Note J (pension) and Note K (OPEB) in the *Notes to the Basic Financial Statements*.

### **Deferred Inflows of Resources**

*An acquisition of resources that is applicable to a future reporting period, or deferred pension inflows.*

Deferred inflows of resources totaled \$3.9 million, which is \$2.4 million lower than last year and is related to the District's pension plan and the District's other postemployment benefits (OPEB). For more information on these plans, see Note J (pension) and Note K (OPEB) in the *Notes to the Basic Financial Statements*.

## **STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The table below displays a condensed version of the Statement of Revenues, Expenses and Changes in Net Position for the year ending June 30, 2023. The District's Net Position decreased from \$148.5 million to \$147.5 million, or \$965 thousand. The decrease is due in large part to a significant increase in the district's retirement costs listed on the balance sheet included with salary and benefits expenses. For more information on this plan, see Note J (pension) in the *Notes to the Basic Financial Statements*.

**Table A-2**  
**Condensed Statement of Revenues, Expenses and Changes in Net Position**

	As of June 30						Dollar Change	Percent Change
	Water 2023	Sewer 2023	Total 2023	Water 2022	Sewer 2022	Total 2022		
Operating revenues	\$ 9,045,152	\$ 5,622,004	\$ 14,667,156	\$ 8,902,394	\$ 5,502,813	\$ 14,405,207	\$ 261,949	1.82%
Nonoperating revenues	5,781,616	1,805,329	7,586,945	3,539,993	998,308	4,538,301	3,048,644	67.18%
Total revenues	14,826,768	7,427,333	22,254,101	12,442,387	6,501,121	18,943,508	3,310,593	17.48%
Operating expenses	17,709,464	7,262,600	24,972,064	8,699,254	4,088,330	12,787,584	12,184,480	95.28%
Depreciation	3,680,409	1,376,603	5,057,012	3,438,856	1,358,302	4,797,158	259,854	5.42%
Nonoperating expenses	844,818	424,330	1,269,148	389,953	221,087	611,040	658,108	107.70%
Total expenses	22,234,691	9,063,533	31,298,224	12,528,063	5,667,719	18,195,782	13,102,442	72.01%
Net (Loss) income before capital contributions	(7,407,923)	(1,636,200)	(9,044,123)	(85,676)	833,402	747,726	(9,791,849)	-1309.55%
Expansion fees	529,537	386,188	915,725	702,736	441,922	1,144,658	(228,933)	-20.00%
Capital renovation and replacement (R&R) fees	3,374,086	1,223,555	4,597,641	3,401,842	1,216,996	4,618,838	(21,197)	-0.46%
Other capital contributions	704,286	1,861,700	2,565,986	1,482,282	370,091	1,852,373	713,613	38.52%
Transfers In/(Out)	-	-	-	274,195	(274,195)	-	-	0.00%
Total capital contributions and transfers	4,607,909	3,471,443	8,079,352	5,861,055	1,754,814	7,615,869	463,483	6.09%
Change in net position	(2,800,014)	1,835,243	(964,771)	5,775,379	2,588,216	8,363,595	(9,328,366)	-111.54%
Net position at beginning of year	97,232,395	51,247,439	148,479,834	91,457,016	48,659,223	140,116,239	8,363,595	5.97%
Net position at end of year	\$ 94,432,381	\$ 53,082,682	\$ 147,515,063	\$ 97,232,395	\$ 51,247,439	\$ 148,479,834	\$ (964,771)	-0.65%

### Operating Revenues

*Operating revenues include water sales and sewer charges, as well as water and sewer fees.*

Operating revenues account for approximately sixty-six percent (66%) of the District's revenues. Most of the revenues come from water sales, including base rates and consumptive revenues. New accounts, the associated increase in water consumption, along with the scheduled rate increase effective July 16, 2022, led to a \$262 thousand increase in operating revenues over the prior fiscal year.

**Table A-3**  
**Operating Revenues**

	As of June 30,						Dollar Change	Percent Change
	Water 2023	Sewer 2023	Total 2023	Water 2022	Sewer 2022	Total 2022		
Water sales and sewer charges	\$ 8,786,454	\$ 5,574,613	\$ 14,361,067	\$ 8,581,494	\$ 5,429,001	\$ 14,010,495	\$ 350,572	2.50%
Water and sewer fees	258,698	47,391	306,089	320,900	73,812	394,712	(88,623)	-22.45%
Total operating revenues	\$ 9,045,152	\$ 5,622,004	\$ 14,667,156	\$ 8,902,394	\$ 5,502,813	\$ 14,405,207	\$ 261,949	1.82%

### Nonoperating Revenues

*Nonoperating revenues include property taxes, hydroelectric power sales, and investment income.*

Nonoperating revenues increased \$3.0 million from \$4.5 million to \$7.6 million in FY 2022-23. The largest increase, \$3.0 million, was in investment income. There was a \$576 thousand decrease in Other Income.

**Table A-4**  
**Nonoperating Revenues**

	As of June 30,						Dollar Change	Percent Change
	Water 2023	Sewer 2023	Total 2023	Water 2022	Sewer 2022	Total 2022		
Property taxes and assessments	\$ 3,249,848	\$ 839,487	\$ 4,089,335	\$ 2,914,082	\$ 805,281	\$ 3,719,363	\$ 369,972	9.95%
Lease revenue	56,600	20,934	77,534	57,204	21,158	78,362	(828)	100.00%
Investment income	1,037,732	523,933	1,561,665	(1,070,271)	(362,702)	(1,432,973)	2,994,638	-208.98%
Power sales	713,314	261,907	975,221	557,748	210,416	768,164	207,057	26.95%
Other income	700,521	151,744	852,265	1,117,397	310,651	1,428,048	(575,783)	-40.32%
Grant revenues	-	-	-	40,939	13,504	54,443	(54,443)	100.00%
Gain (loss) on sale of capital asset	23,601	7,324	30,925	(77,106)	-	(77,106)	108,031	-140.11%
<b>Total nonoperating revenues</b>	<b>\$ 5,781,616</b>	<b>\$ 1,805,329</b>	<b>\$ 7,586,945</b>	<b>\$ 3,539,993</b>	<b>\$ 998,308</b>	<b>\$ 4,538,301</b>	<b>\$ 3,048,644</b>	<b>67.18%</b>

**Operating Expenses, Excluding Depreciation**

*Operating expenses include salary and benefits, repairs and maintenance, professional and utility services.*

Total FY 2022-23 operating expenses, excluding depreciation, were \$25.0 million, a \$12.2 million increase. While there were changes in all expense categories, the largest increase was in pension and other postemployment benefits included with salaries and benefits. Salaries and benefits were \$9.4 million higher than FY 2021-22. CalPERS did not meet its targeted discount rate in FY 2021-22 following a 20% return on investment in FY 2020-21, which increased the district's retirement costs. Changes to the District's discount rate for its retiree health program investments increased the cost of postemployment benefits. For more information on these plans, see Note J (pension) and Note K (OPEB) in *Notes to the Basic Financial Statements*.

**Table A-5**  
**Operating Expenses, Excluding Depreciation**

	As of June 30,						Dollar Change	Percent Change
	Water 2023	Sewer 2023	Total 2023	Water 2022	Sewer 2022	Total 2022		
Salaries and benefits	\$ 10,454,119	\$ 3,859,068	\$ 14,313,187	\$ 3,349,054	\$ 1,572,601	\$ 4,921,655	\$ 9,391,532	190.82%
Repairs and maintenance	614,245	329,300	943,545	797,586	387,005	1,184,591	(241,046)	-20.35%
Materials and supplies	633,952	400,528	1,034,480	564,963	434,879	999,842	34,638	3.46%
Utility services	1,596,297	650,879	2,247,176	801,076	469,565	1,270,641	976,535	76.85%
Professional services	1,579,666	664,801	2,244,467	1,392,878	277,345	1,670,223	574,244	34.38%
Vehicle and equipment	348,379	142,270	490,649	327,147	186,005	513,152	(22,503)	-4.39%
Other operating expenses	1,030,737	673,917	1,704,654	1,278,169	695,415	1,973,584	(268,930)	-13.63%
Travel and training	80,052	28,412	108,464	40,440	11,402	51,842	56,622	109.22%
Director costs	105,361	39,135	144,496	93,798	34,088	127,886	16,610	12.99%
Postemployment benefits	1,266,656	474,290	1,740,946	54,143	20,025	74,168	1,666,778	2247.30%
<b>Total operating expenses, excluding depreciation</b>	<b>\$ 17,709,464</b>	<b>\$ 7,262,600</b>	<b>\$ 24,972,064</b>	<b>\$ 8,699,254</b>	<b>\$ 4,088,330</b>	<b>\$ 12,787,584</b>	<b>\$ 12,184,480</b>	<b>95.28%</b>

**Nonoperating Expenses**

*Includes gain/(loss) on the sale of capital assets, and debt service interest expense.*



**Table A-6  
Nonoperating Expenses**

	As of June 30,						Dollar Change	Percent Change
	Water 2023	Sewer 2023	Total 2023	Water 2022	Sewer 2022	Total 2022		
Interest expense	\$ 844,818	\$ 424,330	\$ 1,269,148	\$ 287,872	\$ 114,812	\$ 402,684	\$ 866,464	215.17%
Bond issuance	-	-	-	102,081	106,275	208,356	(208,356)	100.00%
Total nonoperating expenses	\$ 844,818	\$ 424,330	\$ 1,269,148	\$ 389,953	\$ 221,087	\$ 611,040	\$ 658,108	107.70%

Nonoperating expenses were \$1.3 million, \$658 thousand more than the prior fiscal year. Interest expenses were up significantly due to new loans, including the USDA AMI Meter Replacement and 2022 Water and Sewer CIP loans. Bond issuance costs were zero as there were no debt issuances in FY 2022-23.

**Net Operating Income (Loss), Excluding Depreciation and Amortization**

*An important measure of an organization's performance.*

**Table A-7  
Net Operating Income, Excluding Depreciation**

	As of June 30,						Dollar Change	Percent Change
	Water 2023	Sewer 2023	Total 2023	Water 2022	Sewer 2022	Total 2022		
Operating revenues	\$ 9,045,152	\$ 5,622,004	\$ 14,667,156	\$ 8,902,394	\$ 5,502,813	\$ 14,405,207	\$ 261,949	1.82%
Operating expenses	(17,709,464)	(7,262,600)	(24,972,064)	(8,699,254)	(4,088,330)	(12,787,584)	(12,184,480)	95.28%
Net operating income/(loss), excluding depreciation	\$ (8,664,312)	\$ (1,640,596)	\$ (10,304,908)	\$ 203,140	\$ 1,414,483	\$ 1,617,623	\$ (11,922,531)	-737.04%

Due to a significant increase in pension and other postemployment benefit expenses (included in salary and benefit costs), Net Operating Income decreased \$11.9 million in FY 2022-23. Overall, Operating Revenues increased \$262 thousand while Operating Expenses increased \$12.2 million. The \$12.2 million increase in Operating Expenses is a product of CalPERS not meeting its targeted discount rate in FY 2021-22 following a 20% return on investment in FY 2020-21, which increased the district's retirement costs which are included in salaries and benefit costs. However, the accounting adjustments did not affect actual salary and benefit costs. The District also reduced its discount rate for its retiree health program, which increased postemployment benefits. For more information on these plans, see Note J (pension) and Note K (OPEB) in the *Notes to the Basic Financial Statements*.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

Additions and deletions to capital assets encompass a broad range of infrastructure, including water and sewer plants, recycled water facilities, construction in progress, and other assets such as vehicles, equipment, and office equipment. All capital asset increases are consistent with the District's implementation of its capital improvement program. Details of the District's capital assets, net of accumulated depreciation, are listed in the following table:

Additional information about capital assets is presented in Note D of the *Notes to the Basic Financial Statements*.

**Table A-8**  
**Capital Assets, Net of Accumulated Depreciation**

	<b>As of June 30,</b>						<b>Dollar Change</b>	<b>Percent Change</b>
	Water 2023	Sewer 2023	Total 2023	Water 2022	Sewer 2022	Total 2022		
Capital assets, not being depreciated								
Land	\$ 4,195,043	\$ 10,127,156	\$ 14,322,199	\$ 4,195,043	\$ 9,984,023	\$ 14,179,066	\$ 143,133	1.01%
Construction in progress	16,840,653	8,547,484	25,388,137	10,137,738	2,549,755	12,687,493	12,700,644	100.10%
Total capital assets, not being depreciated	<u>21,035,696</u>	<u>18,674,640</u>	<u>39,710,336</u>	<u>14,332,781</u>	<u>12,533,778</u>	<u>26,866,559</u>	<u>12,843,777</u>	<u>47.81%</u>
Capital assets, being depreciated								
Buildings	20,044,180	2,817,911	22,862,091	20,037,465	2,815,428	22,852,893	9,198	0.04%
Utility system - infrastructure	121,686,377	53,380,858	175,067,235	121,381,723	53,244,226	174,625,949	441,286	0.25%
Right-to-use lease asset	1,229,872	454,884	1,684,756	794,589	446,956	1,241,545	443,211	35.70%
Machinery and equipment	12,524,042	7,622,209	20,146,251	12,430,285	7,586,020	20,016,305	129,946	0.65%
Total capital assets, being depreciated	<u>155,484,471</u>	<u>64,275,862</u>	<u>219,760,333</u>	<u>154,644,062</u>	<u>64,092,630</u>	<u>218,736,692</u>	<u>1,023,641</u>	<u>0.47%</u>
Less accumulated depreciation for:								
Buildings	(10,328,273)	(1,733,589)	(12,061,862)	(9,927,417)	(1,692,173)	(11,619,590)	(442,272)	3.81%
Utility system - infrastructure	(67,436,653)	(28,062,861)	(95,499,514)	(64,847,555)	(26,997,609)	(91,845,164)	(3,654,350)	5.42%
Right-to-use lease asset	(487,526)	(180,318)	(667,844)	(201,353)	(74,473)	(275,826)	(392,018)	142.13%
Machinery and equipment	(10,682,771)	(6,579,070)	(17,261,841)	(10,453,981)	(6,473,072)	(16,927,053)	(334,788)	3.13%
Total accumulated depreciation	<u>(88,935,223)</u>	<u>(36,555,838)</u>	<u>(125,491,061)</u>	<u>(85,430,306)</u>	<u>(35,237,327)</u>	<u>(120,667,633)</u>	<u>(4,823,428)</u>	<u>5.42%</u>
Total capital assets, being depreciated, net	<u>66,549,248</u>	<u>27,720,024</u>	<u>94,269,272</u>	<u>69,213,756</u>	<u>28,855,303</u>	<u>98,069,059</u>	<u>(3,799,787)</u>	<u>-5.71%</u>
Total capital assets, net	<u>\$ 87,584,944</u>	<u>\$ 46,394,664</u>	<u>\$ 133,979,608</u>	<u>\$ 83,546,537</u>	<u>\$ 41,389,081</u>	<u>\$ 124,935,618</u>	<u>\$ 9,043,990</u>	<u>7.24%</u>

Net capital assets totaled approximately \$134.0 million, \$9.0 million higher than the prior year. An increase of \$12.9 million in capital asset costs was offset by an increase of \$4.8 million in depreciation expense.

The major capital asset additions for fiscal year 2022-23 include \$1.4 million for the District Corporation Yard Project, \$1.3 million for the Ebbetts Pass Redwood Tank Replacement Project, \$1.3 million for the West Point Backup Water Filer Project, \$2.2 million for the Copper Cove Lift Statin 6, 8 and Force Main Bypass Project, and \$1.4 million for the West Point/Wilseyville Consolidation Project.

## LONG-TERM LIABILITIES

As of June 30, 2023, the District had \$42.7 million in long-term debt, loans, and leases outstanding, and a compensated absences balance of \$962 thousand. Total long-term liabilities decreased \$1.9 million from FY 2021-22, or 4.2%, including \$1.4 million on the Series 2022 Water and Sewer Revenue Bonds, and \$336 thousand on the Umpqua Bank 2019 PERS Loan. A condensed summary of the District's long-term liabilities are as follows:

**Table A-9**  
**Condensed Long Term Liabilities**

	<b>As of June 30,</b>			
	<b>Total</b> <b>2023</b>	<b>Total</b> <b>2022</b>	<b>Dollar</b> <b>Change</b>	<b>Percent</b> <b>Change</b>
<b>Water Fund:</b>				
U.S. Bureau of Reclamation Note	\$ 75,977	\$ 116,304	\$ (40,327)	-34.67%
Umpqua 2019 Taxable Pension Loan	3,197,400	3,159,720	37,680	1.19%
Series 2016 Water Enterprise Revenue Bonds	2,350,800	2,398,500	(47,700)	100.00%
Enterprise Lease	755,637	549,952	205,685	100.00%
Umpqua Loan - 2020	111,634	173,594	(61,960)	100.00%
Series 2021 Water Revenue COP	4,782,280	4,871,000	(88,720)	100.00%
Series 2022 Water Revenue Bonds	18,964,000	19,843,000	(879,000)	100.00%
Umpqua Loan - 2021	218,732	265,247	(46,515)	-17.54%
Total Water Fund loans and notes	30,456,460	31,377,317	(920,857)	-2.93%
Compensated absences	702,357	588,701	113,656	19.31%
Total Water Fund liabilities	31,158,817	31,966,018	(807,201)	-2.53%
<b>Sewer Fund:</b>				
U.S. Bureau of Reclamation Note	28,101	43,016	(14,915)	-34.67%
Umpqua 2019 Taxable Pension Loan	1,182,588	1,556,280	(373,692)	-24.01%
Enterprise Lease	279,482	309,348	(29,866)	100.00%
Umpqua Loan - 2020	41,289	97,647	(56,358)	100.00%
Series 2022 Sewer Revenue Bonds	10,599,000	11,100,000	(501,000)	100.00%
Umpqua Loan - 2021	80,901	149,201	(68,300)	-45.78%
Total Sewer Fund loans and notes	12,211,361	13,255,492	(1,044,131)	-7.88%
Compensated absences	259,776	299,700	(39,924)	-13.32%
Total Sewer Fund liabilities	12,471,137	13,555,192	(1,084,055)	-8.00%
Total long-term liabilities	\$ 43,629,954	\$ 45,521,210	\$ (1,891,256)	-4.15%

Additional information on the District's debt and loans can be found in Note E of the *Notes to the Basic Financial Statements*.

## **ECONOMIC CONDITION AND OUTLOOK**

Calaveras County's unemployment numbers continued their overall downward trend from a COVID-19 high of 13.7 percent in April 2020 to 9.1 percent in July 2020, finally landing at 3.9 percent in June of 2023. As bad as the economic downturn has been, putting COVID-19's impact on workers and employment in perspective, the highest unemployment rate during the pandemic was 13.7 percent, while the 2008 Great Recession had a high of 15.9 percent. Moreover, the Great Recession's impact lasted much longer, as it took seven years for the rate to drop below 5.0 percent.

The public sector remains the County's largest employer at approximately 25%, followed by leisure and hospitality, education and health services, and retail. With the COVID-19 restrictions lifted, the leisure, retail and construction trades were among those sectors that saw the largest increases.

The District, through its Capital Renovation and Replacement (“Capital R&R”) water and sewer rates, continues its commitment to fund the renovation and replacement of its capital infrastructure – pipeline, lift stations, storage tanks, treatment plants, etc. The Capital R&R rate revenues, in conjunction with loans and grants, have provided much-needed funding for capital projects. The District’s Board of Directors annually reviews and adopts the District’s Five-Year Capital Improvement Program (CIP), which is the basis for the subsequent year’s CIP budget. The District anticipates increasing its investment in the repair and replacement of its aging infrastructure, as well as an increase in developer-funded expansion in the Copperopolis and Valley Springs areas.

Senate Bill (SB) 606 and AB 1668 established an indoor, per person, water use goal of 55 gallons per day starting in 2022 and lowers it to 50 gallons per day starting in 2030. The targets for outdoor water use will be dependent on geographical locations and will consider factors such as local precipitation and climate zone. It is unknown at this time how consumptive water sales and revenues will be affected. Although the District has ample water supplies to meet customer demands, the District has not returned to pre-drought consumptive levels due to water conservation measures and aggressive leak reduction efforts. With the assistance of a USDA loan package, the District invested in “smart meter” technology and replaced manual read meters with Advanced Metering Infrastructure (AMI) and software to better position the District and customers to both monitor and adjust their consumptive use.

The District is in the fifth year of a five-year water and sewer rate plan, which was adopted in 2018. The additional operating and Capital R&R revenues generated from the rate plan help offset the costs of operating and maintaining water and sewer systems. Although the District remains focused on implementing cost-cutting and efficiency measures to reduce expenses, the District cannot compromise its capacity to meet public health and safety requirements. As recommended under Proposition 218, the District is working on a new five-year cost of service study that is scheduled to be completed by the first quarter of FY 2023-24.

Fiscal Year 2022-23 was a year of challenges for the District; a year of extreme atmospheric river rainstorms, state restrictions on the ability to shut off water for non-payment, and of course, aging infrastructure. Even though operating revenues increased from the prior year, so did operating expenses, which is reflected in the \$965 thousand decrease of the District’s net position. The decrease was due in part to the District lowering the discount on its retiree health program (OPEB) from 7.0% to 6.0%, and CalPERS not meeting its targeted discount rate in FY 2021-22 following a 20% return on investments in FY 2020-21. Although these accounting and methodology changes did not alter actual salary and benefit costs, they did increase the cost of district’s retirement programs on the balance sheet in the Audited Financial Statements. For more information on these plans, see Note J (pension) and Note K (OPEB) in the *Notes to the Basic Financial Statements*.

While the District’s financial position is relatively stable, many short and long-term challenges remain. There is the challenge to keep up with aging infrastructure repairs, as well as the demand to increase staffing levels to meet operational needs. Staffing remains below the pre 2008 recession levels even though regulatory burdens and the demand for District services have increased over time. New technologies and business practices have helped increase efficiency, but the increased demands on the District and its need to maintain safe and effective operations will necessitate increases in the number of full-time employees. Furthermore, the District faces the need to invest considerable resources in the relicensing efforts of the District’s hydropower projects, the North Fork Project and New Hogan. To meet these financial challenges and minimize future rate increases, the District must continue to increase efficiencies, identify strategies to decrease long-term pension and retiree health liabilities, and aggressively pursue grants and external funding for infrastructure improvements.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, customers, taxpayers, investors, and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have any questions about this report or need any additional information, contact the District at (209) 754-3543 or via our website at [www.ccwd.org](http://www.ccwd.org).

## BASIC FINANCIAL STATEMENTS

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CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2023

(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds		Totals for Comparative Purposes Only	
	Water	Sewer	2023	2022
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
CURRENT ASSETS				
Cash and cash equivalents	\$ 10,985,092	\$ 1,224,389	\$ 12,209,481	\$ 11,822,035
Accounts receivable	2,947,005	1,477,334	4,424,339	4,707,028
Taxes receivable	179,080	53,994	233,074	268,472
Grants receivable	298,336	850,614	1,148,950	1,314,631
Leases receivable - current	58,675	21,701	80,376	78,362
Interest receivable	25,580	8,391	33,971	20,978
Prepaid expenses and other assets	387,868	50,778	438,646	390,582
Deposits	3,285	1,215	4,500	8,000
TOTAL CURRENT ASSETS	<u>14,884,921</u>	<u>3,688,416</u>	<u>18,573,337</u>	<u>18,610,088</u>
NONCURRENT ASSETS				
Restricted Assets:				
Cash and cash equivalents	31,195,586	20,021,557	51,217,143	57,868,381
Interest receivable	27,675	25,137	52,812	16,489
Interfund loans		303,139	303,139	817,743
Total Restricted Assets	<u>31,223,261</u>	<u>20,349,833</u>	<u>51,573,094</u>	<u>58,702,613</u>
Leases receivable - noncurrent	572,398	211,709	784,107	760,436
Interfund loans	645,746		645,746	767,399
Capital assets:				
Nondepreciable	21,035,696	18,674,640	39,710,336	26,866,559
Depreciable, net	66,549,248	27,720,024	94,269,272	98,069,059
Total Capital Assets, Net	<u>87,584,944</u>	<u>46,394,664</u>	<u>133,979,608</u>	<u>124,935,618</u>
TOTAL NONCURRENT ASSETS	<u>120,026,349</u>	<u>66,956,206</u>	<u>186,982,555</u>	<u>185,166,066</u>
TOTAL ASSETS	<u>134,911,270</u>	<u>70,644,622</u>	<u>205,555,892</u>	<u>203,776,154</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	5,077,450	1,877,961	6,955,411	3,286,083
Other postemployment benefits	4,045,798	1,496,392	5,542,190	1,758,939
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>9,123,248</u>	<u>3,374,353</u>	<u>12,497,601</u>	<u>5,045,022</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 144,034,518</u>	<u>\$ 74,018,975</u>	<u>\$ 218,053,493</u>	<u>\$ 208,821,176</u>

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUNDS (Continued)

June 30, 2023

(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds		Totals for Comparative Purposes Only	
	Water	Sewer	2023	2022
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 1,953,126	\$ 1,860,182	\$ 3,813,308	\$ 3,346,774
Deposits payable	262,233	5,923	268,156	463,233
Accrued interest payable	261,003	125,222	386,225	150,350
Current portion of long-term liabilities	1,824,967	757,294	2,582,261	2,620,189
TOTAL CURRENT LIABILITIES	<u>4,301,329</u>	<u>2,748,621</u>	<u>7,049,950</u>	<u>6,580,546</u>
NONCURRENT LIABILITIES				
Unearned revenue	261,681	17,338	279,019	265,793
Interfund loans	303,139	645,746	948,885	1,585,142
Retention payable	367,012	249,807	616,819	234,290
Noncurrent portion of long-term liabilities	29,333,850	11,713,843	41,047,693	42,901,021
Net pension liability	6,211,039	2,297,234	8,508,273	422,876
Net other postemployment benefits liability	5,967,778	2,207,261	8,175,039	2,008,651
TOTAL NONCURRENT LIABILITIES	<u>42,444,499</u>	<u>17,131,229</u>	<u>59,575,728</u>	<u>47,417,773</u>
TOTAL LIABILITIES	<u>46,745,828</u>	<u>19,879,850</u>	<u>66,625,678</u>	<u>53,998,319</u>
DEFERRED INFLOWS OF RESOURCES				
Pension plan	1,169,002	432,371	1,601,373	2,459,571
Other postemployment benefits	1,099,921	406,820	1,506,741	3,056,656
Leases	587,386	217,252	804,638	826,796
TOTAL DEFFERED INFLOWS OF RESOURCES	<u>2,856,309</u>	<u>1,056,443</u>	<u>3,912,752</u>	<u>6,343,023</u>
NET POSITION				
Net investment in capital assets	79,420,806	42,297,094	121,717,900	115,597,923
Restricted for expansion and construction	11,995,529	13,003,579	24,999,108	26,697,854
Restricted for grant programs				4,516
Unrestricted	3,016,046	(2,217,991)	798,055	6,179,541
TOTAL NET POSITION	<u>94,432,381</u>	<u>53,082,682</u>	<u>147,515,063</u>	<u>148,479,834</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 144,034,518</u>	<u>\$ 74,018,975</u>	<u>\$ 218,053,493</u>	<u>\$ 208,821,176</u>

The accompanying notes are an integral part of these financial statements.



CALAVERAS COUNTY WATER DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS

For the Year Ended June 30, 2023  
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds		Totals for Comparative Purposes Only	
	Water	Sewer	2023	2022
<b>OPERATING REVENUE</b>				
Water sales and sewer charges	\$ 8,786,454	\$ 5,574,613	\$ 14,361,067	\$ 14,010,495
Water and sewer fees	258,698	47,391	306,089	394,712
TOTAL OPERATING REVENUE	<u>9,045,152</u>	<u>5,622,004</u>	<u>14,667,156</u>	<u>14,405,207</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	10,454,119	3,859,068	14,313,187	4,921,655
Repairs and maintenance	614,245	329,300	943,545	1,184,591
Materials and supplies	633,952	400,528	1,034,480	999,842
Utility services	1,596,297	650,879	2,247,176	1,270,641
Professional services	1,579,666	664,801	2,244,467	1,670,223
Vehicle and equipment	348,379	142,270	490,649	513,152
Other operating expenses	1,030,737	673,917	1,704,654	1,973,584
Travel and training	80,052	28,412	108,464	51,842
Director costs	105,361	39,135	144,496	127,886
Postemployment benefits	1,266,656	474,290	1,740,946	74,168
Depreciation	3,680,409	1,376,603	5,057,012	4,797,158
TOTAL OPERATING EXPENSES	<u>21,389,873</u>	<u>8,639,203</u>	<u>30,029,076</u>	<u>17,584,742</u>
NET INCOME (LOSS) FROM OPERATIONS	<u>(12,344,721)</u>	<u>(3,017,199)</u>	<u>(15,361,920)</u>	<u>(3,179,535)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property taxes and assessments	3,249,848	839,487	4,089,335	3,719,363
Lease revenue	56,600	20,934	77,534	78,362
Investment income	1,037,732	523,933	1,561,665	(1,432,973)
Power sales	713,314	261,907	975,221	768,164
Other income	700,521	151,744	852,265	1,428,048
Grant revenues				54,443
(Loss)/gain on sale of capital assets	23,601	7,324	30,925	(77,106)
Interest expense	(844,818)	(424,330)	(1,269,148)	(402,684)
Bond issuance costs				(208,356)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>4,936,798</u>	<u>1,380,999</u>	<u>6,317,797</u>	<u>3,927,261</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(7,407,923)</u>	<u>(1,636,200)</u>	<u>(9,044,123)</u>	<u>747,726</u>
<b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>				
Expansion fees	529,537	386,188	915,725	1,144,658
Capital renovation and replacement (R & R) fees	3,374,086	1,223,555	4,597,641	4,618,838
Other capital contributions	704,286	1,861,700	2,565,986	1,852,373
Transfers in				274,195
Transfers (out)				(274,195)
TOTAL CAPITAL CONTRIBUTIONS, AND TRANSFERS	<u>4,607,909</u>	<u>3,471,443</u>	<u>8,079,352</u>	<u>7,615,869</u>
CHANGE IN NET POSITION	<u>(2,800,014)</u>	<u>1,835,243</u>	<u>(964,771)</u>	<u>8,363,595</u>
Net position at beginning of year	<u>97,232,395</u>	<u>51,247,439</u>	<u>148,479,834</u>	<u>140,116,239</u>
NET POSITION AT END OF YEAR	<u>\$ 94,432,381</u>	<u>\$ 53,082,682</u>	<u>\$ 147,515,063</u>	<u>\$ 148,479,834</u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

For the Year Ended June 30, 2023  
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities -		Totals for	
	Enterprise Funds		Comparative Purposes Only	
	Water	Sewer	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 9,112,283	\$ 5,642,167	\$ 14,754,450	\$ 13,804,445
Cash paid to suppliers for goods and services	(11,400,621)	(4,490,928)	(15,891,549)	(3,343,562)
Cash paid to employees for services	(2,904,452)	(1,718,526)	(4,622,978)	(14,976,162)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(5,192,790)</u>	<u>(567,287)</u>	<u>(5,760,077)</u>	<u>(4,515,279)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes and assessments	3,276,375	848,358	4,124,733	3,652,677
Lease revenue received	21,674	8,017	29,691	69,752
Power sales	713,314	261,907	975,221	768,164
Other income	700,521	151,744	852,265	1,428,048
Operating grants from outside agencies	515,037		515,037	(129,581)
Proceeds from noncapital pension loan	37,680		37,680	
Principal paid on noncapital pension loan		(373,692)	(373,692)	(353,000)
Interfund transfers	(392,951)	392,951		
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>4,871,650</u>	<u>1,289,285</u>	<u>6,160,935</u>	<u>5,436,060</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions received	5,014,370	2,715,626	7,729,996	7,209,432
Acquisition of capital assets	(8,317,659)	(4,958,012)	(13,275,671)	(8,594,916)
Proceeds from disposal of capital assets	23,601	7,324	30,925	110,815
Proceeds from long-term liabilities	345,086	127,635	472,721	31,625,344
Principal paid on long-term liabilities	(1,303,623)	(798,074)	(2,101,697)	(527,744)
Interest payments on long-term liabilities	(701,148)	(332,125)	(1,033,273)	(539,102)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(4,939,373)</u>	<u>(3,237,626)</u>	<u>(8,176,999)</u>	<u>29,283,829</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	1,010,309	502,040	1,512,349	(1,432,109)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,010,309</u>	<u>502,040</u>	<u>1,512,349</u>	<u>(1,432,109)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(4,250,204)	(2,013,588)	(6,263,792)	28,772,501
Cash and cash equivalents beginning of year	46,430,882	23,259,534	69,690,416	40,917,915
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 42,180,678</u>	<u>\$ 21,245,946</u>	<u>\$ 63,426,624</u>	<u>\$ 69,690,416</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET</b>				
Cash and cash equivalents	\$ 10,985,092	\$ 1,224,389	\$ 12,209,481	\$ 11,822,035
Restricted cash and cash equivalents	31,195,586	20,021,557	51,217,143	57,868,381
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 42,180,678</u>	<u>\$ 21,245,946</u>	<u>\$ 63,426,624</u>	<u>\$ 69,690,416</u>

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued)

For the Year Ended June 30, 2023  
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds		Totals for Comparative Purposes Only	
	Water	Sewer	2023	2022
<b>RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:</b>				
Net (loss) income from operations	\$ (12,344,721)	\$ (3,017,199)	\$ (15,361,920)	\$ (3,179,535)
Adjustments to reconcile net loss from operations to net cash used for operating activities:				
Depreciation	3,680,409	1,376,603	5,057,012	4,797,158
Abandoned construction in progress projects	156,107	26,878	182,985	
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:				
Accounts receivable	262,208	20,481	282,689	(1,041,053)
Prepaid expenses and other assets	(39,429)	(8,635)	(48,064)	(27,285)
Deposits	2,240	1,260	3,500	
Accounts payable and accrued expenses	(39,152)	(120,101)	(159,253)	346,459
Deposits payable	(195,077)		(195,077)	439,785
Unearned revenue	13,544	(318)	13,226	37,551
Net pension liability and related deferred inflows and outflows of resources	2,589,173	968,698	3,557,871	(5,138,833)
Net other postemployment benefits liability and related deferred inflows and outflows of resources	608,252	224,970	833,222	(790,769)
Compensated absences	113,656	(39,924)	73,732	41,243
<b>NET CASH USED FOR OPERATING ACTIVITIES</b>	<b>\$ (5,192,790)</b>	<b>\$ (567,287)</b>	<b>\$ (5,760,077)</b>	<b>\$ (4,515,279)</b>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:</b>				
Change in capital asset purchases payable	\$ 442,736	\$ (1,451,052)	\$ (1,008,316)	\$ (1,295,454)
Abandoned construction in process	\$ 156,107	\$ 26,878	\$ 182,985	

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNTY WATER DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 ASSESSMENT DISTRICT CUSTODIAL FUNDS

June 30, 2023

<b>ASSETS</b>		
Cash and cash equivalents	\$	296,765
Interest receivable		692
Due from County of Calaveras		981
Restricted assets:		
Cash and cash equivalents with fiscal agents		215,644
	<b>TOTAL ASSETS</b>	<u>514,082</u>
 <b>LIABILITIES</b>		
Accounts payable		2,880
Due to bond holders		45,444
	<b>TOTAL LIABILITIES</b>	<u>48,324</u>
 <b>NET POSITION</b>		
Restricted for individuals or other governments		<u>\$ 465,758</u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
ASSESSMENT DISTRICT CUSTODIAL FUNDS

June 30, 2023

ADDITIONS		
Special assessment taxes		\$ 206,897
Investment earnings		7,318
Other income		6,379
	TOTAL ADDITIONS	<u>220,594</u>
DEDUCTIONS		
Debt service		197,038
Other		23,226
	TOTAL DEDUCTIONS	<u>220,264</u>
	NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	330
Net position , beginning of year		<u>465,428</u>
	NET POSITION, END OF YEAR	<u>\$ 465,758</u>

The accompanying notes are an integral part of these financial statements.

CALAVERAS COUNTY WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

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NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Reporting Entity: The Calaveras County Water District (the District) was formed on September 6, 1946, under the County Water District Law (California Water Code Sections 30000-33901) for the purpose of assisting residents of Calaveras County in establishing and protecting their water resources. The District's boundaries are the same as the boundary lines of the County of Calaveras, which encompasses approximately 640,000 acres. The District provides retail water services to approximately 13,300 municipal, residential, and commercial customers; retail sewer services to approximately 5,000 customers; and provides wholesale treated water to two independent retail water service providers. Water and sewer services are provided to five major operational areas and three smaller service areas within the boundaries of the District. The District is also engaged in the development of hydroelectric power for financial support and maximizing its water supply. The District has 76,300 acre-feet of post-1914 water rights on the North Fork of the Stanislaus River, 1,830 acre-feet of water rights on the Bear Creek tributary to the Middle Fork of the Mokelumne River, a contractual allocation of 31,278 acre-feet of the U.S. Bureau of Reclamation's water rights in the New Hogan Reservoir on the Calaveras River and water rights from various other sources. The District's facilities consist of six water treatment plants, twenty-eight treated water storage facilities and thirteen sewer treatment facilities.

The District has two power generating facilities operated by other governmental agencies under contracts where the District receives a contractual monthly payment, and the other agencies receive the rights to power generated and are responsible for the operating costs of the hydroelectric power generating facilities. The Northern California Power Agency is responsible for the power generating facility on the North Fork of the Stanislaus River. The other power generating facility is at the New Hogan Reservoir, which is operated by the Modesto Irrigation District. However, in the case of the New Hogan Reservoir, the District and the Stockton East Water District reimburse the Army Corps of Engineers proportional shares of the operating and maintenance costs of the reservoir's dam and water storage.

The District's Federal Energy Regulatory Commission (FERC) license for both of these facilities expires in 2032. The FERC relicensing costs will be reported as part of construction in progress and will result in an intangible asset being reported when the license is issued that will be amortized over the license period.

The financial statements include the financial activities of the Calaveras County Water District Public Financing Authority (the Authority), which was formed under a joint exercise of power agreement between the District and the Independent Cities Finance Authority (ICFA). The Authority was established on April 4, 2016, to provide assistance to the District in the issuance of debt (see Note E). The Authority is a component unit of the District because the District's Board of Directors serves as the Board of Directors of the Authority and the District is financially accountable for the Authority. The JPA agreement provides that the liabilities of the Authority do not constitute liabilities of the District or ICFA but requires the District and Authority to indemnify the ICFA for any and all costs and liabilities arising directly or indirectly from the Authority's activities. The District has a residual interest in any property held by the Authority upon its dissolution. The Authority does not issue separate financial statements.

The District administers eight assessment districts for which the District's Board of Directors serves as the governing body of the assessment districts. The District can impose its will on and has administrative responsibility for all of the assessment districts. As a result, the assessment districts are component units of the District. The Wallace Assessment District (Wallace AD) was formed to reimburse the District for certain sewer improvements. The District can access the Wallace AD's resources for the provision of services the District provides to the Wallace AD and, as a result, reports the Wallace AD on a blended basis with the District's Sewer Fund. The remaining assessment districts are used for conduit debt or to hold assets for external parties and, as a result, are considered fiduciary component units. The assessment districts do not issue separate financial statements.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

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NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District is also a member of the following joint power authorities/agencies (JPAs) where the District is not responsible for the liabilities of the JPAs under the JPA agreements and only has a residual interest in any assets held by the JPAs upon termination of the agreements: Association of California Water Agencies (ACWA) and ACWA Joint Powers Insurance Authority, Calaveras-Amador Mokelumne River Authority, Calaveras Public Power Agency, Tuolumne-Stanislaus Integrated Regional Water Management Joint Powers Authority, Upper Mokelumne River Watershed Authority, and Eastern San Joaquin Groundwater Authority.

Basis of Presentation – Fund Accounting: The District’s resources are allocated to and accounted for in these basic financial statements using the enterprise fund type of the proprietary fund group. A fund is a self-balancing set of accounts. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Net position for the enterprise fund represents the amount available for future operations.

The District reports the following major proprietary funds:

*Water Fund* — This fund accounts for the activities of providing water to rate payers of the District.

*Sewer Fund* — This fund accounts for the activities of providing sewer management to rate payers of the District.

The District also reports the following fiduciary fund:

*Custodial Funds* — This fund is used to account for assets held by the District as an agent for seven special assessment districts within its boundaries used to finance improvements within the special assessment districts, including improvements financed with special assessment bonds. The resources are held for the related bond holders or landowners.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds and custodial funds are accounted for on the economic resources measurement focus. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the fund are included on the statement of net position. Net position is segregated into the net investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net assets. Enterprise funds and agency funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District, including providing water service, water supply development and planning, wastewater treatment and disposal and recycling. Operating revenues consist primarily of water sales, sewer charges and related fees. Operating expenses consist of the cost of sales and services, administration and depreciation on capital assets. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities. Cost reimbursement grant revenues are recognized as revenue when the reimbursable costs are incurred under the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid investments with original maturity of three months or less, including restricted assets, to be cash equivalents, which includes investments in the California Local Agency Investment Fund (LAIF), money market mutual funds and certificates of deposit.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable: Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. Receivables include a year-end accrual for water and sewer utility services provided through the end of the fiscal year that were not billed at year-end. Accounts receivable are reported net of an allowance for uncollectible accounts of \$33,975 and \$16,765 for the Water and Sewer Funds, respectively.

Restricted Assets: Restricted assets consist of unspent expansion and capital renovation and replacement (R & R) fees that are restricted to certain expansion and construction projects. Restricted assets also include unspent bond proceeds that are restricted to future bond payments. Fiscal agent cash and cash equivalents in the Agency Funds represents amounts required to be held for future debt payments by the related bond indenture. Amounts payable from restricted assets in the Water and Sewer Funds at June 30, 2023 totaled \$33,975 and \$16,765, respectively, including accounts payable and retention payable.

Interfund Transactions: During the course of operations, numerous transactions occur between individual enterprise funds that may result in an amount owed between funds. “Due to and from other funds” represents short-term interfund receivables and payables. Interfund loans represent the noncurrent portion of interfund borrowings. The interfund loans outstanding between the Water and Sewer Fund at year-end includes a building loan for the District’s operations headquarters project, a loan to cover debt service for the Jenny Lind water expansion funds loan and a long-term borrowing by the Sewer Fund from the Water Fund to cover cash deficits. Repayment terms are discussed in Note F.

Capital Assets: Capital assets are recorded at historical cost. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives.

	<u>Years</u>
Buildings	50
Improvements other than buildings	15 - 50
Machinery and equipment	4 - 10
Vehicles	8 - 10
Computer equipment and software	3 - 4

It is the District’s policy to capitalize assets with a cost of \$5,000 or more with useful lives in excess of one year. The cost of assets sold or retired (and the related amounts of accumulated depreciation) is eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

Right-to-use lease assets are recognized at the lease commencement date and represent the District’s right to use an underlying asset for the lease term. Right-to-use lease assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period is 60 months.

Right-to-use subscription IT assets are recognized at the subscription commencement data and represent the District’s right to use the underlying IT asset for the subscription term. Right-to-use subscription IT assets are measured at initial value of the subscription liability plus and payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right-to-use subscription term or useful life of the underlying asset using the straight-line method. The District determined it had no agreements meeting the definition of subscriptions under GASB Statement No. 96.



CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

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NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows and Outflows of Resources: In addition to assets and liabilities, the balance sheet will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources include amounts deferred related to the District's leases receivable, pension plan and OPEB plan as described in Notes C, I and J, respectively.

Compensated Absences: A total of 22 to 32 days of Personal Time Off (PTO) leave per year may be accumulated by each employee. Employees are paid 100% of their PTO leave hours upon death, termination or retirement. The liability for compensated absences is recorded as a liability in the statement of net position. The current portion of this liability is estimated based on historical trends. The cost of compensated absences is recorded in the period it is incurred and is liquidated in the Water and Sewer Funds.

Lease and Subscription Liabilities: Lease liabilities represent the District's obligation to make lease payments arising from leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The lease payments are discounted at the rate inherent in the lease agreement or, if not determinable, at an estimated incremental borrowing rate.

Subscription liabilities represent the District's obligation to make subscription payments arising from subscription contracts. Subscription liabilities are recognized at the subscription commencement date based on the present value of the future subscription payments expected to be made during the subscription term. The subscription payments are discounted at the rate inherent in the lease agreement or, if not determinable, at an estimated incremental borrowing rate. The District had no material agreements meeting the definition of subscriptions under GASB Statement No. 96.

Pension Plan: For purposes of measuring the net pension liability, deferred outflows/inflows of resources and pension expense related to the pension plan, information about the fiduciary net position of the District's CalPERS plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

Other Postemployment Benefits Plan (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense, information about the fiduciary net position of the plan held by Public Agency Retirement Systems (PARS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

Budgetary Principles: The Board of Directors does not operate under any legal budgeting constraints. Budget integration is employed as a management control device. Budgets are formally adopted by the Board and take effect on each July 1.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. The District allocates general and administrative expenses 73% to the Water Fund and 27% to the Sewer Fund according to the relative number of water and sewer accounts.

Property Taxes: Secured and unsecured property taxes are levied on July 1 by the County of Calaveras. Secured property taxes are due in two installments, the first installment is due on November 1 and delinquent with penalties

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

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NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

after December 10; the second installment is due February 1 and delinquent with penalties after April 10th, on property taxes assessed on July 1. Unsecured property taxes are payable in one installment on or before August 31. Property tax revenues are recognized in the fiscal year in which they are levied.

Comparative Totals: The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022 from which the summarized information was derived.

New Pronouncements: In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). PPPs are arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement requires that PPPs that meet the definition of a lease apply guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of a service concession arrangement (SCA). This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement No. 87, as amended. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements that include an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for reporting periods beginning after June 15, 2022. In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. The District implemented this Statement during the year ended June 30, 2023 and determined the Statement did not have a material effect on the District's financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

The District will fully analyze the impact of these new Statements prior to the effective dates listed above.

NOTE B – CASH AND INVESTMENTS

Cash and investments were reported in the financial statements as follows at June 30, 2023:

	Proprietary Funds	Fiduciary Funds	Total
Cash and cash equivalents	\$ 12,209,481	\$ 296,765	\$ 12,506,246
Restricted cash and cash equivalents	51,217,143		51,217,143
Restricted cash and cash equivalents with fiscal agents		215,644	215,644
Total cash and investments	<u>\$ 63,426,624</u>	<u>\$ 512,409</u>	<u>\$ 63,939,033</u>

Cash and investments were classified according to GASB Statement No. 40 as follows at June 30, 2023:

	Proprietary Funds	Fiduciary Funds	Total
Cash on hand	\$ 600		\$ 600
Bank deposits	4,476,945	\$ 296,765	4,773,710
Total cash and deposits	<u>4,477,545</u>	<u>296,765</u>	<u>4,774,310</u>
U.S. Treasury obligations	9,544,672		9,544,672
Cash held by USDA	1,044,094		1,044,094
U.S. agency securities	2,290,372		2,290,372
Corporate notes	4,553,813		4,553,813
Money market mutual funds	27,948,311		27,948,311
Local Agency Investment Fund (LAIF)	10,972,945		10,972,945
Asset backed securities	802,744		802,744
Supranational notes	1,035,009		1,035,009
Collateralized mortgage obligations	757,119		757,119
Investments with fiscal agents:			
Money market mutual funds		215,644	215,644
Total investments	<u>58,949,079</u>	<u>215,644</u>	<u>59,164,723</u>
Total cash and investments	<u>\$ 63,426,624</u>	<u>\$ 512,409</u>	<u>\$ 63,939,033</u>

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE B – CASH AND INVESTMENTS (Continued)

Investment policy: California statutes authorize governments to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized by the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The District’s permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality
Local district bonds	5 years	50%	AA
U.S. Treasury obligations	5 years	100%	N/A
State of California obligations	5 years	100%	A
Other state obligations	5 years	20%	AA
California local district obligations	5 years	50%	AA
U.S. agency securities	5 years	100%	AAA
Bankers acceptances	180 days	40%	A
Commercial paper	270 days	25%	AA
Negotiable certificates of deposit	5 years	30%	N/A
Repurchase agreements	1 year	20%	None
Reverse repurchase agreements	92 days	20% of base	A
Medium term corporate notes	5 years	30%	A
Money market mutual funds	N/A	20%	(1)
Joint Powers Authority	N/A	20%	None
Collateralized mortgage obligations	5 years	20%	AA
Collateralized bank deposits	5 years	20%	AA
Time deposits	2 years	20%	N/A
Local Agency Investment Fund (LAIF)	N/A	No limit	N/A
County pooled investment funds	N/A	30%	None
Non-negotiable certificates of deposit	2 years	40%	None

(1) Must be the highest rating by 2 of the 3 nationally recognized rating agencies.

The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made and the security requirements.

Investments Authorized by Debt Agreements: The District must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt agreements. These funds are unexpended bond proceeds or are pledged reserves to be used if the District fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with District resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE B – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality
Local district bonds	5 years	None	None
U.S. Treasury obligations	5 years	None	None
State of California obligations	5 years	100%	None
Other state obligations	5 years	None	None
California local district obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Bankers acceptances	180 days	40%/30%	None
Commercial paper	270 days	25% or 10%	A1/P1/F1
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	Various
Reverse repurchase agreements	92 days	20% of base	A
Medium term corporate notes	5 years	30%	A or >
Money market mutual funds	N/A	20%	(1)
Joint Powers Authority	N/A	None	None
Collateralized bank deposits	5 years	None	AA
Time deposits	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County pooled investment funds	N/A	None	None
Non-negotiable certificates of deposit	5 years	100%	None

(1) Must be highest rating by 2 of 3 of the nationally recognized rating agencies.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided in the following table that shows the distribution of the District's investments by maturity at June 30, 2023:

Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. treasury obligations	\$ 9,544,672	\$ 243,057	\$ 3,003,015	\$ 6,298,600
Cash held by USDA	1,044,094	1,044,094		
U.S. agency securities	2,290,372	797,584	367,233	1,125,555
Corporate notes	4,553,813	1,382,982	821,303	2,349,528
Money market mutual funds	27,948,311	27,948,311		
LAIF	10,972,945	10,972,945		
Asset backed securities	802,744		195,404	607,340
Supranational notes	1,035,009		487,020	547,989
Collateralized mortgage obligations	757,119		192,427	564,692
Investments with fiscal agent:				
Money market mutual funds	215,644	215,644		
Total Investments	\$ 59,164,723	\$ 42,604,617	\$ 5,066,402	\$ 11,493,704

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE B – CASH AND INVESTMENTS (Continued)

**Credit Risk:** Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type at June 30, 2023:

Investment Type	Total	Minimum Rating	Ratings as of Year-end							
			Aaa/AAA	Aa1/AA+	Aa2/AA	Aa3/AA-	A1/A+	A2/A	A3/A-	Not Rated
U.S. treasury obligations	\$ 9,544,672	N/A	\$ 9,544,672							
Cash held by USDA	1,044,094	N/A								\$ 1,044,094
U.S. agency securities	2,290,372	AAA		\$ 2,290,372						
Corporate notes	4,553,813	A		225,369	\$ 240,817	\$ 413,426	\$ 820,053	\$ 1,587,573	\$ 1,068,387	198,188
Money market mutual funds	27,948,311	(1)	27,948,311							
LAIF	10,972,945	N/A								10,972,945
Asset backed securities	802,744	AA	802,744							
Supranational notes	1,035,009	AAA	1,035,009							
Collateralized mortgage obligation	757,119	AA	757,119							
Investments with fiscal agent:										
Money market mutual funds	215,644	(1)	215,644							
<b>Total Investments</b>	<b>\$ 59,164,723</b>		<b>\$ 40,303,499</b>	<b>\$ 2,515,741</b>	<b>\$ 240,817</b>	<b>\$ 413,426</b>	<b>\$ 820,053</b>	<b>\$ 1,587,573</b>	<b>\$ 1,068,387</b>	<b>\$ 12,215,227</b>

<sup>(1)</sup> Must be rated the highest rating by 2 of the 3 nationally recognized rating agencies.

**Concentration of Credit Risk:** The investment policy of the District limits the amount that can be invested in any one issuer by the California Government Code. The California Government Code limits the amount that may be invested in any one issuer, as disclosed in the preceding table. GASB Statement No. 40 requires disclosure of investments with one issuer exceeding 5% of total investments, with the exception of U.S. Treasury obligations, mutual funds and external investment pools.

**Custodial credit risk:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, the carrying amount of the District’s deposits, including Agency Fund deposits, was \$4,773,710 and the balance in financial institutions was \$5,141,910. Of the balance in financial institutions \$250,000 was covered by federal depository insurance and the remaining amount was secured by a pledge of securities by the financial institution, but not in the name of the District. The money market mutual funds are held by the same broker-dealers (counterparty) used by the District to buy the securities.

**California Local Agency Investment Fund (LAIF):** LAIF is stated at fair value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by all public agencies in LAIF at June 30, 2023 was \$176,442,053,163, which is managed by the State Treasurer. Of that amount, 2.78% is invested in structured notes and asset-backed commercial paper. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE B – CASH AND INVESTMENTS (Continued)

LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The weighted average maturity of investments held by LAIF was 260 days at June 30, 2023.

Cash Held by USDA: The amounts reported as cash held by the U.S. Department of Agriculture (USDA) represents unspent proceeds on the Series 2021 Certificates of Participation that was retained by the USDA in the U.S. Treasury.

Fair Value Measurements: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had the following recurring fair value measurements as of June 30, 2023:

Investment Type	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury obligations	\$ 9,544,672		\$ 9,544,672	
U.S. agency securities	2,290,372		2,290,372	
Corporate notes	4,553,813		4,553,813	
Asset backed securities	802,744		802,744	
Supranational notes	1,035,009		1,035,009	
Collateralized mortgage obligations	757,119		757,119	
Total investments by fair value level	18,983,729	\$ -	\$ 18,983,729	\$ -
Investments uncategorized:				
Cash held by USDA	1,044,094			
Money market mutual funds	27,948,311			
MMM with fiscal agent	215,644			
LAIF	10,972,945			
	<u>\$ 59,164,723</u>			

NOTE C – LEASES

The District records a lease receivable and deferred inflow of resources for the present value of the future payments received under agreements for leases of property under GASB Statement No. 87. The District has four property leases for cellular towers that contain multiple five-year extensions and provide for increases in rent ranging from 2% to 3%. These leases expire from February 29, 2024 through March 5, 2048. For purposes of discounting future payments on the lease, the District used a discount rate of 4.75% to 9.25%. The deferred inflow is being amortized over 2.25 years to 24.75 years, the remaining terms of the leases, including option periods considered reasonably certain of being exercised. The District reported leases receivable of \$864,483 and deferred inflow of resources of \$804,368 as of June, 30 2023. The District recognized lease and interest revenue of \$80,338 during the year ended June 30, 2023 under these leases.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE D – CAPITAL ASSETS

Capital asset activity was as follows for the year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
Capital assets, not being depreciated:					
Land	\$ 14,179,066	\$ 143,133			\$ 14,322,199
Construction in progress	12,687,493	12,888,849	\$ (5,220)	\$ (182,985)	25,388,137
Total capital assets, not being depreciated	26,866,559	13,031,982	(5,220)	(182,985)	39,710,336
Capital assets, being depreciated:					
Buildings	22,852,893	9,198			22,862,091
Utility system - infrastructure	174,625,949	258,301		182,985	175,067,235
Right-to-use lease asset	1,241,545	443,211			1,684,756
Machinery and equipment	20,016,305	363,530	(233,584)		20,146,251
Total capital assets, being depreciated	218,736,692	1,074,240	(233,584)		219,760,333
Less accumulated depreciation for:					
Buildings	(11,619,590)	(442,272)			(12,061,862)
Utility system - infrastructure	(91,845,164)	(3,654,350)			(95,499,514)
Right-to-use lease asset	(275,826)	(392,018)			(667,844)
Machinery and equipment	(16,927,053)	(568,372)	233,584		(17,261,841)
Total accumulated depreciation	(120,667,633)	(5,057,012)	233,584		(125,491,061)
Total capital assets, being depreciated, net	98,069,059	(3,982,772)			94,269,272
Total capital assets, net	\$ 124,935,618	\$ 9,049,210	\$ (5,220)		\$ 133,979,608

NOTE E – LONG-TERM LIABILITIES

The activity of the District's long-term liabilities was as follows for the year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Retirements	Balance at June 30, 2023	Current Portion
Water Fund:					
U.S. Bureau of Reclamation Note - Hogan Umpqua Bank Series 2019 Taxable Revenue Refunding Loan	\$ 116,304		\$ (40,327)	\$ 75,977	\$ 40,326
Series 2016 Water Enterprise Revenue Bonds	3,159,720	\$ 37,680		3,197,400	246,740
Lease - Enterprise Fleet Management	2,398,500		(47,700)	2,350,800	48,800
2020 Loan - Umpqua	549,952	345,086	(139,401)	755,637	180,687
Series 2021 Water Revenue Certificates of Participation	173,594		(61,960)	111,634	89,042
Series 2022 Water Revenue Bonds	4,871,000		(88,720)	4,782,280	89,000
2021 Loan - Umpqua	19,843,000		(879,000)	18,964,000	759,000
Total Water Fund amortizing liabilities	265,247		(46,515)	218,732	85,891
Compensated absences	31,377,317	382,766	(1,303,623)	30,456,460	1,539,486
Total Water Fund liabilities	588,701	113,656		702,357	285,481
	31,966,018	496,422	(1,303,623)	31,158,817	1,824,967
Sewer Fund:					
U.S. Bureau of Reclamation Note - Hogan Umpqua Bank Series 2019 Taxable Revenue Refunding Loan	43,016		(14,915)	28,101	14,915
Lease - Enterprise Fleet Management	1,556,280		(373,692)	1,182,588	91,260
2020 Loan - Umpqua	309,348	127,635	(157,501)	279,482	66,829
Series 2022 Sewer Revenue Bonds	97,647		(56,358)	41,289	32,933
2021 Loan - Umpqua	11,100,000		(501,000)	10,599,000	414,000
Total Sewer Fund amortizing liabilities	149,201		(68,300)	80,901	31,768
Compensated absences	13,255,492	127,635	(1,171,766)	12,211,361	651,705
Total Sewer Fund liabilities	299,700		(39,924)	259,776	105,589
	13,555,192	127,635	(1,211,690)	12,471,137	757,294
Total long-term liabilities	\$ 45,521,210	\$ 624,057	\$ (2,515,313)	\$ 43,629,954	\$ 2,582,261



CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

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NOTE E – LONG-TERM LIABILITIES (Continued)

Description of Water Fund Liabilities – Direct Borrowings:

Series 2016 Water Enterprise Revenue Bonds: On June 16, 2016, the Calaveras County Water District Public Financing Authority issued the Series 2016 Water Enterprise Revenue Bonds with a borrowing limit of \$2,622,000 to assist in the funding of the Ebbetts Pass Reach 3A Pipeline Replacement Project. The Bonds will be paid solely from installment sale payments made from the District's net water system revenues to purchase the project assets. The bonds will be paid annually each September 1 in principal amounts ranging from \$48,800 to \$99,500 and semi-annual interest payments ranging from \$1,119 to \$26,447 at 2.25% through September 1, 2055.

Series 2021 Water Revenue Certificates of Participation: On June 24, 2021, the Calaveras County Water District Public Financing Authority issued the Series 2021 Water Revenue Certificates of Participation (Automatic Radio Read Meter Project) in the amount of \$5,000,000. The Certificates were sold to the United States Department of Agriculture. The Certificates will be paid solely from installment sale payments made from the District's net water system revenues to purchase the project assets. The bonds will be paid annually each March 1 in principal amounts ranging from \$89,000 to \$171,000 and semi-annual interest payments ranging from \$1,496 to \$42,621 at 1.75% from March 1, 2022 through March 1, 2061. Upon default, the Certificates may be called immediately due and payable.

Series 2022 Water Revenue Bonds: On June 1, 2022, the Calaveras County Water District Public Financing Authority issued the Series 2022 Water Revenue Bonds in the amount of \$19,843,000 to assist in the funding of various Copper Cove Tank B & Clearwell, Copper Cove Tank B Pump Station Renovation, Jenny Lind A-B Transmission Pipeline, Lake Tulloch Water Line Crossing and Copper Cove Zone B-C Transmission Pipeline and Pump Station Projects. The bonds were sold to Webster Bank. The bonds will be paid solely from installment sale payments made from the District's net water system revenues to purchase the project assets. The bonds will be paid annually each March 1 in principal amounts ranging from \$782,000 to \$1,279,000 and semi-annual interest payments ranging from \$18,801 to \$278,771 at 2.94% from September 1, 2022 through March 1, 2042.

Description of Sewer Fund Liabilities – Direct Borrowings:

Series 2022 Sewer Revenue Bonds: On June 1, 2022, the Calaveras County Water District Public Financing Authority issued the Series 2022 Sewer Revenue Bonds in the amount of \$11,100,000 to assist in the funding of the Arnold Secondary Clarifier and Wastewater Treatment Plant Project, Copper Cove Lift Stations Project and Copper Cover Secondary, Tertiary, DAF, and UV Improvements Project. The bonds were sold to the First Foundation Public Finance. The bonds will be paid solely from installment sale payments made from the District's net sewer system revenues to purchase the project assets. The bonds will be paid annually each June 1 in principal amounts ranging from \$431,000 to \$736,000 and semi-annual interest payments ranging from \$11,776 to \$170,928 at 3.20% from December 1, 2022 through June 1, 2042.

Description of Shared Water Fund and Sewer Fund Liabilities– Direct Borrowings:

U.S. Bureau of Reclamation Note: Under the terms of a contract dated August 25, 1970, between the United States of America, the Stockton-East Water District and Calaveras County Water District, the two districts agreed to repay the United States of America 36.2% of the construction cost of the New Hogan Dam, excluding recreation features. Under the terms of a side agreement, the payment of all obligations under the Bureau contract is split between the two districts, whereby Stockton-East Water District is responsible for 43.5% of the repayments and Calaveras County Water District is responsible for 56.5% of the payments. The agreement required the Calaveras County Water District to make annual payments based on a variable computation to Stockton-East Water District through 2010 with no interest. The unpaid balance at September 2010 began to bear interest at 4.5%. The agreement contains a provision requiring a penalty of 0.5% per month on delinquent payments over 30 days past due. Annual principal payments range from \$48,837 to \$55,242 and annual interest payments range from \$2,198 to \$4,684 through June 10, 2025. The remaining balance on the contract at June 30, 2023 was \$104,078.

The contract also requires the District to make payments to Stockton-East Water District for the Calaveras County

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

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NOTE E – LONG-TERM LIABILITIES (Continued)

Water District's share of expenses for operations, maintenance, replacements and contract administration. These costs are expensed as incurred.

Umpqua Bank Series 2019 Taxable Revenue Refunding Loan Obligations (CalPERS Refunding Project): On February 1, 2019, the District obtained a \$5,665,000 loan from Umpqua Bank in order to reduce and refinance the District's unfunded accrued actuarial pension liability (UAL) in the District's defined benefit pension plan administered by the California State Public Employees' Retirement System (CalPERS). \$5,544,652 was deposited directly with CalPERS under the loan agreement, with the remaining amount funding issuance costs. The District's future UAL payments to CalPERS will be reduced due to this deposit. The loan is payable from a pledge on the District's net water and wastewater revenue as defined in the agreement and the District must collect rates, fees and charges during the term of the loan that are at least equal to 125% of the debt service payments on this loan and all other parity debt. The loan agreement defines events of default as 1) failure to pay any principal and interest payment when due; 2) failure to observe and perform a covenant for a period of 30 days after written notice is provided by the Bank; 3) default on any parity obligation; 4) bankruptcy; 5) material misrepresentation made in the execution of the loan; 6) an event causing the loan to cease to be a legal, valid and binding obligation of the District; and 7) dissolution or termination of the District. The loan is subject to an acceleration clause upon default of the District causing the principal and accrued interest to be immediately due and payable. The Bank also has the right under the agreement to apply to and obtain from a court a decree or order necessary to require the District to charge and collect rates for water services sufficient to meet requirements of the loan agreement. Semi-annual principal and interest payments ranging from \$176,591 to \$239,708 are due beginning on September 1, 2019 through March 1, 2036. The interest rate on the loan is 3.32%. In the event of default, the interest rate increases 3%.

Lease - Enterprise Fleet Management Lease Program: On June 7, 2019, the District entered into a multi-year lease program for vehicle replacement with Enterprise Fleet Management. Each year, vehicles in the fleet are evaluated and proposed additions and retirements are taken to the Board for approval. The term of the lease begins on the date each vehicle is delivered to the District. As of June 30, 2023, there were 29 leases outstanding with a total lease liability of \$1,035,119, which is shared between the Water and Sewer Fund at 73% and 27%, respectively. Monthly lease payments for each lease are due at the beginning of each month for 60 months at a stated interest rate of 5% through August 2027, which totaled \$25,584 at June 30, 2023. At the end of the lease term, the District has the option to buy the assets or can trade them in for the remaining lease balance. If the option to buy the asset is exercised, the District agrees to pay within 30 days after the end of the term for each vehicle an additional rent amount equal to the greater of the excess of the book value of the leased vehicle over the greater of the wholesale value of the vehicle or 20% of the delivered price of the vehicle. In the event of default, the interest rate will increase to 18% or the highest rate permitted by law and the assets may be repossessed. Lease assets had a cost and accumulated depreciation of \$1,684,756 and \$667,844, respectively.

Loan - Umpqua Agreement: On July 24, 2020, the District entered into a loan agreement for a Vacuum Truck purchased for \$470,090. The loan is payable through August 15, 2024. Payments are due quarterly on the 15<sup>th</sup> of November, February, May and August in the amount of \$31,269 at an interest rate of 2.963%. If the District fails to make the required payment on or before the date it becomes due, the District is required to pay interest on the delinquent payments from the due date until paid at the lesser of 18.00% per annum or the maximum permitted by law.

Loan - Umpqua Agreement: On October 27, 2021, the District entered into a loan agreement for a Vacuum Truck purchased for \$470,810. The loan is payable through November 1, 2025. Payments are due quarterly on the 1<sup>st</sup> of February, May, August and November in the amount of \$30,984 at an interest rate of 2.449%. If the District fails to make the required payment on or before the date it becomes due, the District is required to pay interest on the delinquent payments from the due date until paid at the lesser of 18.00% per annum or the maximum permitted by law.

The annual requirements to amortize the outstanding long-term liabilities were as follows at June 30, 2023:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE E – LONG-TERM LIABILITIES (Continued)

Years Ending June 30	Water Fund			Sewer Fund		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 1,539,486	\$ 851,479	\$ 2,390,965	\$ 651,705	\$ 400,254	\$ 1,051,959
2025	1,525,028	800,026	2,325,054	653,705	377,119	1,030,824
2026	1,399,865	751,762	2,151,627	611,128	354,989	966,117
2027	1,325,801	708,583	2,034,384	589,044	319,901	908,945
2028	1,347,580	665,368	2,012,948	600,706	313,968	914,674
2029-2033	6,652,620	2,746,390	9,399,010	3,049,580	1,279,303	4,328,883
2034-2038	7,007,269	1,749,284	8,756,553	3,327,529	764,857	4,092,386
2039-2043	5,860,300	770,621	6,630,921	2,727,964	228,289	2,956,253
2044-2048	1,055,300	309,050	1,364,350			
2049-2053	1,164,100	209,206	1,373,306			
2054-2058	1,075,900	95,701	1,171,601			
2059-2061	503,211	17,743	520,954			
	<u>\$30,456,460</u>	<u>\$ 9,675,213</u>	<u>\$40,131,673</u>	<u>\$12,211,361</u>	<u>\$4,038,680</u>	<u>\$16,250,041</u>

**Pledged Revenues:** The District has pledged future Water Fund and Sewer (wastewater) Fund revenues, net of specified operating expenses, to repay each of its Water Fund and Sewer Fund loans and bonds as described above. Proceeds from the loans and bonds were used to fund certain water and sewer improvements, to purchase capital assets or refund certain prior debt issuances as described above. The loans and bonds are payable through March 1, 2061. Annual principal and interest on the loans and bonds are expected to be 75% or less of net revenues as required by the loan and bond covenants. Total principal and interest remaining to be paid on the loans and bonds are reported in the “Total” column for the Water Fund and Sewer Fund in the table above. Total principal and interest paid on all debt payable from net revenues in the Water and Sewer Funds related to the Debt Service Coverage Ratio was \$632,655 and \$132,249, respectively, and total water and sewer system net revenues were \$997,326 and \$1,767,152 for the year ended June 30, 2023. At June 30, 2023, the District’s total water and sewer system net revenues were 158% and 1,336% of debt service payments, respectively, as described in the debt service coverage ratio calculation in the Other Supplementary Information section of the financial statements.

NOTE F – INTERNAL LOANS

On January 11, 2012, the Board of Directors approved a building loan of \$3,000,000 from certain water and sewer expansion funds to pay for the construction of the District’s operations headquarters. After segregating the joint cost fund, a loan of \$1,970,000 from the Sewer Fund to the Water Fund resulted. As of June 30, 2023, this loan was fully repaid.

On June 13, 2012, the Board of Directors approved a loan from special project funds in the District’s interest reserve funds to cover debt service payments for the Jenny Lind water expansion funds loan. The transaction resulted in an internal loan of \$1,522,736 from the Sewer Fund to the Water Fund after segregating joint costs. The Jenny Lind water expansion funds debt service obligation ended September 2017. The internal loan is non-interest bearing and will be repaid from new water connection fees from the Jenny Lind service area as available. The outstanding loan balance as of June 30, 2023 was \$1,122,736. However, after eliminating the portion of the loan within the Water Fund the remaining loan reported on the statement of net position was an interfund loan of \$303,139 from the Sewer Fund to the Water Fund at June 30, 2023 as follows:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE F – INTERNAL LOANS (Continued)

<u>Internal loan from other funds</u>	<u>Internal loan to other funds</u>	<u>Gross Amount</u>	<u>Eliminating Entry</u>	<u>Net Amount</u>
Water Reserve Fund	Water Jenny Lind Expansion Fund	\$ 819,597	\$ (819,597)	
Sewer Reserve Fund	Water Jenny Lind Expansion Fund	303,139		\$ 303,139
		<u>\$ 1,122,736</u>	<u>\$ (819,597)</u>	<u>\$ 303,139</u>

On August 8, 2018, the Board of Directors also approved a loan from the Water Fund to the Sewer Fund to fund a cash deficit of \$1,126,267 at June 30, 2018. The internal loan will be repaid by the Sewer Fund each June 30 from June 30, 2019 to June 30, 2028 in amounts of \$137,007, including interest at 2% per year. The outstanding balance at June 30, 2023 was \$645,746.

NOTE G – INTERFUND TRANSACTIONS

Interfund transfers are used to transfer resources from the fund receiving the resources to the fund spending the resources. Transfers within individual funds are eliminated for reporting purposes. There were no interfund transfers during the year ended June 30, 2023.

NOTE H – SPECIAL ASSESSMENT DISTRICT DEBT

The District acts as agent for the bondholders of five of the nine special assessment districts in the District’s service area. Each of these special assessment districts has issued bonds to finance improvements within the related district. The bonds are secured solely by liens on real property in the related assessment district. The County of Calaveras collects special assessments from the property owners in these special assessment districts. The special assessments collected are forwarded to the District, which directs payment to the bondholders through the designated paying agent, except for the DaLee/Cassidy and Fly-In Acres, where the County remits the assessments directly to the paying agent. The District is not obligated in any manner in the event of default of this debt, which is not included in the District’s financial statements. On February 24, 2021, the District refinanced the DaLee/Cassidy Water System Assessment District Series 2010 Limited Obligation Improvement Bonds and the Fly-In Acres Assessment District Series 2013 Limited Obligation Improvement Bonds with the 2021 Refinancing Assessment District Bonds. The outstanding principal amounts of these special assessment bonds were as follows at June 30, 2023:

<u>District</u>	<u>Amount</u>
Arnold Sewer #9S4 A/B	\$ 69,000
DaLee/Cassidy	1,536,418
Fly-In Acres	648,236
Total	<u>\$ 2,253,654</u>

Additionally, the La Contenta Assessment District (AD 604) remains in default/foreclosure. The District will continue to act as the agent for La Contenta as foreclosure counsel works with the remaining two delinquent property owners. The two properties are in foreclosure and have had summary judgements filed against them. Currently the values of the properties (both unimproved) are significantly less than the lien amounts.

NOTE I – NET POSITION

Net Position: Net position is categorized as the net investment in capital assets, restricted and unrestricted as follows:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE I – NET POSITION (Continued)

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Net position restricted for expansion and construction consisted of unspent capital renovation and replacement (R&R) and expansion fee revenues, offset by liabilities recorded at year-end, and unspent Wallace Assessment District special tax assessments collected for future sewer project expenses. The amount restricted for grant programs represents unspent grant advance funds.

Unrestricted Net Position – This category represents net position not restricted for any project or other purpose.

Designations of Unrestricted Net Position: Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Board action. They are reported as part of the District’s unrestricted net position.

Designations of unrestricted net position consisted of the following designations limited to the amount of unrestricted net position available to designate in each fund and the amounts as approved by the Board of Directors at June 30, 2023:

	Limited to Unrestricted Net Position		As Approved	
	Water Fund	Sewer Fund	Water Fund	Sewer Fund
Designated:				
90 Day Emergency Operating Reserve	\$ 2,920,000		\$ 2,920,000	\$ 1,080,000
Water Resources and FERC Reserve	96,046		5,445,795	
CIP Cash Flow Reserve			1,241,000	459,000
Special Projects Reserve			115,028	42,545
Total designated	3,016,046		\$ 9,721,823	\$ 1,581,545
Undesignated		\$ (2,217,991)		
Total unrestricted net position	\$ 3,016,046	\$ (2,217,991)		

NOTE J – PENSION PLANS

**DEFINED BENEFIT PLAN**

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District’s cost-sharing multiple employer defined benefit pension plan (the Plan) administered by the California Public Employees’ Retirement System (CalPERS). The District participates in the Miscellaneous Risk Pool and the following rate plans:

- Miscellaneous Plan First Tier
- Miscellaneous Plan Second Tier
- PEPRA Miscellaneous Plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE J – PENSION PLANS (Continued)

of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each rate plan are applied as specified by the Public Employees’ Retirement Law. Plan provisions and benefits in effect were as follows for the year ended June 30, 2023:

Hire date	Miscellaneous	Miscellaneous	PEPRA
	Plan First Tier (Prior to August 1, 2012)	Plan Second Tier (August 1, 2012 to December 31, 2012)	Miscellaneous Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.00-2.70%	1.092%-2.418%	1.0% to 2.5%
Final average compensation period	One year	Three years	Three years
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	14.030%	8.630%	7.470%

In addition to the contribution rates above, the District made a payment of \$515,201 to its unfunded actuarial liability during the year ended June 30, 2023. The first-tier rate plan is closed to all new participants while the second-tier rate plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2023, the employer contributions to the Plan (all rate plans combined) were \$1,231,455.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2023, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan (all rate plans combined) of \$8,508,273.

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan as of June 30, 2023 is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures as required by GASB Statement No. 68. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan was as follows at June 30, 2023:

Proportion - June 30, 2022	0.02227%
Proportion - June 30, 2023	0.18183%
Change - increase (decrease)	0.15956%

For the year ended June 30, 2023 the District recognized pension expense of \$4,789,327. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE J – PENSION PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 871,850	
Differences between actual and expected experience	170,863	\$ (114,436)
Differences between the employer's contributions and the employer's proportionate share of contributions		(1,486,937)
Change in employer's proportion	3,122,753	
Pension contributions subsequent to measurement date	1,231,455	
Net differences between projected and actual earnings on plan investments	1,558,490	
Total	<u>\$ 6,955,411</u>	<u>\$ (1,601,373)</u>

The amount in the table above reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as net deferred outflows (inflows) of resources related to pensions will be recognized as pension expense as follows at June 30, 2023:

<u>Year Ended June 30</u>	
2024	\$ 1,220,929
2025	1,210,895
2026	737,534
2027	<u>953,225</u>
Total	<u>\$ 4,122,583</u>

Actuarial Assumptions: The total pension liabilities for each of the rate plans were determined using the following actuarial assumptions for the year ended June 30, 2023:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	6.90% (1)
Inflation	2.30%
Projected salary increase	0.4% - 8.5% (2)
Mortality	Derived using CalPERS membership mata for all funds

- (1) Net of pension plan investment expenses, including inflation.  
 (2) Depending on entry age and service.

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by Society of Actuaries. For more details on this table, please refer to the 2021 Experience Study report that can be found on the CalPERS website. The Experience Study Report can be found on CalPERS' website under Forms and Publications.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE J – PENSION PLANS (Continued)

Discount Rate: The discount rates used by CalPERS to measure the total pension liability was 6.90% in the June 30, 2023 accounting valuation, which declined from 7.15% used at June 30, 2022. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate is applied to all plans in the Public Employees’ Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated per each PERF C fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for each of the rate plans as of the measurement date of June 30, 2022. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)(b)
Global equity - cap-weighted	30.0%	4.45%
Global equity - non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.29%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management Study

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:



CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE J – PENSION PLANS (Continued)

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	<u>\$ 15,619,168</u>	<u>\$ 8,508,273</u>	<u>\$ 2,657,771</u>

Pension Plan Fiduciary Net Position: Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2023 the District’s contributions payable to the Plan were \$49,457.

**DEFINED CONTRIBUTION PLANS**

The District offers three single-employer defined contribution Internal Revenue Code Section 401(a) Government Money Purchase Plans (401(a) Plans). The District offers two 401a Plans administered by Corebridge Retirement, Inc. One plan is for SEIU Local 1021 Union members only and the other plan is for non-union confidential employees only. The third 401(a) plan is administered by Voya Retirement and Annuity Company and is open to all employees. Benefit terms for the 401(a) Plans are established and may be amended by the District’s Board of Directors subject to the provision of employment agreements. Employees are eligible to participate in the plan on their date of hire. Both Corebridge plans have a non-discretionary 1% employee contribution that is picked up by the District. The Corebridge non-union plan has an employer match of up to \$4,000 or 12.5% of employee contributions and the Corebridge union plan has discretionary employer contributions. The Voya plan has only has discretionary contributions by employees and the District. Employees are fully vested in their own and the District’s contributions immediately. During the year ended June 30, 2023, the District contributed \$28,258 and employees did not contribute to the 401(a) Plans, respectively.

NOTE K – OTHER POSTEMPLOYMENT BENEFITS PLAN

Defined Benefit Plan Description: The District’s other postemployment benefits (OPEB) plan (the Plan) is an agent-multiple employer defined benefit healthcare plan administered by Public Agency Retirement Services (PARS). It is closed to new members. PARS maintains the Plan’s assets in a trust fund that complies with Section 115 of the Internal Revenue Code and provides administration of benefits and investment services. The Plan assets are invested by PARS together with assets of other participating employers. The Plan provides medical, dental and vision insurance benefits to eligible retirees and surviving spouses. Employees who retire directly from the District and their dependents are eligible for the District paid benefits if they meet the following criteria under Board Resolution 2007-106:

Medical Post Retirement Benefits — Employees hired by the District on or before July 31, 2001 who retire from the District with a minimum of five (5) years of service credit for work performed at the District may elect to be provided post-employment medical insurance coverage.

Employees hired by the District on or after August 1, 2001 through September 30, 2021 who retire from the District with a minimum of five (5) years of service at the District and ten (10) years of CalPERS service credit are eligible for post-employment medical coverage under the vesting schedule and provisions of Government Code 22893.

Dental and Vision Post Retirement Benefits — Employees hired on or before December 31, 2007 who retire from the District with at least five (5) years of service at the District may elect post-employment dental and vision coverage at no cost to the retiree. Employees hired on or after January 1, 2008 are not eligible to receive any post-employment dental or vision coverage.

The District’s Board of Directors establishes and amends benefit provisions. The Plan itself and PARS do not issue separate publicly available financial statements.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

On September 30, 2021, the District ceased offering the Plan and revised the vesting schedule, so the Plan is closed to new members. Employees hired prior to the rescission of the vesting schedule, who did not opt out of Government Code 22893, will receive a retiree medical benefit equal to Government Code 22893 less the minimum equal contribution as established annually by CalPERS. Plan employees were offered a buyout of their Plan retiree medical benefits based on years of CalPERS service that was payable on January 1, 2022 out of the PARS trust account. A total of 10 employees accepted the buyout in the amount of \$534,800.

Employees Covered by Benefit Terms: At June 30, 2023, the following employees were covered by the benefit terms:

Active employees	67
Inactive employees or beneficiaries currently receiving benefit payments	<u>61</u>
	<u>128</u>

Contributions: The District’s Board of Directors has the authority to establish and amend the contribution requirements of the District and employees under the authority granted to it under the California Water Code. The District has a policy of contributing to the PARS trust based on the actuarially determined contribution (ADC) in addition to paying premiums due on a pay-as-you-go basis. Employees are not required to contribute to the Plan. During the fiscal year ended June 30, 2023, the District’s implied subsidy contributions were \$150,979 and insurance premiums paid were \$756,745, resulting in total contributions of \$907,724.

The District contributes, at a minimum, a percentage of the weighted average cost of the four basic health benefit plans that had the largest state enrollment in the previous benefit year. This percentage is based upon each participant’s years of service according to the following scale:

Credited Years of Service	Percentage of the Weighted Average Cost	Credited Years of Service	Percentage of the Weighted Average Cost
Less than 10	0%	15	75%
10	50%	16	80%
11	55%	17	85%
12	60%	18	90%
13	65%	19	95%
14	70%	20 or more	100%

Net OPEB Liability: The District’s net OPEB liability at June 20, 2023 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions: The total OPEB liability at June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	6.00%
Inflation	2.30%
Aggregate salary increases	2.75%
Investment rate of return	6.00%
Healthcare cost trend rates	Based on 2021 Getzen model with an initial rate of 5.50% decreasing gradually to an ultimate 4.04%
Dental and vision premium increases	4.00%
Mortality rates	Derived using CalPERS membership data
Participation rate	100%

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Mortality and retirement rates were based on 2017 CalPERS Experience Study published in December 2017. It was assumed 100% of eligible participants would participate in the Plan and 80% of future retirees would cover spouses at retirement.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of June 30, 2023 for each major asset class are summarized in the following table:

Investment Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	48.25%	4.37%
Fixed income	45.00%	1.10%
Real estate	1.75%	3.54%
Cash	5.00%	-0.45%
Total	100.00%	

The table above shows the target asset allocation in the PARS Moderate HighMark Plus investment portfolio.

Discount Rate: The discount rate used to measure the total OPEB liability was 6.00% at June 30, 2023, which declined from 7.00% at June 30, 2022. The projection of cash flows used to determine the discount rate assumed that District contributions will continue based upon the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022	\$ 14,847,133	\$ 12,838,482	\$ 2,008,651
Changes for the year:			
Service cost	407,027		407,027
Interest on the total OPEB liability	1,037,219		1,037,219
Differences between expected and actual experience	1,365,848		1,365,848
Changes in assumptions	2,031,104		2,031,104
Other additions		(551,205)	551,205
Contribution - employer		873,484	(873,484)
Net investment income		(1,583,110)	1,583,110
Benefit payments	(873,484)	(873,484)	
Administrative expenses		(64,359)	64,359
Net changes	3,967,714	(2,198,674)	6,166,388
Balance at June 30, 2023	\$ 18,814,847	\$ 10,639,808	\$ 8,175,039

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Changes in Assumptions: Changes in assumptions during the year ended June 30, 2023 include the change in the discount rate to 6.00% from 7.00% during the year ended June 30, 2022 as well as updating 2022 and 2023 health insurance rates to reflect actual premiums paid.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net OPEB liability	\$ 10,624,150	\$ 8,175,039	\$ 6,144,452

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	\$ 5,789,324	\$ 8,175,039	\$ 11,111,328

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2023, the District recognized OPEB expense of \$1,740,946. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 907,724	
Differences between actual and expected experience	1,734,209	\$ (900,169)
Changes in assumptions	1,692,587	(606,572)
Net differences between projected and actual earnings on plan investments	1,207,670	
Total	<u>\$ 5,542,190</u>	<u>\$ (1,506,741)</u>

The amount reported as contributions after the measurement date above will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows as of June 30, 2023:

<u>Year Ended June 30</u>	
2023	\$ 629,073
2024	641,742
2025	492,874
2026	797,874
2027	566,162
	<u>\$ 3,127,725</u>

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

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NOTE K – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in the total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. The net difference between expected and actual experience is recognized over the expended average remaining service lifetime (EARSL), which was 6.00 to 6.48 years at the June 30, 2021 valuation date.

Defined Contribution Retiree Health Plan Description: On October 1, 2021 the District began offering a defined contribution retiree health plan (DCRH) in the form of a Retirement Health Savings plan to all employees hired after October 1, 2021 and employees hired prior to that date that elected to join the plan. Benefit terms, including contribution requirements, were established by and may be amended by the Board of Directors. The DCRH is administered by MissionSquare Retirement. The District is required to contribute \$15 to \$65 per pay period for 24 pay periods per year to the DCRH under the District's Memorandum of Understanding with the employee bargaining unit. Employees may also make contributions. All contributions are fully vested when made. During the year ended June 30, 2023 the District contributed \$47,004 to employees' retiree health savings accounts.

NOTE L – DEFERRED COMPENSATION PLANS

The District offers three deferred compensation plans under IRC Section 457: the CalPERS IRC Section 457 Deferred Compensation (CalPERS Plan), the Corebridge Retirement, Inc. IRC Section 457 Deferred Compensation Plan (Corebridge Plan) and the Voya Retirement and Annuity Company IRC Section 457 Plan (Voya Plan) (collectively Plans). Benefit terms, including contribution requirements, are established and may be amended by the Board of Directors subject to the provisions of employment agreements. All three plans are available to all District employees. Employee contributions to all three plans are voluntary. The District is required to match the first \$4,000 of contributions by management staff and the first \$1,000 of contributions by SIEU Union employees to the Plans (if not contributed to 401(a) Plan). Employees may contribute up to applicable Internal Revenue Code limits. Employees are fully vested in all employer and employee contributions when they are made. Employer contributions to the CalPERS Plan were \$63,093. No employer contributions were made to the Corebridge or Voya Plan. Employee contributions to the CalPERS Plan, Corebridge Plan and Voya Plan were \$102,674, \$29,043 and \$33,609, respectively.

NOTE M – RISK MANAGEMENT

The District participates in the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), a public entity risk pool of water agencies in California, for general, automobile, public officials' errors and omissions liability, property damage and business interruption coverage. Through its membership in the JPIA, the District is provided with excess coverage for these items through commercial insurance. Loss contingency reserves established by the JPIA are funded by contributions from member agencies. The District pays an annual premium to the JPIA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the JPIA. Financial statements for the JPIA may be obtained at 2100 Professional Drive, Roseville, California 95661-3700 or [www.acwajpia.com](http://www.acwajpia.com).

The District's self-insured retention levels and limits on coverage under the JPIA are as follows at June 30, 2023:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

NOTE M – RISK MANAGEMENT (Continued)

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General liability	\$ 5,000,000	\$ 5,000,000 to 50,000,000	None
Auto liability	5,000,000	50,000,000	\$ 1,000
Public officials liability	5,000,000	50,000,000	None
Errors and omissions	5,000,000	50,000,000	None
Cyber liability		2,000,000/5,000,000 occurrence/aggregate	75,000 to 100,000
Property damage, including buildings, personal property, fixed equipment, mobile equipment and other	10,000,000	2,500,000 to 490,000,000	1,000 to 50,000
Crime	100,000	1,000,000	1,000 to 100,000
Workers compensation	2,000,000	Statutory limit	None
Employers liability	2,000,000	4,000,000 aggregate limit	None

Settled claims have not exceeded insurance coverage in any of the past three fiscal years and no significant changes or reductions in insurance coverage have occurred.

NOTE N – COMMITMENTS AND CONTINGENT LIABILITIES

The District had contractual commitments related to the following capital projects outstanding as of June 30, 2023:

West Point/Wilseyville Consol Constuction	\$ 7,209,901
Copper Cove LS 6,8,15 & 18 Force Main	4,549,409
Copper Cove Secondary,Tertiary and UV Improvements	755,218
West Point Backup Water Filter	671,660
Ebbetts Pass Redwood Tanks Replacement	405,772
AMI/AMR Meter Program	293,377
Copper Cove Tank B P/S Renovation	272,065
Jenny Lind Filter 1 & 2 Rehabilitation	210,707
Hunter Raw Water Pumps Renovation	193,879
Copper Cove Zone B Transmission Pipeline	190,841
Jenny Lind Tank A-B Transmission Pipeline	186,334
Total	<u>\$ 14,939,163</u>

Grant Contingency: Amounts received or receivable under grant agreements are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, could possibly need to be returned to the granting agency. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Legal Contingencies: Various claims and suits are filed against the District in the normal course of business. Although the outcome of these claims is not presently determinable, in the opinion of the District's management, after consultation with legal counsel, the resolution of any claims outstanding will not have a material adverse effect on the financial condition of the District.

Northern California Power Agency (NCPA) Contract: NCPA is contracted to finance, manage, and operate the North Fork Stanislaus Hydroelectric Development Project (FERC Project No. 2409) on behalf of the District. However, the District is the FERC licensee and maintains ownership over the primary Project facilities, water rights, and infrastructure. NCPA has the right to the electric output of the project for 50 years from February 1982. NCPA also has an option to purchase power from the project in excess of the District's requirements for the subsequent FERC license term, subject to regulatory approval.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2023

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NOTE N – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

Gain Contingency: The District has a dispute with Stockton East Water District over OM&R payments due under a contract between the District's. If the dispute is settled in the District's favor, approximately \$425,000 will be received by the District for unpaid OM&R costs. The contingent revenue was not accrued as a receivable and revenue under GASB Statement No. 62, which requires the contingency to be resolved before contingent revenue may be recognized.

NOTE O – SUBSEQUENT EVENTS

On August 24, 2023 the District was awarded \$393,100 grant from the U.S. Department of Agriculture, Forest Service Stanislaus National Forest for the Douds Fuelbreak project, which is projected to significantly reduce fire fuels on 148 acres of privately owned land within the Doud's Landing subdivision.

On September 27, 2023 the District approved the contract for construction work for the Copper Cover Phase 1 and 2 Tanks Project in the amount of \$6,929,450. The project is for replacement and rehabilitation of the Copper Cove Water System Tank B, construction of a new 330,000-gallon clearwell and rehabilitation of an existing 330,000 gallon clearwell at the water treatment plant.

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REQUIRED SUPPLEMENTARY INFORMATION

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CALAVERAS COUNTY WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)  
Last 10 Years**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.18183%	0.02227%	0.14287%	0.12843%	0.26677%	0.25981%	0.25186%	0.25186%	0.21557%
Proportionate share of the net pension liability	\$ 8,508,273	\$ 422,876	\$ 6,026,566	\$ 5,142,799	\$ 10,053,891	\$ 10,242,016	\$ 8,797,338	\$ 6,909,619	\$ 5,327,739
Covered payroll - plan measurement period	\$ 6,203,496	\$ 5,721,768	\$ 5,528,469	\$ 5,373,055	\$ 5,379,180	\$ 5,526,427	\$ 5,155,786	\$ 4,776,189	\$ 4,868,194
Proportionate share of the net pension liability as percentage of covered payroll	137.15%	7.39%	109.01%	95.71%	186.90%	185.33%	170.63%	144.67%	109.44%
Plan fiduciary net position	\$ 43,655,735	\$ 47,749,694	\$ 40,177,142	\$ 38,200,893	\$ 30,854,793	\$ 28,867,804	\$ 25,711,678	\$ 25,880,156	\$ 26,064,984
Plan fiduciary net position as a percentage of the total pension liability	83.69%	99.12%	88.96%	88.13%	89.41%	83.65%	74.51%	78.93%	83.03%

Notes to schedule:

Change in benefit terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 as they have minimal cost impact.

Change in assumptions:

Change in the discount rate	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.65%
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**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)  
Last 10 Years**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 1,231,455	\$ 1,081,895	\$ 953,187	\$ 849,664	\$ 1,131,574	\$ 1,012,621	\$ 946,214	\$ 535,436	\$ 725,590
Contributions in relation to the actuarially determined contributions	(1,231,455)	(1,081,895)	(953,187)	(849,664)	6,676,136	1,012,621	946,214	535,436	725,590
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (5,544,562)	\$ -	\$ -	\$ -	\$ -
Covered payroll - employer fiscal year	\$ 6,700,234	\$ 6,203,496	\$ 5,721,768	\$ 5,528,469	\$ 5,373,055	\$ 5,379,180	\$ 5,256,427	\$ 5,155,786	\$ 4,776,189
Contributions as a percentage of covered payroll	18.38%	17.44%	16.66%	15.37%	124.25%	18.82%	18.00%	10.39%	15.19%
Notes to schedule:									
Contribution valuation date - June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012
Reporting valuation date - June 30:	2021	2020	2019	2018	2017	2016	2015	2014	2013
Reporting measurement date - June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014

Methods and assumptions used to determine contribution rates:

Actuarial method	Entry Age Normal Cost Method								
Amortization method	Level percentage of payroll, closed								
Remaining amortization period	Varies by rate plan, but not more than 30 years								
Asset valuation method	Market value								
Inflation	2.500%	2.500%	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	Varies by entry age and service								
Investment rate of return and discount rate	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.								
Mortality	Most recent CalPERS Experience Study								

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be reported prospectively as they become available.

CALAVERAS COUNTY WATER DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability:						
Service cost	\$ 407,027	\$ 530,841	\$ 507,982	\$ 393,335	\$ 356,032	\$ 339,078
Interest	1,037,219	1,129,595	1,070,276	974,068	921,936	873,640
Differences between expected and actual experience	1,365,848	(1,345,668)		1,788,002	(13,392)	
Changes of assumptions or other	2,031,104	(280,902)		(1,226,349)		
Changes in benefit terms		(407,492)				
Benefit payments	(873,484)	(755,170)	(768,012)	(570,587)	(534,668)	(544,601)
Net change in total OPEB liability	3,967,714	(1,128,796)	810,246	1,358,469	729,908	668,117
Total OPEB liability - beginning	14,847,133	15,975,929	15,165,683	13,807,214	13,077,306	12,409,189
Total OPEB liability - ending (a)	<u>\$ 18,814,847</u>	<u>\$ 14,847,133</u>	<u>\$ 15,975,929</u>	<u>\$ 15,165,683</u>	<u>\$ 13,807,214</u>	<u>\$ 13,077,306</u>
Plan fiduciary net position:						
Contributions - employer	\$ 873,484	\$ 1,318,383	\$ 1,614,145	\$ 1,422,545	\$ 1,228,844	\$ 1,156,609
Other additions	(551,205)					
Net investment income	(1,583,110)	2,305,656	362,855	562,710	405,162	564,907
Benefit payments	(873,484)	(755,170)	(768,012)	(570,587)	(534,668)	(544,601)
Administrative expenses	(64,359)	(59,274)	(50,062)	(41,110)	(17,301)	(15,813)
Net change in plan fiduciary net position	(2,198,674)	2,809,595	1,158,926	1,373,558	1,082,037	1,161,102
Plan fiduciary net position - beginning	12,838,482	10,028,887	8,869,961	7,496,403	6,414,366	5,253,264
Plan fiduciary net position - ending (b)	<u>\$ 10,639,808</u>	<u>\$ 12,838,482</u>	<u>\$ 10,028,887</u>	<u>\$ 8,869,961</u>	<u>\$ 7,496,403</u>	<u>\$ 6,414,366</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 8,175,039</u>	<u>\$ 2,008,651</u>	<u>\$ 5,947,042</u>	<u>\$ 6,295,722</u>	<u>\$ 6,310,811</u>	<u>\$ 6,662,940</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>56.55%</u>	<u>86.47%</u>	<u>62.77%</u>	<u>58.49%</u>	<u>54.29%</u>	<u>49.05%</u>
Covered-employee payroll - measurement period	<u>\$ 6,203,496</u>	<u>\$ 5,721,768</u>	<u>\$ 5,528,469</u>	<u>\$ 5,373,055</u>	<u>\$ 5,379,180</u>	<u>\$ 5,256,427</u>
Net OPEB liability as percentage of covered-employee payroll	<u>131.78%</u>	<u>35.11%</u>	<u>107.57%</u>	<u>117.17%</u>	<u>117.32%</u>	<u>126.76%</u>
Notes to schedule:						
Valuation date - June 30:	2021	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30:	2022	2021	2020	2019	2018	2017
Benefit changes: None.						
Changes in assumptions:						
CalPERS Experience Study used	2017	2017	2017	2017	2013	2013
Discount rate used	6.00%	7.00%	7.00%	7.00%	7.00%	7.00%

In addition to the changes above, the inflation rate, aggregate salary increase rate and health trend rates were revised as indicated on the following Schedule of Changes to the Net OPEB Liability and Related Ratios.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

CALAVERAS COUNTY WATER DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

**SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution						
- employer fiscal year	\$ 577,267	\$ 606,965	\$ 1,046,475	\$ 1,041,797	\$ 851,958	\$ 746,759
Contributions in relation to the						
actuarially determined contributions	<u>(907,724)</u>	<u>(864,937)</u>	<u>(1,318,383)</u>	<u>(1,614,145)</u>	<u>(1,422,545)</u>	<u>(1,156,609)</u>
Contribution deficiency (excess)	<u>\$ (330,457)</u>	<u>\$ (257,972)</u>	<u>\$ (271,908)</u>	<u>\$ (572,348)</u>	<u>\$ (570,587)</u>	<u>\$ (409,850)</u>
Covered-employee payroll -						
employer fiscal year	\$ 6,700,234	\$ 6,203,496	\$ 5,721,768	\$ 5,528,469	\$ 5,373,055	\$ 5,379,180
Contributions as a percentage						
of covered-employee payroll	13.55%	13.94%	23.04%	29.20%	26.48%	21.50%
<b>Notes to Schedule:</b>						
Valuation date - June 30:	2021	2021	2019	2019	2017	2017
Measurement period -						
fiscal year ended June 30:	2022	2021	2020	2019	2018	2017
Actuarial cost method						
Amortization method						
Discount rate	6.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Inflation	2.30%	2.50%	2.25%	2.25%	2.26%	2.26%
Aggregate salary increases	2.75%	2.75%	2.75%	2.75%	3.25%	2.75%
Investment rate of return	6.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Retirement age						
Mortality - year of CalPERS						
Experience Study	2017	2017	2017	2017	2013	2013
Healthcare cost trend rates:						
Initial rate - pre-65	6.00%	6.00%	6.00%	6.00%	8.00%	8.00%
Initial rate - post-65	6.00%	6.00%	6.00%	6.00%	5.00%	5.00%
Trending down to	4.04%	4.04%	4.50%	4.50%	5.00%	5.00%
Dental and vision increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

An actuarially determined contribution rate was not calculated. The required contributions reported represent the actuarially determined contributions.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

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OTHER SUPPLEMENTARY INFORMATION

CALAVERAS COUNTY WATER DISTRICT

OTHER SUPPLEMENTARY INFORMATION  
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION  
 ASSESSMENT DISTRICT CUSTODIAL FUNDS

June 30, 2023

	West Point Acres Fund	Wilseyville Fund	Arnold Sewer Fund	New Hogan/ La Contenta Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,427	\$ 5	\$ 64,317	\$ 95,831
Interest receivable	35		149	219
Due from County of Calaveras			981	
Restricted assets:				
Cash and cash equivalents with fiscal agents				6
TOTAL ASSETS	<u>15,462</u>	<u>5</u>	<u>65,447</u>	<u>96,056</u>
<b>LIABILITIES</b>				
Accounts payable				150
Due to other governments				
Due to bond holders				45,444
TOTAL LIABILITIES				<u>45,594</u>
<b>NET POSITION</b>				
Restricted for individuals or other governments	<u>\$ 15,462</u>	<u>\$ 5</u>	<u>\$ 65,447</u>	<u>\$ 50,462</u>



<u>Saddle Creek Fund</u>	<u>DaLee/ Cassidy Fund</u>	<u>Fly-in Acres Fund</u>	<u>Total</u>
\$ 121,185			\$ 296,765
289			692
			981
	\$ 95,502	\$ 120,136	215,644
<u>121,474</u>	<u>95,502</u>	<u>120,136</u>	<u>514,082</u>
1,830	306	594	2,880
			45,444
<u>1,830</u>	<u>306</u>	<u>594</u>	<u>48,324</u>
<u>\$ 119,644</u>	<u>\$ 95,196</u>	<u>\$ 119,542</u>	<u>\$ 465,758</u>

CALAVERAS COUNTY WATER DISTRICT

OTHER SUPPLEMENTARY INFORMATION  
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION  
 ASSESSMENT DISTRICT CUSTODIAL FUNDS

For the Year Ended June 30, 2023

	West Point Acres Fund	Wilseyville Fund	Arnold Sewer Fund	New Hogan/ La Contenta Fund
<b>ADDITIONS</b>				
Special assessment taxes			\$ 18,652	
Investment earnings	\$ 171		634	\$ 1,070
Other income				
<b>TOTAL ADDITIONS</b>	<u>171</u>		<u>19,286</u>	<u>1,070</u>
<b>DEDUCTIONS</b>				
Debt service			26,240	
Other			4,568	2,502
<b>TOTAL DEDUCTIONS</b>			<u>30,808</u>	<u>2,502</u>
<b>NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION</b>	171		(11,522)	(1,432)
Net position , beginning of year	<u>15,291</u>	<u>\$ 5</u>	<u>76,969</u>	<u>51,894</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 15,462</u>	<u>\$ 5</u>	<u>\$ 65,447</u>	<u>\$ 50,462</u>

Saddle Creek Fund	DaLee/ Cassidy Fund	Fly-in Acres Fund	Total
\$ 26,173	\$ 54,513	\$ 107,559	\$ 206,897
1,196	1,395	2,852	7,318
	3,043	3,336	6,379
<u>27,369</u>	<u>58,951</u>	<u>113,747</u>	<u>220,594</u>
	52,577	118,221	197,038
7,301	3,348	5,507	23,226
<u>7,301</u>	<u>55,925</u>	<u>123,728</u>	<u>220,264</u>
20,068	3,026	(9,981)	330
<u>99,576</u>	<u>92,170</u>	<u>129,523</u>	<u>465,428</u>
<u>\$ 119,644</u>	<u>\$ 95,196</u>	<u>\$ 119,542</u>	<u>\$ 465,758</u>

CALAVERAS COUNTY WATER DISTRICT  
OTHER SUPPLEMENTARY INFORMATION  
DEBT SERVICE COVERAGE RATIO - WATER FUND

For the Years Ended June 30, 2023 and 2022

	2023	2022
<b>REVENUES</b>		
Water operating revenues	\$ 9,045,152	\$ 8,902,394
Property taxes	3,249,848	2,914,082
Investment income	1,037,732	(1,072,747)
Expansion fees	529,537	702,736
Power sales	713,314	557,748
Capital R&R fees	3,374,086	3,401,842
Other income	757,121	1,117,397
TOTAL REVENUES	18,706,790	16,523,452
<b>EXPENSES</b>		
Total Operating Expenses	21,389,873	12,138,110
<i>Less: Depreciation</i>	(3,680,409)	(3,438,856)
Transfers (in) (excluding noncash transfers)		(274,195)
TOTAL EXPENSES	17,709,464	8,425,059
NET REVENUES	997,326	8,098,393
Debt Service Payments *	101,130	101,192
<b>Debt Coverage Ratio - Actual</b>	<b>9.86</b>	<b>80.03</b>
<b>Required Ratio - 2016 Water Enterprise Revenue Bonds</b>	<b>1.25</b>	<b>1.25</b>
<i>Annual Debt Service Payments</i>		
<i>* Includes USDA (Series 2016 Water Enterprise Revenue Bonds).</i>		
NET REVENUES	\$ 997,326	\$ 8,098,393
Debt Service Payments **	632,655	621,379
<b>Debt Coverage Ratio - Actual</b>	<b>1.58</b>	<b>13.03</b>
<b>Required Ratio - 2016 Water Enterprise Revenue Bonds, 2019 Taxable Revenue Refunding Loan and 2021 Water Certificates of Participation</b>	<b>1.25</b>	<b>1.25</b>

*Annual Debt Service Payments*

*\*\* Includes USDA (Series 2016 Water Enterprise Revenue Bonds), Umpqua Bank (Series 2019 Taxable Revenue Refunding Loan) and USDA (Series 2021 Water Certificates of Participation).*

CALAVERAS COUNTY WATER DISTRICT  
OTHER SUPPLEMENTARY INFORMATION  
DEBT SERVICE COVERAGE RATIO - SEWER FUND

For the Years Ended June 30, 2023 and 2022

	2023	2022
<b>REVENUES</b>		
Sewer operating revenues	\$ 5,622,004	\$ 5,502,813
Property taxes	839,487	805,281
Investment income	523,933	(363,618)
Expansion Fees	386,188	441,922
Power sales	261,907	210,416
Capital R&R fees	1,223,555	1,216,996
Other income	172,678	310,651
TOTAL REVENUES	9,029,752	8,124,461
<b>EXPENSES</b>		
Total Operating Expenses	8,639,203	5,446,632
<i>Less: Depreciation</i>	(1,376,603)	(1,358,302)
Transfers out (excluding noncash transfers)		274,195
TOTAL EXPENSES	7,262,600	4,362,525
NET REVENUES	1,767,152	3,761,936
Debt Service Payments *	132,249	171,067
<b>Debt Coverage Ratio - Actual</b>	<b>13.36</b>	<b>21.99</b>
<b>Required Ratio - 2019 Taxable Revenue Refunding Loan</b>	<b>1.25</b>	<b>1.25</b>

*Annual Debt Service Payments*

*\* Includes payments on loan from Umpqua Bank (Series 2019 Taxable Revenue Refunding Loan).*

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## REQUIRED COMMUNICATIONS LETTER

To the Board of Directors  
Calaveras County Water District  
San Andreas, California

We have audited the financial statements of the business-type activities, major funds and fiduciary funds of the Calaveras County Water District for the year ended June 30, 2023, and have issued our report thereon dated February 22, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter dated July 28, 2023 and to a member of the Board of Directors during the audit. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note A to the financial statements. The District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, during the year ended June 30, 2023. It was determined that the District did not have any significant subscriptions that warranted recording as a subscription assets and liabilities so no changes were made to financial reporting for subscriptions during the year. The District added Note K to the financial statements to disclose the District's three Internal Revenue Code Section 457 Plans under GASB Statement No. 97. The application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the fair value of investments, the allowance for uncollectible accounts receivable, the determination of qualifying expenses used as the basis for grants receivable, depreciable lives of capital assets, discount rates use for leases receivable and payable and the computation of the net other postemployment benefits and net pension liabilities and related deferred inflows and outflows of resources. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation

to the financial statements taken as a whole. The net other postemployment benefits liability and net pension liability and related deferred inflows and outflows of resources were determined by actuarial valuations performed by a private actuary and CalPERS, respectively.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures related to the split of the joint costs between the Water and Sewer Fund in Note A, the disclosure of the negative cash position of the Sewer Fund reported as an interfund borrowing in Note F, the disclosure of the La Contenta Assessment District bankruptcy in Note H, the disclosures related to the pension plan in Note I and the disclosures related to the other postemployment benefits (OPEB) plan in Note J to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We proposed 21 adjustments and closing entries, including entries to reverse grant receivables on grants not obligated by the grantor, true-up due to and from other funds, true-up lease assets and liabilities, rollforward net position, true-up net position classifications, record power revenue, true-up pension accounts, true-up other post-employment benefit costs, and other reclassifications for reporting purposes. A detailed list was provided to management.

The attached schedule also summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

#### *Disagreements With Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 22, 2024.

#### *Management Consultations With Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management discussion and analysis, the schedule of expenditures of federal awards, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, schedule of changes in the net OPEB liability and related ratios and schedule of contributions to the OPEB plan, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining schedule of fiduciary net position and changes in fiduciary net position for the custodial funds and debt service coverage ratios of the Water and Sewer Funds, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing the information has not changed from the prior period, and the information is appropriate in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction of Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Richardson & Company, LLP*

February 22, 2024

CALAVERAS COUNTY WATER DISTRICT  
SUMMARY OF UNADJUSTED DIFFERENCES - WATER FUND  
June 30, 2023

Description (Nature) of Audit Difference	Financial Statement Effect - Amount of Overstatement (Understatement) of:					
	Total Assets	Total Deferred Outflows	Total Liabilities	Total Deferred Inflows	Total Net Position	Change in Net Position
To accrue interest receivable on cell tower leases.	\$ (20,566)				\$ (20,566)	\$ (20,566)
To accrue interest receivable on investments.	(46,509)				(46,509)	(46,509)
Net Unadjusted Audit Differences - This Year	(67,075)	-	-	-	(67,075)	(67,075)
Financial Statement Caption Totals	\$ 134,911,270	\$ 9,123,248	\$ 46,745,828	\$ 2,856,309	\$ 94,432,381	\$ (2,008,014)
Net Audit Differences as % of Financial Statement Captions	-0.05%	0.00%	0.00%	0.00%	-0.07%	3.34%

CALAVERAS COUNTY WATER DISTRICT  
SUMMARY OF UNADJUSTED DIFFERENCES - SEWER FUND  
June 30, 2023

Description (Nature) of Audit Difference	Financial Statement Effect - Amount of Overstatement (Understatement) of:					
	Total Assets	Total Deferred Outflows	Total Liabilities	Total Deferred Inflows	Total Net Position	Change in Net Position
To accrue interest receivable on cell tower leases.	\$ (7,607)				\$ (7,607)	(7,607)
To accrue interest receivable on investments.	(17,202)				(17,202)	(17,202)
Net Unadjusted Audit Differences - This Year	(24,809)	-	-	-	(24,809)	(24,809)
Financial Statement Caption Totals	\$ 70,644,622	\$ 3,374,353	\$ 19,879,850	\$ 1,056,443	\$ 53,082,682	\$ 1,835,243
Net Audit Differences as % of Financial Statement Captions	-0.04%	0.00%	0.00%	0.00%	-0.05%	-1.35%



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## MANAGEMENT LETTER

To the Board of Directors and Management  
Calaveras County Water District  
San Andreas, California

In planning and performing our audit of the financial statements of the business-type activities, major funds and fiduciary fund of the Calaveras County Water District (the District) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a significant deficiency:

We proposed 21 closing entries and audit adjustments during the audit. This is an indication that additional controls need to be put in place to identify and record closing entries before the audit begins. We recommend the District start the closing process earlier to ensure all closing entries are posted prior to the start of the audit, including pension and other postemployment benefit entries and ensure the long-term liabilities are adjusted for the 73%/27% used for recording transactions between funds.

In addition, the following matters have been included in this letter for your consideration:

We noted all salary and benefit costs were allocated based on the number of connections. We recommend the District consider whether certain employees work entirely on the activities of a single fund and assign those costs to that fund and allocate the costs of employees that work on both funds using the number of connections.

Policies and Procedures

We continue to recommend entry of new employees in the payroll system be protected with password approval by someone other than employees that process the payroll as a control to prevent the entry of fictitious employees. This will become an increasingly important preventive control as the number of employees increases.

The District should consider adopting or enhancing a capital asset policy that defines useful lives to use for depreciation and that discusses when a project represents maintenance that should be expensed or a betterment that should be capitalized.

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

We recommend detailed payable procedures be documented to provide new staff information necessary to take over accounting duties in case of staff turnover.

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

We understand procedures are being developed that will address these recommendations.

Other Item

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.

\* \* \* \* \*

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

*Richardson & Company, LLP*

February 22, 2024

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A G E N D A  
I T E M

4c

# Agenda Item

DATE: February 28,2024

TO: Board of Directors

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Discussion Regarding the Audited Financial Statements and Management Letter for the Fiscal Year Ending June 30, 2023, by Richardson & Company, LLP

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## **RECOMMENDED ACTION:**

Discussion and direction on staff response to the Audited Financial Statements and Management Letter for the Fiscal Year ending June 30, 2023, by Richardson & Company, LLP.

## **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 2022-23 audit and the District's corrective action responses are as follows:

### *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 continues to work on implementing alternative HR/Payroll software to allow for more oversight and reporting capabilities. The District currently uses ADP to process payroll and the use of it is cumbersome and the reporting is difficult to utilize.

### *Finding 2: Capital Asset Policy*

The District should consider adopting or enhancing a capital asset policy that defines useful lives to use for depreciation and that discusses when a project represents maintenance that should be expensed or a betterment that should be capitalized.

Corrective Action Response 2:

The District will update its capital asset policy.

Finding 3: System Report on Active Versus Billed Accounts

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

Corrective Action Response 3:

The District will work with Tyler to create a system report.

Finding 4: Payable Procedures

We recommend detailed payable procedures be documented to provide new staff information necessary to take over accounting duties in case of staff turnover.

Corrective Action Response 4:

The District will complete payable and wire/bank transfer procedures.

Finding 5: Whistle Blower Policies

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

Corrective Action Response 5:

The District will create and adopt a whistle blower policy.

Other Item

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 create sub-funds in Funds 104 and 108.

**Prior Year Accounting Changes – FY 2021-22:**

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 alternative HR/Payroll software to allow for more oversight and reporting capabilities. The District currently uses 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 on Finding 3:**

**The District updated the 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 on Finding 5:**

**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 on 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's 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.

Update on Internal Loan:

**The District resumed the annual loan payments in FY 2022-23 and will provide an annual summary of all loan positions between the Water and Sewer Funds.**

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 on Other Items:

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

**FINANCIAL CONSIDERATIONS:**

None.

*Attachments: Management Letter for the Fiscal Year Ending June 30, 2023*



550 Howe Avenue, Suite 210  
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## MANAGEMENT LETTER

To the Board of Directors and Management  
Calaveras County Water District  
San Andreas, California

In planning and performing our audit of the financial statements of the business-type activities, major funds and fiduciary fund of the Calaveras County Water District (the District) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in internal control to be a significant deficiency:

We proposed 21 closing entries and audit adjustments during the audit. This is an indication that additional controls need to be put in place to identify and record closing entries before the audit begins. We recommend the District start the closing process earlier to ensure all closing entries are posted prior to the start of the audit, including pension and other postemployment benefit entries and ensure the long-term liabilities are adjusted for the 73%/27% used for recording transactions between funds.

In addition, the following matters have been included in this letter for your consideration:

We noted all salary and benefit costs were allocated based on the number of connections. We recommend the District consider whether certain employees work entirely on the activities of a single fund and assign those costs to that fund and allocate the costs of employees that work on both funds using the number of connections.

Policies and Procedures

We continue to recommend entry of new employees in the payroll system be protected with password approval by someone other than employees that process the payroll as a control to prevent the entry of fictitious employees. This will become an increasingly important preventive control as the number of employees increases.

The District should consider adopting or enhancing a capital asset policy that defines useful lives to use for depreciation and that discusses when a project represents maintenance that should be expensed or a betterment that should be capitalized.

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

We recommend detailed payable procedures be documented to provide new staff information necessary to take over accounting duties in case of staff turnover.

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

We understand procedures are being developed that will address these recommendations.

Other Item

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.

\* \* \* \* \*

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

*Richardson & Company, LLP*

February 22, 2024

4d



AGENDA  
ITEM

4d

# Agenda Item

DATE: February 28, 2024

TO: Michael Minkler, General Manager

FROM: Jeffrey Meyer, Director of Administrative Services

SUBJECT: Discussion/Action Regarding the Mid-Year FY 2023-24 Operating and Capital Improvement Program Budgets

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## **RECOMMENDED ACTION:**

Motion: \_\_\_\_/\_\_\_\_ adopting Resolution No. 2024 – Amending the FY 2023-24 Capital Improvement Program (CIP) Budget.

## **SUMMARY:**

The mid-year budget review is an analysis of the financial status of the District's operating and capital improvement funds covering the six-month period of July 1, 2023, through December 31, 2023. This review provides an analysis of actual revenues and expenditures compared to the FY 2023-24 adopted budget and provides year-end projections. The Mid-Year Budget Review also sets the stage for the next fiscal year by:

- Identifying variances to budget and the impact they may have on future budgets.
- Allowing the Board to provide staff direction on types of services or programs the Board would like to see emphasized for future budget years.

The FY 2023-24 Operating Budget is \$26,685,234. Staff has reviewed the budget, expenses, and revenue activity through December 2023, and then projected the year-end expenditures through June 30, 2024. Although there are financial challenges and uncertainties, we do not foresee the need to amend the FY 2023-24 Operating Budget.

## **Revenues:**

As of December 31, 2023, total revenues were \$9,486,682, or 41.9% of budget. Although this percentage is low for half of the budget year, property taxes, the third largest source of the District's operating revenues, are not included in the December 2023 totals as they are distributed in January and May, with a supplemental issued in August. It is projected that once the District receives its property tax allocations and the balance of its FY 2023-24 revenues, year-end operating revenues will be slightly over budget by \$205,000.

## **Expenditures:**

Operating expenditures through December are \$11,498,998, or 43.10% of the budget. By year-end, total operating expenditures are projected to be approximately \$150,000 under budget. This is due primarily to multiple personnel vacancies that resulted in projected salary and benefit savings of \$898,000. However, these savings will be offset by significant increases in Services and Supplies costs, primarily in the Utilities and Administrative Services operating costs. These expenditures include electrical parts replacement, pump and motor repairs, chemical costs and oil and gas, and under Administrative Services, third party payment processing:

- The budget for Electrical Parts Replacement is projected to be over budget \$66,000 due to increased repairs.
- There have been multiple pump failures, which necessitated replacement. These include Forest Meadows and Huckleberry. It is estimated that Pump and Motor Repairs will be \$190,000 over budget. We may reclass these expenses to capital at year-end, but do not anticipate needing to increase the budget for this line item.
- Chemical costs are increasing again this fiscal year, and it is estimated that these costs will be \$119,000 over budget.
- Fuel expenses are projected to be over budget by \$93,000 due to the increased cost of gas and diesel.
- Third Party Reimbursement Processing costs in Administrative Services are projected to exceed budget by \$197,000. These costs are associated with online utility bill payments and are offset by increased Other Operating Revenues.

## **Capital Outlay:**

The FY 2023-24 Operating Budget includes \$808,482 for Capital Outlay projects and equipment purchases. Capital Outlay projects include:

- Vac Trailer – West Point
- Sand Filter Rehabilitation – La Contenta
- UPS Replacements – District-wide
- Critical Generator Replacement – District-wide

The budget also includes push cams, a tire balancer, a plotter, replacement line locator and funding for new and existing trucks under the District's Vehicle Lease to Own program. Total Capital Outlay expenditure is projected to be slightly under budget.

## **Capital Improvement Program (CIP):**

The FY 2023-24 CIP budget is \$25,139,572 and includes \$10,686,715 in water projects and \$14,452,857 in wastewater projects. Several projects are currently over budget and require a mid-year budget adjustment:

- EP Redwood Tank Project (CIP #11095) – The District submitted a grant request to Cal-OES for this replacement project. The project was moved forward to FY 2023-24 and the budget needs to be increased by \$300,000 for design and planning work needed for the grant application.

- AMI/AMR Project (CIP #11096) – The budget for the meter replacement project needs to increase by \$25,000 due to additional equipment purchases.
- Corporation Yard (CIP #11101) – The project was not completed in FY 2022-23 as originally anticipated. Need to add \$110,000 recently completed work, including final grading and drainage work, electrical and finish work.
- Larkspur Tank Repair (CIP #11083L) – Increase funding by \$111,045 as project was advanced to FY 2023-24.
- Jenny Lind Clearwell #2 (CIP #11083J) – Increase funding by \$500,000 to take advantage of a pricing discount.
- Vallecito Wastewater Treatment Plant System Improvements (CIP #15111) – Reinstate \$50,000 in funding deleted by mistake during FY 2023-24 budget prep process.
- West Point Backup Water Filter (CIP #11106) – This project is slightly over budget. Engineering staff will return with separate budget adjustment after conferring with contractor.

### **FY 2024-25 BUDGET:**

As in past years, we will be aligning the FY 2024-25 budget with the District's 2021-2026 Strategic Plan. The intent is to have each department prepare a two-year plan that defines its goals and objectives and how they are linked to the Strategic Plan. This approach will help departments and the District identify the resources needed to meet those goals and objectives and provide a means to track the progress of said goals. This approach will also provide additional transparency in the budget process and how the District is achieving its Strategic Plan.

Once the Board reviews the FY 2023-24 mid-year budget report and we receive directions regarding the FY 2024-25 budget Finance will be sending out the budget prep documents, including a budget calendar. Our goal is to have the draft budget completed and to the Board by the last half of May 2024.

### **FINANCIAL CONSIDERATIONS:**

Staff recommends a budget adjustment to the FY 2023-24 Capital Improvement Program (CIP) Budget to recognize increased costs identified above. Staff recommends increasing the Water CIP Budget by \$1,046,045 and increasing the Wastewater CIP budget by \$50,000. The \$110,000 increase for the Corporation Yard project will be funded by a transfer from the Interest Reserve Fund (Fund 108). The remaining Water CIP projects will be funded by a \$936,045 transfer from the Water Capital R&R fund (Fund 125). The \$50,000 increase to the Vallecito Wastewater Treatment Plant System Improvements project will be funded by the Sewer Capital R&R Fund (Fund 135).

*Attachments: FY 2023-24 Mid-Year Budget Report  
Resolution 2024 - \_\_\_ Amending the Fiscal Year 2023-24 Capital Improvement Program Budget  
Appendix A – Budget Adjustment 24-01*



# FY 2023-24 Operating Budget Mid-Year Summary

	<u>Final Budget</u>	<u>Year to Date</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Projected Year-End</u>	<u>Over/(Under) Budget</u>	<u>Projected Year-End %</u>
<b>Sources</b>							
<b>Operating Revenue</b>	16,996,612	8,749,896	8,246,715	51.5%	17,189,792	193,180	101.1%
<b>Non-Operating Revenue</b>	5,640,152	736,787	4,903,365	13.1%	5,651,771	11,619	100.2%
<b>Transfers In</b>	4,067,141	-	4,067,141	0.0%	4,067,141	-	100.0%
	<u>26,703,905</u>	<u>9,486,682</u>	<u>17,217,222</u>	<u>35.5%</u>	<u>26,908,703</u>	<u>204,799</u>	<u>100.8%</u>
<b>Uses</b>							
<b>Salaries and Benefits</b>	12,691,352	5,649,956	7,041,396	44.5%	11,793,292	(898,060)	92.9%
<b>Services and Supplies</b>	9,972,539	4,648,447	5,324,092	46.6%	10,737,285	764,746	107.7%
<b>Capital Outlay</b>	808,482	280,102	528,380	34.6%	791,462	(17,020)	97.9%
<b>Debt Service</b>	3,212,861	920,492	2,292,369	28.7%	3,212,861	-	100.0%
<b>Transfers Out</b>	-	-	-		-	-	
	<u>26,685,234</u>	<u>11,498,998</u>	<u>15,186,236</u>	<u>43.1%</u>	<u>26,534,900</u>	<u>(150,334)</u>	<u>99.4%</u>
<b>Net Budget</b>	18,671	(2,012,315)	2,030,985		373,804	355,133	

FY 2023-24 Operating Budget - Revenues

Operating Revenue	FY 2023-24 Final Budget			FY 2023-24 Year to Date			Remaining Balance	Percent of Budget	FY 2023-24 Projected Year-End			Over/(Under) Budget	Projected Year-End
	300	500	Total	300	500	Total			300	500	Total		
Water/Sewer Sales/Resid	10,330,790	6,117,821	16,448,611	5,259,203	3,133,734	8,392,936	8,055,675	51.03%	10,283,405	6,212,468	16,495,873	47,262	100.29%
Irrigation Water Sales	11,000	-	11,000	-	-	-	11,000	0.00%	-	-	-	(11,000)	0.00%
Water Sales - Fire Hydrant	200,000	-	200,000	138,059	-	138,059	61,941	69.03%	276,119	-	276,119	76,119	138.06%
Inspection Fees	-	5,000	5,000	61	-	61	4,939	1.22%	122	-	122	(4,878)	2.44%
Account Establishment Fees	47,000	3,000	50,000	19,432	394	19,826	30,174	39.65%	38,864	788	39,652	(10,348)	79.30%
Delinquent Account Charge	55,000	40,000	95,000	1,588	-	1,588	93,412	1.67%	3,176	-	3,176	(91,824)	3.34%
Termination of Services	-	-	-	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
Backflow Certification Testing	4,000	-	4,000	2,611	-	2,611	1,389	65.28%	5,222	-	5,222	1,222	130.55%
Install Water Meter	30,000	-	30,000	13,957	-	13,957	16,043	46.52%	27,914	-	27,914	(2,086)	93.05%
Repair Labor/Materials	9,000	16,000	25,000	-	450	450	24,550	1.80%	-	900	900	(24,100)	3.60%
Reimbursable Expense	40,000	53,000	93,000	67,107	-	67,107	25,893	72.16%	114,214	-	114,214	21,214	122.81%
Other Water/Sewer Charges	-	-	-	50	-	50	(50)	#DIV/0!	100	-	100	100	#DIV/0!
Concept Approval Fees	-	-	-	1,840	440	2,280	(2,280)	#DIV/0!	3,680	880	4,560	4,560	#DIV/0!
Other Operating Revenue	25,550	9,450	35,000	110,430	540	110,970	(75,970)	317.06%	220,860	1,080	221,940	186,940	634.11%
<b>Total Operating Revenues</b>	<b>10,752,340</b>	<b>6,244,271</b>	<b>16,996,611</b>	<b>5,614,338</b>	<b>3,135,558</b>	<b>8,749,896</b>	<b>8,246,715</b>	<b>51.48%</b>	<b>10,973,675</b>	<b>6,216,116</b>	<b>17,189,792</b>	<b>193,181</b>	<b>101.14%</b>

Non-Operating Revenue	FY 2023-24 Final Budget			FY 2023-24 Year to Date			Remaining Balance	Percent of Budget	FY 2023-24 Projected Year-End			Over/(Under) Budget	Projected Year-End
	300	500	Total	300	500	Total			300	500	Total		
Rental Revenue	60,590	22,410	83,000	5,450	-	5,450	77,550	6.57%	12,809	1,586	14,395	(68,605)	17.34%
Interest Income/CCWD Investments	15,000	-	15,000	7,364	-	7,364	7,636	49.09%	14,728	-	14,728	(272)	98.19%
Lease Interest Revenue	-	-	-	-	-	-	-	#DIV/0!	2,047	757	2,804	2,804	#DIV/0!
Property Taxes	2,794,720	735,272	3,529,992	-	-	-	3,529,992	0.00%	2,880,692	689,997	3,570,689	40,697	101.15%
Standby Fees	95,630	35,370	131,000	-	-	-	131,000	0.00%	92,148	34,082	126,230	(4,770)	96.36%
Power Sales - North Fork	616,704	228,096	844,800	270,800	100,159	370,959	473,841	43.91%	590,837	218,529	809,365	(35,435)	95.81%
Lease Revenue	-	-	-	-	-	-	-	#DIV/0!	56,599	20,934	77,533	77,533	#DIV/0!
Power Sales - New Hogan	153,300	56,700	210,000	119,155	44,071	163,226	46,774	77.73%	165,310	61,142	226,452	16,452	107.83%
Grant Revenue/Federal Agencies	-	-	-	3,775	7,329	11,104	(11,104)	#DIV/0!	7,551	14,658	22,209	22,209	#DIV/0!
Grant Revenue/State Agencies	-	-	-	944	1,832	2,776	(2,776)	#DIV/0!	1,888	3,664	5,552	5,552	#DIV/0!
Grant Revenue/Other Agencies	-	-	-	1,996	27,977	29,973	(29,973)	#DIV/0!	3,992	55,954	59,946	59,946	#DIV/0!
Other Non-Operating Revenue	630,243	196,117	826,360	110,169	19,773	129,943	696,417	15.72%	540,339	149,546	689,885	(136,475)	83.48%
Miscellaneous Income	-	-	-	13,297	2,694	15,991	(15,991)	#DIV/0!	26,594	5,389	31,983	31,983	#DIV/0!
<b>Total Non-Operating Revenues</b>	<b>4,366,187</b>	<b>1,273,965</b>	<b>5,640,152</b>	<b>532,951</b>	<b>203,836</b>	<b>736,787</b>	<b>4,903,365</b>	<b>13.06%</b>	<b>4,395,533</b>	<b>1,256,238</b>	<b>5,651,771</b>	<b>11,619</b>	<b>100.21%</b>

<b>Total Revenues</b>	<b>15,118,527</b>	<b>7,518,236</b>	<b>22,636,763</b>	<b>6,147,289</b>	<b>3,339,394</b>	<b>9,486,682</b>	<b>13,150,081</b>	<b>41.91%</b>	<b>15,369,208</b>	<b>7,472,354</b>	<b>22,841,562</b>	<b>204,799</b>	<b>100.90%</b>
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Transfer In	FY 2023-24 Final Budget			FY 2023-24 Year to Date			Remaining Balance	Percent of Budget	FY 2023-24 Projected Year-End			Over/(Under) Budget	Projected Year-End
	300	500	Total	300	500	Total			300	500	Total		
Transfer In - Debt (125/135/108)	1,590,389	753,168	2,343,557	-	-	-	2,343,557	0.00%	1,590,389	753,168	2,343,557	-	100.00%
Transfer In - CIP (120/130/104)	691,541	266,513	958,054	-	-	-	958,054	0.00%	691,541	266,513	958,054	-	100.00%
Transfer In - Operating (125/135)	620,530	-	620,530	-	-	-	620,530	0.00%	620,530	-	620,530	-	100.00%
Transfer In - Capital Outlay (108)	-	-	-	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
Transfer In - Operating (108)	145,000	-	145,000	-	-	-	145,000	0.00%	145,000	-	145,000	-	100.00%
<b>Total Transfers In</b>	<b>3,047,460</b>	<b>1,019,681</b>	<b>4,067,141</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,067,141</b>	<b>0.00%</b>	<b>3,047,460</b>	<b>1,019,681</b>	<b>4,067,141</b>	<b>-</b>	<b>100.00%</b>

<b>Total Sources</b>	<b>18,165,987</b>	<b>8,537,917</b>	<b>26,703,904</b>	<b>6,147,289</b>	<b>3,339,394</b>	<b>9,486,682</b>	<b>17,217,222</b>	<b>35.53%</b>	<b>18,416,668</b>	<b>8,492,035</b>	<b>26,908,703</b>	<b>204,799</b>	<b>100.77%</b>
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## FY 2023-24 Operating Budget - Expenditures

Expenditure Type	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Year-End Projection	Encumbered	Year-End Plus Encumbered	Over/(Under) Budget	Projected Year-End %
Salaries and Benefits	12,691,352	5,649,956	7,041,396	44.52%	11,793,292	-	12,121,185	(570,167)	
Services and Supplies	9,972,539	4,648,447	5,324,092	46.61%	10,248,141	146,787	10,394,928	418,183	104.24%
Capital Outlay	808,482	280,102	528,380	34.65%	722,348	99,019	821,367	12,885	101.59%
Debt Service	3,212,861	920,492	2,292,369	28.65%	3,212,861	-	3,212,861	-	100.00%
<b>TOTAL</b>	<b>26,685,234</b>	<b>11,498,998</b>	<b>15,186,236</b>	<b>43.09%</b>	<b>25,976,641</b>	<b>245,806</b>	<b>26,550,341</b>	<b>(139,099)</b>	<b>99.49%</b>

Department	Final Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Year-End Plus Encumbered	Over/(Under) Budget	Projected Year-End %
Non-Departmental	4,750,216	1,816,904	2,933,312	38.25%	4,799,281	1,839	4,801,120	50,904	101.07%
Utility Services	14,455,853	6,771,076	7,684,777	46.84%	13,971,826	191,117	14,490,837	34,984	100.24%
Administration	1,400,695	599,872	800,823	42.83%	1,355,383	-	1,355,383	(45,312)	96.77%
Board of Directors	160,494	64,273	96,221	40.05%	135,828	-	135,828	(24,666)	84.63%
Engineering	1,707,411	481,623	1,225,788	28.21%	1,337,459	-	1,337,459	(369,952)	78.33%
Finance/Customer Service	2,030,015	983,899	1,046,116	48.47%	2,252,354	24,847	2,277,201	247,186	112.18%
Water Resources	2,180,550	781,350	1,399,200	35.83%	2,124,509	28,003	2,152,512	(28,038)	98.71%
<b>TOTAL</b>	<b>26,685,234</b>	<b>11,498,998</b>	<b>15,186,236</b>	<b>43.09%</b>	<b>25,976,641</b>	<b>245,806</b>	<b>26,550,341</b>	<b>(134,893)</b>	<b>99.49%</b>

**Mid Year Budget vs Actuals**

**Department 50 - Non-Departmental / Debt Service**

Acct	Description	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Total Year-End	Over/(Under) Budget	Projected Year-End %
60115	CalPERS UAL	265,813	117,572	148,241	44.23%	258,607	-	258,607	(7,206)	97.29%
60210	Power	19,800	9,152	10,648	46.22%	21,965	-	21,965	2,165	110.94%
60220	Water	4,500	1,833	2,667	40.73%	4,399	-	4,399	(101)	97.76%
60250	Telephone	2,460	4,483	(2,023)	182.22%	10,758	-	10,758	8,298	437.32%
60260	RefuseDisposal	3,700	-	3,700	0.00%	-	-	-	(3,700)	0.00%
60310	Material and Supplies	39,800	10,961	28,839	27.54%	34,228	-	34,228	(5,572)	86.00%
60313	Tools	500	-	500	0.00%	-	-	-	(500)	0.00%
60356	HVAC	-	4,997	(4,997)	#DIV/0!	4,997	-	4,997	4,997	#DIV/0!
60400	Outside Services	48,810	29,862	18,948	61.18%	49,338	1,839	51,177	2,367	104.85%
60402	Spraying - Weeds & Insects	1,000	183	817	18.30%	439	-	439	(561)	43.92%
60410	Service Maintenance Contracts	3,537	1,528	2,009	43.20%	3,667	-	3,667	130	103.67%
60426	Building Repairs	5,000	-	5,000	0.00%	5,000	-	5,000	-	100.00%
60430	ClaimsDamages	5,000	2,712	2,288	54.24%	5,000	-	5,000	-	100.00%
60431	Computer LicMaint Contracts	51,450	-	51,450	0.00%	30,000	-	30,000	(21,450)	58.31%
60440	Janitorial Services	24,385	11,610	12,775	47.61%	27,864	-	27,864	3,479	114.27%
60590	Professional Services	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60715	Late Fees and Other Penalties	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
61200	Retired Employee Costs	767,000	386,346	380,654	50.37%	801,485	-	801,485	34,485	104.50%
61410	Insurance	281,100	315,173	(34,073)	112.12%	315,173	-	315,173	34,073	112.12%
72120	Interest - PERS UAL Loan	142,644	72,708	69,936	50.97%	142,644	-	142,644	-	100.00%
72210	Interest - USDA AMI AMR	83,703	32,678	51,025	39.04%	83,703	-	83,703	-	100.00%
72310	Interest - Vac Con Truck	6,276	3,498	2,778	55.73%	6,276	-	6,276	-	100.00%
72350	Interest - USDA EP Reach 3A	52,344	26,447	25,898	50.52%	52,344	-	52,344	-	100.00%
72400	Interest - Water Loan	7,515	-	7,515	0.00%	7,515	-	7,515	-	100.00%
72500	Interest - New Hogan Loan	4,684	-	4,684	0.00%	4,684	-	4,684	-	100.00%
72700	Interest - VacCon Truck	3,193	2,025	1,168	63.40%	3,193	-	3,193	-	100.00%
72850	Interest - Water CIP Loan 22	557,542	278,771	278,771	50.00%	557,542	-	557,542	-	100.00%
72860	Interest - Sewer CIP Loan 22	339,168	169,584	169,584	50.00%	339,168	-	339,168	-	100.00%
73120	Principal - PERS UAL Loan 0336	338,000	167,000	171,000	49.41%	338,000	-	338,000	-	100.00%
73210	Principal - USDA AMI AMR	89,000	-	89,000	0.00%	89,000	-	89,000	-	100.00%
73310	Principal - Vac Con Truck	117,659	58,469	59,190	49.69%	117,659	-	117,659	-	100.00%
73350	Principal - USDA Reach 3A	48,800	48,800	-	100.00%	48,800	-	48,800	-	100.00%
73400	Principal - Water Loan	72,207	-	72,207	0.00%	72,207	-	72,207	-	100.00%
73500	Princippal - New Hogan	55,242	-	55,242	0.00%	55,242	-	55,242	-	100.00%

**Mid Year Budget vs Actuals**

**Department 50 - Non-Departmental / Debt Service**

<b>Acct</b>	<b>Description</b>	<b>Budget</b>	<b>Year-to-Date Actuals</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Projected Year-End</b>	<b>Encumbered</b>	<b>Total Year-End</b>	<b>Over/(Under) Budget</b>	<b>Projected Year-End %</b>
73700	Principal -VacCon Truck	121,884	60,514	61,370	49.65%	121,884	-	121,884	-	100.00%
73850	Principal - Water CIP Loan 2022	759,000	-	759,000	0.00%	759,000	-	759,000	-	100.00%
73860	Principal - Sewer CIP Loan 2022	414,000	-	414,000	0.00%	414,000	-	414,000	-	100.00%
75200	Equipment Purchased	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
75300	Equipment Purchased-Safety	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
78210	LAFCO Contribution	13,500	-	13,500	0.00%	13,500	-	13,500	-	100.00%
<b>Dept 50</b>	<b>Grand Total</b>	<b>4,750,216</b>	<b>1,816,904</b>	<b>2,933,312</b>	<b>38.25%</b>	<b>4,799,281</b>	<b>1,839</b>	<b>4,801,120</b>	<b>50,904</b>	<b>101.07%</b>

**Mid Year Budget vs Actuals**

**Department 54 - Utilities**

Acct	Description	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Total Year-End	Over/(Under) Budget	Projected Year-End %
60000	SalariesWages	4,729,370	2,221,606	2,507,764	46.97%	4,443,211	-	4,443,211	(286,159)	93.95%
60005	Payouts	233,060	122,484	110,576	52.55%	244,969	-	244,969	11,909	105.11%
60010	On Call Pay	21,100	-	21,100	0.00%	-	-	-	(21,100)	0.00%
60015	Standby Pay	23,500	2,300	21,200	9.79%	4,600	-	4,600	(18,900)	19.57%
60030	Wages-Overtime	210,000	121,402	88,598	57.81%	242,804	-	242,804	32,804	115.62%
60035	CTO Payout	-	81,972	(81,972)	(81,972)	121,972	-	449,865	449,865	214.22%
60040	PTO Floater Benefits	-	-	-	53.56%	-	-	-	-	214.22%
60100	Flex Benefit Account	1,981,503	955,003	1,026,500	48.20%	1,910,006	-	1,910,006	(71,497)	96.39%
60110	Retirement Expense	551,250	262,925	288,326	47.70%	525,849	-	525,849	(25,401)	95.39%
60115	CalPERS UAL	132,416	71,821	60,595	54.24%	127,197	-	127,197	(5,219)	96.06%
60117	Retiree Health Benefit	90,960	14,700	76,260	16.16%	29,400	-	29,400	(61,560)	32.32%
60210	Power	2,155,615	949,666	1,205,949	44.06%	2,214,949	-	2,214,949	59,334	102.75%
60220	Water	6,000	1,814	4,186	30.24%	4,354	-	4,354	(1,646)	72.56%
60230	Sewage	43,970	18,321	25,649	41.67%	43,970	-	43,970	(0)	100.00%
60240	Telephone Lease Lines	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60250	Telephone	127,000	49,215	77,785	38.75%	118,116	-	118,116	(8,884)	93.00%
60260	RefuseDisposal	22,000	10,485	11,515	47.66%	25,164	-	25,164	3,164	114.38%
60310	Material and Supplies	152,000	86,821	65,179	57.12%	173,641	974	174,615	22,615	114.88%
60311	Herbicide	1,000	22	978	2.18%	44	-	44	(956)	4.37%
60312	Safety Eq Replconsumables	42,600	18,929	23,671	44.43%	37,858	-	37,858	(4,742)	88.87%
60313	Tools	35,167	17,305	17,862	49.21%	37,755	631	38,386	3,219	109.15%
60314	Uniforms - New	-	1,680	(1,680)	#DIV/0!	3,666	-	3,666	3,666	#DIV/0!
60316	Materials and Supplies-Ca!Fire	18,000	32	17,968	0.18%	69	-	69	(17,931)	0.38%
60325	Lab Supplies, Consumables	40,000	27,938	12,062	69.84%	60,955	-	60,955	20,955	152.39%
60327	Ozone System Parts	10,000	493	9,507	4.93%	1,075	-	1,075	(8,925)	10.75%
60328	UV Bulb Replacement	110,000	712	109,288	0.65%	1,554	-	1,554	(108,446)	1.41%
60331	Electrical Parts Replacement	70,000	56,477	13,523	80.68%	123,223	12,642	135,865	65,865	194.09%
60332	Leak Repair Supplies	160,000	33,347	126,653	20.84%	72,756	977	73,733	(86,267)	46.08%
60333	Road Repair Materials	25,850	11,088	14,762	42.89%	24,192	7,200	31,392	5,542	121.44%
60334	SCADA, Radio Supplies	17,000	748	16,252	4.40%	1,633	-	1,633	(15,367)	9.61%
60335	Septic Tanks, Repair & New	11,200	17,292	(6,092)	154.39%	37,728	-	37,728	26,528	336.85%
60338	Meters, New Conn. & Repl.	10,000	5,875	4,125	58.75%	12,818	-	12,818	2,818	128.18%
60350	AeratorCompressor etc repair	18,000	7,403	10,597	41.13%	16,152	-	16,152	(1,848)	89.73%
60353	Com putersperipheral s	18,500	120	18,380	0.65%	262	-	262	(18,238)	1.42%

## Mid Year Budget vs Actuals

### Department 54 - Utilities

Acct	Description	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Total Year-End	Over/(Under) Budget	Projected Year-End %
60354	Control SysPressure Tranducer	8,200	1,581	6,619	19.28%	3,450	-	3,450	(4,750)	42.07%
60355	HeadworksSolids Removal Rep.	20,160	10,713	9,447	53.14%	23,375	-	23,375	3,215	115.95%
60356	HVAC	8,500	12,506	(4,006)	147.13%	27,285	-	27,285	18,785	321.00%
60357	Mixers	25,000	3,084	21,916	12.34%	6,729	-	6,729	(18,271)	26.91%
60358	Monitor Wells Repair	5,000	1,147	3,853	22.93%	2,502	-	2,502	(2,498)	50.04%
60359	PumpsMotors Repair	140,000	229,472	(89,472)	163.91%	369,472	-	369,472	229,472	263.91%
60360	Solids Handling Equip Repair	5,000	174	4,826	3.48%	379	-	379	(4,621)	7.58%
60390	Admin Technologies Comm	23,000	-	23,000	0.00%	-	-	-	(23,000)	0.00%
60395	Chemicals	552,893	303,544	249,349	54.90%	662,277	9,395	671,672	118,779	121.48%
60400	Outside Repairs	105,176	22,888	82,288	21.76%	49,938	657	50,595	(54,581)	48.11%
60401	Fire Ext. Testing Cust. Base	2,200	-	2,200	0.00%	-	-	-	(2,200)	0.00%
60402	Spraying - Weeds & Insects	42,000	5,911	36,089	14.07%	12,897	-	12,897	(29,103)	30.71%
60403	Snow Removal	7,200	-	7,200	0.00%	-	-	-	(7,200)	0.00%
60404	Uniform Laundry	22,675	14,679	7,996	64.73%	32,026	-	32,026	9,351	141.24%
60405	Fire Hydrant Maintenance	56,625	450	56,175	0.79%	982	-	982	(55,643)	1.73%
60412	Groundwater Monitoring	51,975	12,221	39,754	23.51%	26,664	36,779	63,443	11,468	122.06%
60413	Instrumentation Tech	8,500	4,496	4,004	52.89%	9,809	-	9,809	1,309	115.41%
60414	Ozone System PM	7,000	-	7,000	0.00%	-	-	-	(7,000)	0.00%
60415	Backflow Device Testing	4,000	2,656	1,344	66.39%	5,794	-	5,794	1,794	144.86%
60416	SCADA Consulting (A-Teem)	10,000	-	10,000	0.00%	-	-	-	(10,000)	0.00%
60417	Hauling Dig Crane	5,000	665	4,335	13.30%	1,451	-	1,451	(3,549)	29.02%
60419	Pave Seal Asphalt Repair	115,000	19,881	95,120	17.29%	43,376	-	43,376	(71,624)	37.72%
60423	Telemetry Radio	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60424	Septic Hauling	40,000	15,688	24,313	39.22%	37,650	-	37,650	(2,350)	94.13%
60425	Tank Cleaning	50,000	28,960	21,040	57.92%	63,185	4,520	67,705	17,705	135.41%
60426	Building Repairs	30,000	-	30,000	0.00%	-	-	-	(30,000)	0.00%
60427	UV System PM	10,000	9,613	387	96.13%	20,974	-	20,974	10,974	209.74%
60431	Computer LicMaint Contracts	115,456	7,471	107,985	6.47%	16,301	4,976	21,277	(94,179)	18.43%
60440	Janitorial Services	-	2,457	(2,457)	#DIV/0!	5,361	-	5,361	5,361	#DIV/0!
60470	Laboratory Services	145,000	43,030	101,970	29.68%	103,272	-	103,272	(41,728)	71.22%
60480	Rentals (Non Vehicles & Equip)	5,000	1,400	3,600	28.00%	3,055	-	3,055	(1,945)	61.09%
60590	Professional Services	80,500	35,964	44,536	44.68%	78,468	-	78,468	(2,032)	97.48%
60610	Operating ExpGas & Oil	360,150	188,336	171,814	52.29%	410,914	1,098	412,012	51,862	114.40%
60620	Repairs and Parts	110,000	84,919	25,081	77.20%	185,277	-	185,277	75,277	168.43%

**Mid Year Budget vs Actuals**

**Department 54 - Utilities**

Acct	Description	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Total Year-End	Over/(Under) Budget	Projected Year-End %
60625	Fuel - Generators	20,000	7,152	12,848	35.76%	15,605	5,301	20,906	906	104.53%
60650	Rental ExpVehicle and Equip.	11,500	520	10,980	4.52%	1,135	-	1,135	(10,365)	9.87%
60660	Lease ExpenseVehichle Eq.	36,500	17,525	18,975	48.01%	38,237	-	38,237	1,737	104.76%
60710	Permits and Licenses	21,600	10,709	10,891	49.58%	23,364	-	23,364	1,764	108.17%
60715	Late Fees and Other Penalties	-	1,197	(1,197)	#DIV/0!	2,395	-	2,395	2,395	#DIV/0!
60730	PublicationsSubscriptions	1,000	177	823	17.74%	387	84	471	(529)	47.09%
60732	MembershipsDues	20,000	11,299	8,701	56.50%	24,652	-	24,652	4,652	123.26%
60810	Training, Conferences & Travel	35,000	16,692	18,308	47.69%	36,420	319	36,739	1,739	104.97%
60820	Other Travel Costs	500	149	351	29.78%	325	6,545	6,870	6,370	1373.98%
61100	Purchased Water	20,000	-	20,000	0.00%	-	-	-	(20,000)	0.00%
61420	State WtrSwr Fees	250,000	191,654	58,346	76.66%	251,654	-	251,654	1,654	100.66%
75110	Vehicles Capital Lease	304,819	137,065	167,754	44.97%	328,956	-	328,956	24,137	107.92%
75200	Equipment Purchased	178,948	66,177	112,771	36.98%	66,177	99,019	165,196	(13,752)	92.31%
75300	Equipment Purchased-Safety	317,715	76,860	240,855	24.19%	317,715	-	317,715	-	100.00%
75400	Water/Sewer System Upgrades	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
<b>Dept 54</b>	<b>Grand Total</b>	<b>14,455,853</b>	<b>6,771,076</b>	<b>7,684,777</b>	<b>46.84%</b>	<b>13,971,826</b>	<b>191,117</b>	<b>14,490,837</b>	<b>34,984</b>	<b>100.24%</b>



**Mid Year Budget vs Actuals**

**Department 56 - General Management**

Acct	Description	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Total Year-End	Over/(Under) Budget	Projected Year-End %
60000	SalariesWages	679,081	290,953	388,128	42.85%	621,906	-	621,906	(57,175)	91.58%
60005	Payouts	23,379	37,208	(13,829)	159.15%	37,208	-	37,208	13,829	159.15%
60030	Wages-Overtime	630	5,616	(4,986)	891.42%	10,368	-	10,368	9,738	1645.71%
60035	CTO Payout	-	3,147	(3,147)	#DIV/0!	6,295	-	6,295	6,295	#DIV/0!
60040	PTO Floater Benefits	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60100	Flex Benefit Account	166,117	79,760	86,357	48.01%	175,520	-	175,520	9,403	105.66%
60110	Retirement Expense	64,783	25,918	38,865	40.01%	51,837	-	51,837	(12,946)	80.02%
60115	CalPERS UAL	9,330	5,008	4,322	53.68%	8,962	-	8,962	(368)	96.06%
60117	Retiree Health Benefit	24,200	1,285	22,915	5.31%	2,570	-	2,570	(21,630)	10.62%
60310	Material and Supplies	6,700	1,165	5,535	17.38%	2,541	-	2,541	(4,159)	37.93%
60314	Uniforms - New	25,000	-	25,000	0.00%	25,000	-	25,000	-	100.00%
60320	Safety Material and Supplies	12,000	3,657	8,343	30.48%	7,979	-	7,979	(4,021)	66.49%
60390	Admin Technologies Comm	2,400	-	2,400	0.00%	-	-	-	(2,400)	0.00%
60420	Drug and Alcohol Testing	4,000	3,075	925	76.88%	6,709	-	6,709	2,709	167.73%
60429	Recruiting	16,500	10,840	5,660	65.69%	20,011	-	20,011	3,511	121.28%
60505	Outside Legal Fees	125,000	25,171	99,829	20.14%	115,514	-	115,514	(9,486)	92.41%
60541	AdvertisingPublicity	1,500	1,582	(82)	105.43%	2,920	-	2,920	1,420	194.65%
60590	Professional Services	159,300	44,651	114,649	28.03%	159,069	-	159,069	(231)	99.85%
60700	Forms and Supplies	1,450	-	1,450	0.00%	-	-	-	(1,450)	0.00%
60730	PublicationsSubscriptions	150	625	(475)	416.79%	1,364	-	1,364	1,214	909.37%
60732	MembershipsDues	42,725	37,027	5,698	86.66%	46,527	-	46,527	3,802	108.90%
60810	Training, Conferences & Travel	25,700	10,932	14,768	42.54%	26,352	-	26,352	652	102.54%
60820	Other Travel Costs	750	-	750	0.00%	-	-	-	(750)	0.00%
61409	Unemployment Claims	10,000	12,252	(2,252)	122.52%	26,732	-	26,732	16,732	267.32%
<b>Dept 56</b>	<b>Grand Total</b>	<b>1,400,695</b>	<b>599,872</b>	<b>800,823</b>	<b>42.83%</b>	<b>1,355,383</b>	<b>\$ -</b>	<b>1,355,383</b>	<b>(45,312)</b>	<b>96.77%</b>

**Mid Year Budget vs Actuals**

**Department 57 - Board of Directors**

<b>Acct</b>	<b>Description</b>	<b>Budget</b>	<b>Year-to-Date Actuals</b>	<b>Remaining Balance</b>	<b>Percent of Budget</b>	<b>Projected Year-End</b>	<b>Encumbered</b>	<b>Total Year-End</b>	<b>Over/(Under) Budget</b>	<b>Projected Year-End %</b>
60000	SalariesWages	43,200	16,080	27,120	37.22%	32,160	-	32,160	(11,040)	74.44%
60100	Flex Benefit Account	93,544	39,529	54,015	42.26%	79,057	-	79,057	(14,487)	84.51%
60102	Medical Reimbursements	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60310	Material and Supplies	3,750	215	3,535	5.72%	572	-	572	(3,178)	15.26%
60810	Training, Conferences & Travel	17,500	6,263	11,237	35.79%	18,788	-	18,788	1,288	107.36%
60820	Other Travel Costs	2,500	2,187	313	87.50%	5,250	-	5,250	2,750	209.99%
<b>Dept 57</b>	<b>Grand Total</b>	<b>160,494</b>	<b>64,273</b>	<b>96,221</b>	<b>40.05%</b>	<b>135,828</b>	<b>-</b>	<b>135,828</b>	<b>(24,666)</b>	<b>84.63%</b>

**Mid Year Budget vs Actuals**  
**Department 58 - Engineering**

Acct	Description	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Total Year-End	Over/(Under) Budget	Projected Year-End %
60000	SalariesWages	1,049,330	285,972	763,358	27.25%	776,332	-	776,332	(272,998)	73.98%
60005	Payouts	8,240	13,604	(5,364)	165.09%	50,114	-	50,114	41,874	608.18%
60015	Standby Pay	1,000	-	1,000	0.00%	-	-	-	(1,000)	0.00%
60030	Wages-Overtime	29,000	1,348	27,652	4.65%	3,236	-	3,236	(25,764)	11.16%
60035	CTO Payout	-	12,899	(12,899)	#DIV/0!	30,959	-	30,959	30,959	#DIV/0!
60040	PTO Floater Benefits	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60100	Flex Benefit Account	318,226	79,392	238,834	24.95%	215,542	-	215,542	(102,684)	67.73%
60110	Retirement Expense	123,185	46,291	76,894	37.58%	111,098	-	111,098	(12,087)	90.19%
60115	CalPERS UAL	27,940	14,824	13,116	53.06%	26,839	-	26,839	(1,101)	96.06%
60117	Retiree Health Benefit	19,280	2,935	16,345	15.22%	7,044	-	7,044	(12,236)	36.54%
60310	Material and Supplies	8,200	-	8,200	0.00%	3,500	-	3,500	(4,700)	42.68%
60312	Safety Eq Replconsumables	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60313	Tools	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60320	Safety Material and Supplies	1,200	-	1,200	0.00%	1,200	-	1,200	-	100.00%
60390	Admin Technologies Comm	11,000	1,762	9,238	16.02%	12,844	-	12,844	1,844	116.76%
60410	Service Maintenance Contracts	16,860	19,409	(2,549)	115.12%	19,769	-	19,769	2,909	117.25%
60431	Computer LicMaint Contracts	10,550	-	10,550	0.00%	11,200	-	11,200	650	106.16%
60590	Professional Services	50,000	11	49,989	0.02%	35,024	-	35,024	(14,976)	70.05%
60700	Forms and Supplies	600	-	600	0.00%	500	-	500	(100)	83.33%
60710	Permits and Licenses	-	240	(240)	#DIV/0!	524	-	524	524	#DIV/0!
60730	PublicationsSubscriptions	600	166	434	27.67%	362	-	362	(238)	60.36%
60732	MembershipsDues	600	469	131	78.17%	600	-	600	-	100.00%
60810	Training, Conferences & Travel	23,000	2,301	20,699	10.01%	20,523	-	20,523	(2,477)	89.23%
60820	Other Travel Costs	1,600	-	1,600	0.00%	750	-	750	(850)	46.88%
75200	Equipment Purchased	7,000	-	7,000	0.00%	9,500	-	9,500	2,500	135.71%
<b>Dept 58</b>	<b>Grand Total</b>	<b>1,707,411</b>	<b>481,623</b>	<b>1,225,788</b>	<b>28.21%</b>	<b>1,337,459</b>	<b>-</b>	<b>1,337,459</b>	<b>(369,952)</b>	<b>78.33%</b>

**Mid Year Budget vs Actuals**

**Department 59 - Administrative Services**

Acct	Description	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Total Year-End	Over/(Under) Budget	Projected Year-End %
60000	SalariesWages	928,696	395,238	533,458	42.56%	894,475	-	894,475	(34,221)	96.32%
60005	Payouts	-	10,018	(10,018)	#DIV/0!	20,036	-	20,036	20,036	#DIV/0!
60030	Wages-Overtime	10,000	3,166	6,834	31.66%	6,331	-	6,331	(3,669)	63.31%
60035	CTO Payout	-	163	(163)	#DIV/0!	325	-	325	325	#DIV/0!
60040	PTO Floater Benefits	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60100	Flex Benefit Account	313,950	133,323	180,627	42.47%	314,646	-	314,646	696	100.22%
60110	Retirement Expense	103,948	46,187	57,761	44.43%	92,373	-	92,373	(11,575)	88.86%
60115	CalPERS UAL	21,918	11,645	10,273	53.13%	21,054	-	21,054	(864)	96.06%
60117	Retiree Health Benefit	24,840	2,610	22,230	10.51%	20,220	-	20,220	(4,620)	81.40%
60120	Deferred Comp Payments	-	1,050	(1,050)	#DIV/0!	2,100	-	2,100	2,100	#DIV/0!
60310	Material and Supplies	250	279	(29)	111.64%	609	-	609	359	243.58%
60312	Safety Eq Replconsumables	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60314	Uniforms - New	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60353	Computersperipherals	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
60390	Admin. TechnologiesComm.	76,410	7,641	68,769	10.00%	66,672	2,306	68,978	(7,432)	90.27%
60410	Service Maintenance Contracts	113,558	23,405	90,153	20.61%	96,065	20,541	116,606	3,048	102.68%
60431	Computer LicMaint Contracts	62,615	65,934	(3,319)	105.30%	80,934	-	80,934	18,319	129.26%
60510	AccountingAuditing	41,600	22,594	19,006	54.31%	43,100	-	43,100	1,500	103.61%
60590	Professional Services	166,480	98,878	67,602	59.39%	180,878	2,000	182,878	16,398	109.85%
60700	Forms and Supplies	1,950	-	1,950	0.00%	-	-	-	(1,950)	0.00%
60715	Late Fees and Other Penalties	-	200	(200)	#DIV/0!	436	-	436	436	#DIV/0!
60720	Postage	15,950	10,218	5,732	64.07%	20,437	-	20,437	4,487	128.13%
60732	MembershipsDues	750	-	750	0.00%	750	-	750	-	100.00%
60780	Printing	1,000	-	1,000	0.00%	-	-	-	(1,000)	0.00%
60810	Training, Conferences & Travel	12,000	5,019	6,981	41.82%	10,950	-	10,950	(1,050)	91.25%
60820	Other Travel Costs	500	-	500	0.00%	200	-	200	(300)	40.00%
61310	Bad Debt Expense	40,000	30,130	9,870	75.33%	90,391	-	90,391	50,391	225.98%
61315	Rate Assistance Program	60,000	19,509	40,491	32.51%	58,526	-	58,526	(1,474)	97.54%
61455	Water Efficiency	-	500	(500)	#DIV/0!	-	-	-	-	#DIV/0!
61485	Third Party Payment Processing	33,600	96,100	(62,500)	286.01%	230,641	-	230,641	197,041	686.43%
78100	Investment Agent Fees	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
78200	Calaveras County Fees	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
78990	Misc. Non-Operating Costs	-	94	(94)	#DIV/0!	205	-	205	205	#DIV/0!
<b>Dept 59</b>	<b>Grand Total</b>	<b>2,030,015</b>	<b>983,899</b>	<b>1,046,116</b>	<b>48.47%</b>	<b>2,252,354</b>	<b>24,847</b>	<b>2,277,201</b>	<b>247,186</b>	<b>112.18%</b>

**Mid Year Budget vs Actuals**  
**Department 60 - Water Resources**

Acct	Description	Budget	Year-to-Date Actuals	Remaining Balance	Percent of Budget	Projected Year-End	Encumbered	Total Year-End	Over/(Under) Budget	Projected Year-End %
60000	SalariesWages	250,690	71,742	178,948	28.62%	161,508	-	161,508	(89,182)	64.43%
60005	Payouts	-	3,238	(3,238)	#DIV/0!	3,238	-	3,238	3,238	#DIV/0!
60030	Wages-Overtime	2,000	1,124	876	56.22%	3,082	-	3,082	1,082	154.12%
60040	PTO Floater Benefits	-	-	-	#DIV/0!	1,958	-	1,958	1,958	#DIV/0!
60100	Flex Benefit Account	87,688	25,164	62,524	28.70%	66,209	-	66,209	(21,479)	75.50%
60110	Retirement Expense	16,243	8,360	7,883	51.47%	23,393	-	23,393	7,150	144.02%
60115	CalPERS UAL	6,222	3,151	3,071	50.64%	5,977	-	5,977	(245)	96.06%
60117	Retiree Health Benefit	5,720	225	5,495	3.93%	705	-	705	(5,015)	12.33%
60310	Material and Supplies	1,500	518	982	34.50%	1,035	-	1,035	(465)	69.01%
60431	Computer LicMaint Contracts	1,400	3,108	(1,708)	221.97%	6,215	-	6,215	4,815	443.94%
60505	Outside Legal Fees	120,000	108,475	11,525	90.40%	260,339	-	260,339	140,339	216.95%
60541	AdvertisingPublicity	2,000	-	2,000	0.00%	-	-	-	(2,000)	0.00%
60590	Professional Services	333,370	37,093	296,277	11.13%	218,024	28,003	246,027	(87,343)	73.80%
60732	MembershipsDues	63,717	64,498	(781)	101.23%	64,498	-	64,498	781	101.23%
60810	Training, Conferences & Travel	5,500	842	4,658	15.30%	1,683	-	1,683	(3,817)	30.60%
60820	Other Travel Costs	1,000	-	1,000	0.00%	-	-	-	(1,000)	0.00%
61100	New Hogan Op/Maint Expense	474,000	-	474,000	0.00%	474,000	-	474,000	-	100.00%
61430	Federal Dam & Admin Fees	702,000	341,244	360,756	48.61%	682,487	-	682,487	(19,513)	97.22%
61435	State Water Right Fees	85,500	109,982	(24,482)	128.63%	144,982	-	144,982	59,482	169.57%
61450	Mandated Plans	18,000	2,087	15,913	11.60%	4,175	-	4,175	(13,825)	23.19%
61455	Water Efficiency	4,000	500	3,500	12.50%	1,000	-	1,000	(3,000)	25.00%
<b>Dept 60</b>	<b>Grand Total</b>	<b>2,180,550</b>	<b>781,350</b>	<b>1,399,200</b>	<b>35.83%</b>	<b>2,124,509</b>	<b>28,003</b>	<b>2,152,512</b>	<b>(25,038)</b>	<b>98.71%</b>

**RESOLUTION NO. 2024-**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CALAVERAS COUNTY WATER DISTRICT**

**AMENDING THE FISCAL YEAR 2023-24  
CAPITAL IMPROVEMENT PROGRAM BUDGET**

**WHEREAS**, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopted Resolution 2023-42 on June 28, 2023, approving the Fiscal Year 2023-24 Operating Budget in the amount of \$26,685,234 and approving the Fiscal Year 2023-24 Capital Improvement Program (CIP) Budget in the amount of \$25,139,572; and

**WHEREAS**, the District has reviewed the operating and capital improvement program revenues and expenditures through December 31, 2023; and

**WHEREAS**, the Board of Directors has, as a result of the review, identified those programs and expenditures that will be most beneficial to the needs of the Calaveras County Water District; and

**WHEREAS**, the District's adopted Capital Improvement Program Budget requires an adjustment to amend the proposed revenues and expenditures to reflect the District's priorities; and

**WHEREAS**, the Board of Directors does hereby find that it is in the best interest of the District to amend the adopted FY 2023-24 Capital Improvement Budgets accordingly, effective February 28, 2024.

**NOW, THEREFORE BE IT RESOLVED**, the Board of Directors of the CALAVERAS COUNTY WATER DISTRICT adopts an amendment to the Fiscal Year 2023-24 Capital Improvement Program as set forth in Budget Adjustment 24-01, attached hereto and made a part hereof, and authorizes the Director of Administrative Services to record the appropriate accounting entries.

**PASSED AND ADOPTED** this 28<sup>th</sup> day of February 2024 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

CALAVERAS COUNTY WATER DISTRICT

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Russ Thomas, President  
Board of Directors

**ATTEST:**

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Rebecca Hitchcock  
Clerk to the Board

Appendix A  
Budget Adjustment 24-01

Account Number	Dept	Account Description	Expenses			Revenues			Auth	Description
			Decrease	Increase	Total Expense	Decrease	Increase	Total Revenues		
135-58-79200		Transfer out to Other Funds				50,000			Board	Increase Transfers Out for CIP Project #15111
130-58-59100		Transfer in From Funds					50,000	50,000	Board	Increase Transfers In for CIP Project #15111
130-58-78700		Construction		50,000	50,000				Board	Increase Expenditures for CIP Project #15111
125-58-79200		Transfer out to Other Funds				300,000			Board	Increase Transfers Out for CIP Project #11095
120-58-59100		Transfer in From Funds					300,000	300,000	Board	Increase Transfers In for CIP Project #11095
120-58-78700		Construction		300,000	300,000				Board	Increase Expenditures for CIP Project #11095
125-58-79200		Transfer out to Other Funds				25,000			Board	Increase Transfers Out for CIP Project #11096
120-58-59100		Transfer in From Funds					25,000	25,000	Board	Increase Transfers In for CIP Project #11096
120-58-78700		Construction		25,000	25,000				Board	Increase Expenditures for CIP Project #11096
125-58-79200		Transfer out to Other Funds				111,045			Board	Increase Transfers Out for CIP Project #11083L
120-58-59100		Transfer in From Funds					111,045	111,045	Board	Increase Transfers In for CIP Project #11083L
120-58-78700		Construction		111,045	111,045				Board	Increase Expenditures for CIP Project #11083L
125-58-79200		Transfer out to Other Funds				500,000			Board	Increase Transfers Out for CIP Project #11083L
120-58-59100		Transfer in From Funds					500,000	500,000	Board	Increase Transfers In for CIP Project #11083L
120-58-78700		Construction		500,000	500,000				Board	Increase Expenditures for CIP Project #11083L
108-58-79200		Transfer out to Other Funds				110,000			Board	Increase Transfers Out for CIP Project #11101
120-58-59100		Transfer in From Funds					110,000	110,000	Board	Increase Transfers In for CIP Project #11101
120-58-78700		Construction		110,000	110,000				Board	Increase Expenditures for CIP Project #11101
					1,096,045			1,096,045		