

# CALAVERAS COUNTY WATER DISTRICT FINANCE COMMITTEE MEETING

## AGENDA

Monday, November 25, 2019  
9:00 a.m.  
CCWD Board Room

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

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

## ORDER OF BUSINESS

### CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **PUBLIC COMMENT:** Comments limited to three minutes per person.
2. **APPROVAL OF MINUTES:** September 24, 2019
3. **NEW BUSINESS**
  - 3a. Report on the Monthly Financial Reports for October 2019  
(Rebecca Callen, Director of Administrative Services)
  - 3b. Report on the Fiscal Year 2018-19 Financial Audit Report by Richardson & Company, LLP  
(Rebecca Callen, Director of Administrative Services)
  - 3c. Discussion/Direction Regarding SB 998 Policy Update  
(Joel Metzger, External Affairs Manager)
  - 3d. Personnel Allocation Change and Budgeted Impacts – Senior Treatment Plant Operators (STPOs)  
(Damon Wyckoff, Director of Operations)
4. **DIRECTOR OF ADMINISTRATIVE SERVICES COMMENTS**
5. **GENERAL MANAGER COMMENTS**
6. **DIRECTOR COMMENTS**
7. **FUTURE AGENDA ITEMS**
8. **NEXT COMMITTEE MEETING**
9. **ADJOURNMENT**



MINUTES  
FINANCE COMMITTEE MEETING  
SEPTEMBER 24, 2019

The FINANCE COMMITTEE of the CALAVERAS COUNTY WATER DISTRICT (CCWD) met in the CCWD Board Room at 120 Toma Court, San Andreas, California at 9:00 a.m.

The following Committee Members were present:

Bertha Underhill	Director
Cindy Secada	Director

Staff Present:

Michael Minkler	General Manager
Peter Martin	Interim Director of Administrative Services
Patti Christensen	Accountant III
Joel Metzger	External Affairs Manager

Public Present:

None present.

1. Public Comment:  
None

2. Approval of Minutes: For the Finance Committee Meeting of July 16, 2019.

3. New Business:

3a. Report on the Monthly Financial Reports for August 2019:

Mr. Martin reported that revenues are trending normal, and stated he would take questions from the Committee members. Director Secada questioned the Utility Departments telephone, tools, and computer license expenditures and would like Staff to provide her with details. She asked about the future use of outside consultants for engineering efforts now that the department is expanding. There was a discussion on how grants are pursued and managed with a conversation on grants that are expected to be awarded. Director Secada would like to receive a project status list. Director Underhill questioned a Capital Outlay item, and quantities, if applicable, will be added to Capital Outlay items on future reports. She also questioned a few expenditures, and customer refunds on the Claim Summary.

3b. General Overview and Direction on Updating Miscellaneous Service Fees/Charges:

Mr. Martin stated that the District's fees and charges have been in the review process for some time. He would like to bring updates to the Finance Committee over time, and then take the full revised list to the Board. There was a discussion on how and why fees are charged. Director Underhill suggested working with Customer Service over a period of time to determine which fees and charges come up.

3c. Direction on Updating Miscellaneous Service Fees/Charges within the District's Design and Construction Standards:

Mr. Martin stated this is keeping in line with the previous agenda item and gave a brief review of the fee table. There was a discussion on the account establishment fee. Mr. Minkler stated that all fees should be reviewed for compliance with the law and that the fees are fair. Mr. Martin reviewed specific fees and the changes staff is contemplating. Director Secada asked for a fee activity report for the past three years.

MINUTES  
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3d. Discussion/Information Regarding SB 998 (Dodd) Discontinuation of Residential Water Service: Urban and Community Water Systems:

Mr. Metzger gave a PowerPoint presentation with a brief history of the Senate Bill and the "Human Right to Water" legislative efforts. This Senate Bill will require Staff to update policies for compliance with the law regarding residential shut-offs that takes effect February 1, 2020. An updated policy will be presented to the Finance Committee in October or early November, and with a recommendation, will be presented to the Board in November or early December. If adopted, December and January will be spent on public outreach. Mr. Metzger provided a hand out of a copy of the utility billing reminder and lock off notices, Article III of the Calaveras County Water District's Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services, and lastly the FY 2019-2020 Billing Calendar. There was a detailed discussion on various aspects of the changes, the effects this will have on Customer Service, and the steps to track customer data.

4. Interim Director of Administrative Services Comments:

Mr. Martin mentioned that the auditors have concluded their on-site review and the financial statements should be available soon. He said that he and Mr. Minkler attended the recent GFOA budget process training and that he learned a lot, and how important it is to tie performance measures to the budget process and the strategic plan.

5. General Manager Comments:

In continuing where Mr. Martin left off, Mr. Minkler talked about the existing 2011 Strategic Business Plan and that Staff is in the process of updating it. Mr. Minkler stated that Staff is very excited to have the Purchasing Agent position start next month. He also said he will not be attending tomorrow's Board meeting. During the Future Agenda Items Mr. Minkler brought up that he attended a meeting with the Army Corp of Engineers to discuss various funding programs for capital improvement projects. The Army Corp will provide a report to the District with any available funding opportunities. He also talked about the Army Corp's Section 219 Funding program, as well as a new authorization to assist with the Copper Cove treatment plant.

6. Director Comments:

Director Secada mentioned that the West Point Lumberjack Day is coming up and she would like District information to pass along to the residents. She also mentioned Murphys Sanitary District is selling their hydro-flushing machine due to recent highway/road law changes associated with gross weight vehicles. Director Secada asked if Mr. Minkler was going to bring the Calaveras County utilities road work meeting data to the full Board.

Director Underhill asked about Ebbetts Pass area water loss, and if any savings have been realized since the completion of the Ebbetts Pass Reach 3A Pipeline Replacement project. Director Underhill asked if Mr. Minkler would introduce the new employees to the Board.

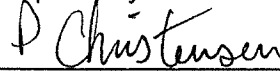
7. Future Agenda Items:

- SB 998 policy update
- Discontinuation of Service update

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SEPTEMBER 24, 2019

8. Next Committee Meeting:  
Not Determined
9. Adjournment:  
Meeting adjourned at 11:44 a.m.

Respectfully Submitted,



\_\_\_\_\_  
Patti Christensen, Accountant III

Approved:



\_\_\_\_\_  
Peter Martin, Interim Director of Administrative Services



# Agenda Item

DATE: November 25, 2019  
TO: Finance Committee  
FROM: Rebecca Callen, Director of Administrative Services  
SUBJECT: Report on the Monthly Financial Reports for October 2019

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## RECOMMENDED ACTION:

Receive Report on October 2019 Monthly Financial Reports

## SUMMARY:

The following financial reports are for the month ending October 31, 2019:

Budget Status Report – A summary of operating revenues and expenditures. Please note that some expenditures are paid in arrears and this report may not adequately reflect costs incurred through the reporting period. Similarly, the year-to-date revenues compared to budget may not present a fair estimate of expected revenues as some revenue types, such as property taxes, are received periodically throughout the year.

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

Claim Summary – The claim summary is a summary of services, supplies, reimbursements and other vendor claims paid by the District in the month of October, 2019. The October claim summary was submitted to and approved by the Board of Directors at the November 13<sup>th</sup> Board meeting.

Investment Transactions – A summary of investment balances, interest received, and a listing of individual transactions that occurred during October, 2019. The October Investment Transaction report was submitted to and approved by the Board of Directors at the November 13<sup>th</sup> Board meeting.

## FINANCIAL CONSIDERATIONS:

None





**CALAVERAS COUNTY WATER DISTRICT  
REVENUE STATUS REPORT FOR  
THE PERIOD ENDED OCTOBER 31, 2019  
ALL REVENUES  
33% of Year Completed**

Revenue Source	Actual Revenue FY 18-19 (pre-audit)	Budgeted Revenue FY 19-20	Actual Revenue to 10/19	%	Received
<b>Operating Revenue</b>					
WATER SALES	7,559,110	7,876,756	2,740,601		34.79%
WASTEWATER SALES	4,469,914	4,716,894	1,552,924		32.92%
OTHER	513,708	484,800	219,491		45.27%
<b>Total Operating Revenue</b>	<b>12,542,732</b>	<b>13,078,450</b>	<b>4,513,016</b>		<b>34.51%</b>
<b>Non-Operating Revenue</b>					
CAPACITY FEES	1,008,445	-	710,632		-
STAND-BY FEES	123,849	130,000	-	*	0.00%
PROPERTY TAXES	3,044,862	3,242,247	-	*	0.00%
INVESTMENT INCOME	488,867	601,096	184,243		30.65%
GRANT REVENUE	1,911,081	-	28,708		-
OTHER REVENUE	1,726,043	1,643,871	600,294		36.52%
<b>Total Non-Operating Revenue</b>	<b>8,303,147</b>	<b>5,617,214</b>	<b>1,523,877</b>		<b>27.13%</b>
<b>GRAND TOTALS REVENUE</b>	<b>20,845,879</b>	<b>18,695,664</b>	<b>6,036,893</b>		<b>32.29%</b>

\*Distributed in Feb, May, and Aug

**CALAVERAS COUNTY WATER DISTRICT  
REVENUE STATUS REPORT FOR  
THE PERIOD ENDED OCTOBER 31, 2019  
OPERATING REVENUES  
33% of Year Completed**

Revenue Source	Actual Revenue FY 18-19 (pre-audit)	Budgeted Revenue FY 19-20	Actual Revenue to 10/19		% Received
<b>Operating Revenue</b>					
WATER SALES	7,559,110	7,876,756	2,740,601		34.79%
WASTEWATER SALES	4,469,914	4,716,894	1,552,924		32.92%
OTHER	513,708	484,800	219,491		45.27%
<b>Total Operating Revenue</b>	<b>12,542,732</b>	<b>13,078,450</b>	<b>4,513,016</b>		<b>34.51%</b>
<b>Non-Operating Revenue</b>					
STAND-BY FEES	123,849	130,000	-	*	0.00%
PROPERTY TAXES	2,588,133	2,755,231	-	*	0.00%
INVESTMENT INCOME	159,371	200,000	64,359		32.18%
GRANT REVENUE	6,626	-	12,130		-
OTHER REVENUE	1,725,043	1,643,871	600,294		36.52%
<b>Total Non-Operating Revenue</b>	<b>4,603,022</b>	<b>4,729,102</b>	<b>676,784</b>		<b>14.31%</b>
<b>GRAND TOTALS REVENUE</b>	<b>17,145,754</b>	<b>17,807,552</b>	<b>5,189,799</b>		<b>29.14%</b>

\*Distributed in Feb, May, and Aug

**Calaveras County Water District**  
**Operating Budget Summary**  
**Fiscal Year 2019-20**  
**Budget vs Actual as of October 31, 2019**  
**33% of Year Completed**

**District Summary by Category**

Description	FY 19-20 Budget	Expenditures to 10/31/19	%
Personnel Services	9,523,196	3,095,410	33%
Services and Supplies	7,006,906	2,371,249	34%
Capital Outlay	510,000	177,697	35%
<b>Total Operations &amp; Capital Outlay:</b>	<b>17,040,102</b>	<b>5,644,355</b>	<b>33%</b>

**District Summary by Department**

Dept	Description	FY 19-20 Budget	Expenditures to 10/31/19	%
<b>Personnel, Services, and Supplies</b>				
50	Non-Departmental (excluding Debt Svc)	907,798	445,160	49%
54	Utility Services	10,211,804	3,351,732	33%
56	General Management	1,111,697	397,935	36%
57	Board of Directors	161,607	42,289	26%
58	Technical Services/Engineering	836,705	307,105	37%
59	Administrative Services	1,665,519	486,821	29%
60	Water Resources	1,634,972	435,617	27%
<b>sub-total Operations:</b>		<b>16,530,102</b>	<b>5,466,659</b>	<b>33%</b>
<b>Capital Outlay</b>				
54	Utility Services - Equipment/Projects	504,000	177,697	35%
59	Administrative Services	6,000	-	0%
<b>sub-total Capital Outlay:</b>		<b>510,000</b>	<b>177,697</b>	<b>35%</b>
<b>Total Operations &amp; Capital Outlay</b>		<b>17,040,102</b>	<b>5,644,355</b>	<b>33%</b>

CCWD Budget Status Report  
Non-Departmental

As of October 31, 2019  
33% of Year Completed

<u>Acct</u>	<u>Description</u>	<u>FY 19-20 Budget</u>	<u>October 2019</u>	<u>FY 19-20 Year-to-Date</u>	<u>Percent YTD</u>	<u>Encumbered</u>	<u>Balance Available</u>
<b>Services &amp; Supplies</b>							
60210	Power	9,500	786	2,437	26%	-	7,063
60220	Water	2,800	615	1,142	41%	-	1,658
60250	Telephone	11,800	973	3,428	29%	-	8,372
60260	Refuse Disposal	2,600	226	895	34%	-	1,705
60310	Materials and Supplies	40,000	6,738	11,684	29%	810	27,506
60313	Tools	500	-	-	0%	-	500
60400	Outside Services/Repairs	13,000	632	2,767	21%	-	10,233
60410	Service Maintenance Contracts	6,800	383	2,123	31%	-	4,677
60426	Building Repairs	5,000	-	-	0%	-	5,000
60430	Claims Damages	5,000	-	-	0%	-	5,000
60440	Janitorial Services	23,220	1,935	7,740	33%	-	15,480
61200	Retired Employee Costs	599,000	48,352	206,913	35%	-	392,087
61410	Insurance	188,578	135,281	206,031	109%	-	(17,453)
<b>sub-total Services &amp; Supplies:</b>		<b>907,798</b>	<b>195,921</b>	<b>445,160</b>	<b>49%</b>	<b>810</b>	<b>461,828</b>
<b>Debt Service</b>							
72120	Interest - Umpqua Bank CalPERS UAL Loan	188,482	-	96,651	51%	-	91,831
73120	Principal - Umpqua Bank CalPERS UAL Loan	268,000	-	133,000	50%	-	135,000
72350	Interest - USDA EP Reach 3A	56,548	-	28,523	50%	-	28,025
73350	Principal - USDA EP Reach 3A	44,700	-	44,700	100%	-	-
72400	Interest - Water Fund Loan to Sewer Fund	13,014	-	-	0%	-	13,014
73400	Principal - Water Fund Loan to Sewer Fund	85,400	-	-	0%	-	85,400
72500	Interest - New Hogan Dam	14,627	-	-	0%	-	14,627
73500	Principal - New Hogan Dam	55,242	-	-	0%	-	55,242
72600	Interest - OP HQ	60,731	-	-	0%	-	60,731
73600	Principal - OP HQ	585,010	-	-	0%	-	585,010
72700	Interest - VacCon Truck Loan	24,064	-	-	0%	-	24,064
73700	Principal - OP HQ	7,453	-	-	0%	-	7,453
72900	Interest - Capital R&R Loan	58,083	-	25,295	44%	-	32,788
73900	Principal - Capital R&R Loan	1,519,334	-	767,667	51%	-	751,667
<b>sub-total Debt Service:</b>		<b>2,980,688</b>	<b>-</b>	<b>1,095,836</b>	<b>37%</b>	<b>-</b>	<b>1,658,021</b>
<b>Total Department:</b>		<b>3,888,486</b>	<b>195,921</b>	<b>1,540,996</b>	<b>40%</b>	<b>810</b>	<b>2,119,849</b>

CCWD Budget Status Report  
Utility Services - Summary

As of October 31, 2019  
33% of Year Completed

<u>Acct</u>	<u>Description</u>	FY 19-20 <u>Budget</u>	October <u>2019</u>	FY 19-20 <u>Year-to-Date</u>	Percent <u>YTD</u>	<u>Encumbered</u>	Balance <u>Available</u>
	<b>Personnel Services</b>						
	Salaries/Wages	3,882,912	317,861	1,202,703	31%	-	2,680,209
	Wages-Overtime	211,370	33,295	89,248	42%	-	122,122
	Benefits	2,492,389	205,535	803,519	32%	-	1,688,870
	Medical Reimbursements	18,400	400	2,101	11%	-	16,299
	<b>sub-total Personnel Services:</b>	<b>6,605,071</b>	<b>557,091</b>	<b>2,097,571</b>	<b>32%</b>	<b>-</b>	<b>4,507,500</b>
	<b>Services &amp; Supplies</b>						
	Utilities	922,516	104,299	324,216	35%	-	598,300
	Material and Supplies	740,600	60,882	321,781	0%	30,089	388,730
	Safety Eq Repl/consumables	40,000	5,753	15,462	39%	1,741	22,797
	Chemicals	340,000	19,734	112,438	33%	-	227,562
	Outside Services/Repairs	130,600	17,674	64,873	50%	12,109	53,618
	Service Maintenance Contracts	338,200	39,337	158,294	47%	36,430	143,476
	Laboratory Services	165,000	9,181	51,305	31%	74	113,621
	Rentals (Non Vehicles & Equipment)	-	3,000	15,000	0%	-	(15,000)
	Professional Services	84,300	6,439	27,272	32%	47,807	9,221
	Operating Exp/Gas & Oil	305,000	37,093	137,504	45%	14,651	152,845
	Rental Exp/Vehicle and Equip.	30,000	91	2,855	10%	-	27,145
	Lease Expense Vehicle/Equipment	210,017	-	-	0%	-	210,017
	Permits & Licenses	15,000	1,043	2,328	16%	-	12,672
	Publications/Subscriptions	1,000	-	-	0%	-	1,000
	Memberships/Dues	14,500	4,269	6,826	47%	-	7,674
	Training, Conferences & Travel	35,000	900	11,991	34%	1,081	21,928
	Other Travel Costs	-	95	114	0%	-	(114)
	Purchased Water	5,000	-	-	0%	-	5,000
	State Wtr/Swr Fees	230,000	540	1,902	1%	-	228,098
	<b>sub-total Services &amp; Supplies:</b>	<b>3,606,733</b>	<b>310,330</b>	<b>1,254,161</b>	<b>35%</b>	<b>143,982</b>	<b>2,208,590</b>
	<b>sub-total Operations:</b>	<b>10,211,804</b>	<b>867,421</b>	<b>3,351,732</b>	<b>33%</b>	<b>143,982</b>	<b>6,716,090</b>
	<b>Capital Outlay</b>						
	Tank Replacement - JL D Tank P/S	-	-	16,500	-	-	(16,500)
	Fuel Tanks (7) - District Wide	-	5,027	28,754	-	3,097	(31,852)
	Lake Tulloch Pump Replacement	-	38,824	41,065	-	-	(41,065)
308-20	Bummerville Tank Site Fence	20,000	-	-	0%	-	20,000
301/501-20	CC Equipment Storage Building	10,000	-	-	0%	-	10,000
303/503-20	CMMS Software	77,000	66,000	66,000	86%	-	11,000
306-20	Copper Sawmill PRV Vaults	63,200	-	-	0%	-	63,200
304/504-20	EP Articulating Snow Plow	6,900	-	-	0%	-	6,900
307-20	Flowmeters (2)	45,000	-	-	0%	-	45,000
505-20	Hydro Jet Trailer	30,000	-	-	0%	-	30,000
507-20	Indian Rock Filter Boxes (2)	30,000	-	-	0%	-	30,000
508-20	LaContenta Collections Storage Building	7,000	-	-	0%	-	7,000
305-20	Sample Stations (10)	10,200	-	-	0%	-	10,200
506-20	Slip Lining Equipment	6,000	-	-	0%	-	6,000
509-20	Southworth Quad	8,000	-	9,115	114%	-	(1,115)
302/502-20	Trailer Mounted Generators (4)	100,000	-	-	0%	1,621	98,379
510-20	Wallace Up-Gradient Monitor Well	39,100	5,054	8,429	22%	33,571	(2,900)
511-20	West Point Monitoring Well	41,600	4,373	7,833	19%	35,168	(1,401)
309-20	West Point SS Well-Screen Piping	10,000	-	-	0%	-	10,000
	<b>sub-total Capital Outlay:</b>	<b>504,000</b>	<b>119,279</b>	<b>177,697</b>	<b>35%</b>	<b>73,457</b>	<b>252,846</b>
	<b>Total Department:</b>	<b>10,715,804</b>	<b>986,699</b>	<b>3,529,429</b>	<b>33%</b>	<b>217,439</b>	<b>6,968,936</b>

CCWD Budget Status Report  
Utility Services - Detail

As of October 31, 2019  
33% of Year Completed

Acct	Description	FY 19-20 Budget	October 2019	FY 19-20 Year-to-Date	Percent YTD	Encumbered	Balance Available
<b>Personnel Services</b>							
60000	Salaries/Wages	3,882,912	317,861	1,202,703	31%	-	2,680,209
60030	Wages-Overtime	211,370	33,295	89,248	42%	-	122,122
60100	Benefits	2,492,389	205,535	803,519	32%	-	1,688,870
60102	Medical Reimbursements	18,400	400	2,101	11%	-	16,299
sub-total Personnel Services:		6,605,071	557,091	2,097,571	32%	-	4,507,500
<b>Services &amp; Supplies</b>							
60210	Power	842,000	90,722	277,259	33%	-	564,741
60220	Water	1,924	276	998	52%	-	926
60230	Sewage	57,449	3,466	12,856	22%	-	44,593
60240	Telephone Lease Lines	4,000	324	1,038	26%	-	2,962
60250	Telephone	7,643	7,564	26,293	344%	-	(18,650)
60260	Refuse/Disposal	9,500	1,947	5,772	61%	-	3,728
60310	Material and Supplies	100,000	10,028	26,224	26%	2,518	71,258
60311	Herbicide	1,500	-	-	0%	-	1,500
60312	Safety Eq Repl/consumables	40,000	5,753	15,462	39%	1,741	22,797
60313	Tools	25,000	3,330	23,789	95%	749	462
60314	Uniforms - New	12,000	892	9,996	83%	-	2,004
60325	Lab Supplies, Consumables	34,000	7,726	15,810	47%	4,461	13,729
60327	Ozone System Parts	43,600	365	4,144	10%	-	39,456
60328	UV Bulb Replacement	112,000	1,781	56,939	51%	2,601	52,460
60331	Electrical Parts Replacement	75,000	1,421	17,789	24%	91	57,120
60332	Leak Repair Supplies	80,000	10,958	44,227	55%	5,921	29,852
60333	Road Repair Materials	25,000	3,249	7,539	30%	494	16,967
60334	SCADA, Radio Supplies	40,000	-	5,212	13%	546	34,242
60335	Septic Tanks, Repair & New	10,000	-	4,150	42%	2,472	3,378
60338	Meters, New Conn. & Repl	30,000	15,079	38,375	128%	-	(8,375)
60350	Aerator/Compressor etc Repair	18,000	445	799	4%	-	17,201
60353	Computers/peripherals	6,000	450	450	8%	1,860	3,690
60354	Control Sys/Pressure Transducer	10,000	-	6,599	66%	-	3,401
60365	Headworks/Solids Removal Rep.	19,000	2,493	3,247	17%	415	15,338
60356	HVAC	8,500	-	4,538	53%	-	3,962
60357	Mixers	15,000	1,682	7,253	48%	-	7,747
60358	Monitor Wells Repair	1,000	-	-	0%	-	1,000
60359	Pumps/Motors Repair	75,000	1,003	43,650	58%	7,961	23,389
60360	Solids Handling Equip Repair	-	-	1,051	0%	-	(1,051)
60395	Chemicals	340,000	19,734	112,438	33%	-	227,562
60400	Outside Services/Repairs	75,000	15,352	56,428	75%	6,109	12,463
60401	Fire Ext. Testing Cust. Base	1,800	-	-	0%	-	1,800
60402	Spraying - Weeds & Insects	11,700	420	2,287	20%	-	9,413
60403	Snow Removal	6,000	-	-	0%	6,000	-
60404	Uniform Laundry	12,100	1,902	6,158	51%	-	5,942
60405	Fire Hydrant Maintenance	24,000	-	-	0%	-	24,000
60412	Groundwater Monitoring	45,000	2,622	3,676	8%	36,324	5,000
60413	Instrumentation Tech	6,500	-	5,736	88%	-	764
60414	Ozone System PM	10,000	-	-	0%	-	10,000
60415	Backflow Device Testing	6,500	-	1,050	16%	-	5,450
60416	SCADA Consulting (A-Team)	10,000	-	400	4%	-	9,600
60417	Hauling / Dig / Crane	12,000	110	750	6%	-	11,250
60419	Pave / Seal / Asphalt Repair	94,200	-	48,002	51%	-	46,198
60423	Telemetry / Radio	3,000	-	-	0%	-	3,000
60424	Septic Hauling	29,000	2,114	6,449	22%	-	22,551
60425	Tank Cleaning	74,000	34,491	69,815	94%	106	4,079
60426	Building Repairs	35,000	-	2,500	7%	-	32,500
60427	UV System PM	5,000	-	-	0%	-	5,000
60431	Computer Lic/Maint Contracts	8,000	-	19,916	249%	-	(11,916)
60470	Laboratory Services	165,000	9,181	51,305	31%	74	113,621
60480	Rentals (Non Vehicles & Equipment)	-	3,000	15,000	0%	-	(15,000)
60590	Professional Services	84,300	6,439	27,272	32%	47,807	9,221
60610	Operating Exp/Gas & Oil	210,000	24,868	69,042	33%	4,521	136,437
60620	Repairs and Parts	65,000	10,774	52,758	81%	2,593	9,649
60625	Fuel/Repairs - Generators	30,000	1,451	15,704	52%	7,537	6,759
60650	Rental Exp/Vehicle and Equip.	30,000	91	2,855	10%	-	27,145
60660	Lease Expense Vehicle/Equipment	210,017	-	-	0%	-	210,017
60710	Permits & Licenses	15,000	1,043	2,328	16%	-	12,672
60730	Publications/Subscriptions	1,000	-	-	0%	-	1,000
60732	Memberships/Dues	14,500	4,269	6,826	47%	-	7,674
60810	Training, Conferences & Travel	35,000	900	11,991	34%	1,081	21,928
60820	Other Travel Costs	-	95	114	0%	-	(114)
61100	Purchased Water	5,000	-	-	0%	-	5,000
61420	State Wtr/Swr Fees	230,000	540	1,902	1%	-	228,098
sub-total Services & Supplies:		3,606,733	310,330	1,254,161	35%	143,982	2,208,590
<b>sub-total Operations:</b>		<b>10,211,804</b>	<b>867,421</b>	<b>3,351,732</b>	<b>33%</b>	<b>143,982</b>	<b>6,716,090</b>
<b>Capital Outlay</b>							
Tank Replacement - J.L.D Tank P/S		-	-	16,500	-	-	(16,500)
Fuel Tanks (7) - District Wide		-	5,027	28,754	-	3,097	(31,852)
Lake Tulloch Pump Replacement		-	38,824	41,065	-	-	(41,065)
308-20	Bummerville Tank Site Fence	20,000	-	-	0%	-	20,000
301/501-20	CC Equipment Storage Building	10,000	-	-	0%	-	10,000
303/503-20	CMMS Software	77,000	66,000	66,000	86%	-	11,000
306-20	Copper Sawmill PRV Vaults	63,200	-	-	0%	-	63,200
304/504-20	EP Articulating Snow Plow	6,900	-	-	0%	-	6,900
307-20	Flowmeters (2)	45,000	-	-	0%	-	45,000
505-20	Hydro Jet Trailer	30,000	-	-	0%	-	30,000
507-20	Indian Rock Filter Boxes (2)	30,000	-	-	0%	-	30,000
508-20	LaContentis Collections Storage Building	7,000	-	-	0%	-	7,000
305-20	Sample Stations (10)	10,200	-	-	0%	-	10,200
506-20	Slip Lining Equipment	6,000	-	-	0%	-	6,000
509-20	Southworth Quaid	8,000	-	9,115	114%	-	(1,115)
302/502-20	Trailer Mounted Generators (4)	100,000	-	-	0%	1,621	98,379
510-20	Wallace Up-Gradient Monitor Well	39,100	5,054	8,429	22%	33,571	(2,900)
511-20	West Point Monitoring Well	41,600	4,373	7,833	19%	35,168	(1,401)
309-20	West Point SS Well-Screen Piping	10,000	-	-	0%	-	10,000
sub-total Capital Outlay:		504,000	119,279	177,697	35%	73,457	252,846
<b>Total Department:</b>		<b>10,715,804</b>	<b>986,699</b>	<b>3,529,429</b>	<b>33%</b>	<b>217,439</b>	<b>6,968,936</b>

CCWD Budget Status Report  
 General Management

As of October 31, 2019  
 33% of Year Completed

<u>Acct</u>	<u>Description</u>	<u>FY 19-20 Budget</u>	<u>October 2019</u>	<u>FY 19-20 Year-to-Date</u>	<u>Percent YTD</u>	<u>Encumbered</u>	<u>Balance Available</u>
<b>Personnel Services</b>							
60000	Salaries/Wages	432,629	47,388	187,037	43%	-	245,592
60030	Wages-Overtime	720	182	514	71%	-	206
60100	Benefits	219,953	21,381	87,602	40%	-	132,351
60102	Medical Reimbursements	1,600	-	489	31%	-	1,111
<b>sub-total Personnel Services:</b>		<b>654,902</b>	<b>68,951</b>	<b>275,642</b>	<b>42%</b>	<b>-</b>	<b>379,260</b>
<b>Services and Supplies</b>							
60310	Material and Supplies	2,800	163	779	28%	133	1,888
60320	Safety Material and Supplies	4,000	-	-	0%	-	4,000
60420	Drug and Alcohol Testing	1,700	-	-	0%	-	1,700
60429	Recruiting	13,000	-	4,477	34%	-	8,523
60505	Outside Legal Fees	230,000	21,356	38,058	17%	-	191,942
60541	Advertising/Publicity	1,500	-	853	57%	-	647
60590	Professional Services	132,800	6,524	22,902	17%	216	109,682
60700	Forms and Supplies	500	-	-	0%	-	500
60730	Publications/Subscriptions	150	-	-	-	-	150
60732	Memberships/Dues	46,895	31,720	43,791	93%	-	3,104
60810	Training, Conferences & Travel	20,700	2,723	11,143	54%	160	9,397
60820	Other Travel Costs	750	-	290	39%	-	460
61410	Unemployment Claims	2,000	-	-	0%	-	2,000
<b>sub-total Services &amp; Supplies:</b>		<b>456,795</b>	<b>62,486</b>	<b>122,293</b>	<b>27%</b>	<b>509</b>	<b>333,993</b>
<b>Total Department:</b>		<b>1,111,697</b>	<b>131,437</b>	<b>397,935</b>	<b>36%</b>	<b>509</b>	<b>713,253</b>

CCWD Budget Status Report  
Board of Directors

As of October 31, 2019  
33% of Year Completed

<u>Acct</u>	<u>Description</u>	<u>FY 19-20 Budget</u>	<u>October 2019</u>	<u>FY 19-20 Year-to-Date</u>	<u>Percent YTD</u>	<u>Encumbered</u>	<u>Balance Available</u>
<b>Personnel Services</b>							
60000	Salaries/Wages	43,200	2,880	9,120	21%	-	34,080
60100	Benefits	94,157	7,203	28,840	31%	-	65,317
60102	Medical Reimbursements	2,000	-	-	0%	-	2,000
<b>sub-total Personnel Services:</b>		<b>139,357</b>	<b>10,083</b>	<b>37,960</b>	<b>27%</b>	<b>-</b>	<b>101,397</b>
<b>Services and Supplies</b>							
60310	Materials and Supplies	750	109	181	24%	-	569
60810	Training, Conferences & Travel	15,000	150	2,002	13%	-	12,998
60820	Other Travel Costs	6,500	747	2,146	33%	-	4,354
<b>sub-total Services &amp; Supplies:</b>		<b>22,250</b>	<b>1,006</b>	<b>4,329</b>	<b>19%</b>	<b>-</b>	<b>17,921</b>
<b>Total Department:</b>		<b>161,607</b>	<b>11,089</b>	<b>42,289</b>	<b>26%</b>	<b>-</b>	<b>119,318</b>



CCWD Budget Status Report  
 Technical Services/Engineering

As of October 31, 2019  
 33% of Year Completed

<u>Acct</u>	<u>Description</u>	<u>FY 19-20 Budget</u>	<u>October 2019</u>	<u>FY 19-20 Year-to-Date</u>	<u>Percent YTD</u>	<u>Encumbered</u>	<u>Balance Available</u>
<b>Personnel Services</b>							
60000	Salaries/Wages	468,492	60,186	195,755	42%	-	272,737
60030	Overtime	5,720	850	3,909	68%	-	1,811
60100	Benefits	255,575	29,701	99,829	39%	-	155,746
60102	Medical Reimbursements	2,800	-	400	14%	-	2,400
<b>sub-total Personnel Services:</b>		<b>732,587</b>	<b>90,737</b>	<b>299,893</b>	<b>41%</b>	<b>-</b>	<b>432,694</b>
<b>Services and Supplies</b>							
60310	Materials and Supplies	3,500	74	74	-	-	3,426
60320	Safety Material and Supplies	800	-	137	-	-	663
60390	Admin. Technologies Comm.	-	-	3,179	-	-	(3,179)
60410	Service Maintenance Contracts	10,500	-	5,425	52%	4,430	645
60431	Computer Lic/Maint Contracts	-	-	1,895	0%	-	(1,895)
60541	Advertising/Publicity	-	415	415	0%	-	(415)
60590	Professional Services	80,000	(5,300)	(5,300)	-7%	-	85,300
60700	Forms and Supplies	500	-	-	0%	-	500
60730	Publications/Subscriptions	200	-	-	0%	-	200
60732	Memberships/Dues	618	-	115	19%	-	503
60740	Recording Title Reports	-	-	427	0%	-	(427)
60810	Training, Conferences & Travel	7,500	-	845	11%	-	6,655
60820	Other Travel Costs	500	-	-	0%	-	500
<b>sub-total Services &amp; Supplies:</b>		<b>104,118</b>	<b>(4,811)</b>	<b>7,212</b>	<b>7%</b>	<b>4,430</b>	<b>92,476</b>
<b>Total Department:</b>		<b>836,705</b>	<b>85,926</b>	<b>307,105</b>	<b>37%</b>	<b>4,430</b>	<b>525,170</b>

CCWD Budget Status Report  
 Administrative Services

As of October 31, 2019  
 33% of Year Completed

<u>Acct</u>	<u>Description</u>	FY 19-20 <u>Budget</u>	October <u>2019</u>	FY 19-20 <u>Year-to-Date</u>	Percent <u>YTD</u>	<u>Encumbered</u>	Balance <u>Available</u>
<b>Personnel Services</b>							
60000	Salaries/Wages	765,240	47,300	202,287	26%	-	562,953
60030	Wages-Overtime	2,970	386	1,249	42%	-	1,721
60100	Benefits	425,409	26,429	114,894	27%	-	310,515
60102	Medical Reimbursements	3,200	-	-	0%	-	3,200
<b>sub-total Personnel Services:</b>		<b>1,196,819</b>	<b>74,115</b>	<b>318,430</b>	<b>27%</b>	<b>-</b>	<b>878,389</b>
<b>Services and Supplies</b>							
60310	Materials and Supplies	1,250	-	-	0%	-	1,250
60390	Admin Technologies Comm	34,000	2,403	10,637	31%	5,168	18,195
60400	Outside Services/Repairs	6,450	590	1,747	27%	-	4,703
60410	Service Maintenance Contracts	49,500	2,081	30,296	61%	-	19,204
60431	Computer Lic/Maint Contracts	23,000	-	13,794	60%	-	9,206
60510	Accounting/Auditing	41,600	-	32,400	78%	-	9,200
60590	Professional Services	86,625	4,416	22,164	26%	-	64,461
60700	Forms and Supplies	1,950	480	480	25%	-	1,470
60720	Postage	17,300	1,750	4,568	26%	-	12,732
60732	Memberships/Dues	725	-	335	46%	-	390
60780	Printing	500	-	-	0%	-	500
60810	Training, Conferences & Travel	10,000	134	358	4%	-	9,642
60820	Other Travel Costs	800	-	-	0%	-	800
61310	Bad Debt Expense	52,000	6,271	12,623	24%	-	39,377
61315	Customer Rate Assistance Program	60,000	2,180	16,583	28%	-	43,417
61455	Water Conservation	3,000	-	1,748	58%	-	1,252
61485	Third Party Payment Proc Fees	72,500	155	13,158	18%	-	59,342
78100	Custodial Agent Fees	7,500	-	7,500	100%	-	-
<b>sub-total Services &amp; Supplies:</b>		<b>468,700</b>	<b>20,460</b>	<b>168,391</b>	<b>36%</b>	<b>5,168</b>	<b>295,141</b>
<b>sub-total Operations:</b>		<b>1,665,519</b>	<b>94,575</b>	<b>486,821</b>	<b>29%</b>	<b>5,168</b>	<b>1,173,530</b>
<b>Capital Outlay</b>							
	HP Color LaserJet Printer	6,000	-	-	0%	-	6,000
<b>sub-total Capital Outlay:</b>		<b>6,000</b>	<b>-</b>	<b>-</b>	<b>0%</b>	<b>-</b>	<b>6,000</b>
<b>Total Department:</b>		<b>1,671,519</b>	<b>94,575</b>	<b>486,821</b>	<b>29%</b>	<b>5,168</b>	<b>1,179,530</b>

CCWD Budget Status Report  
**Water Resources**

As of October 31, 2019  
 33% of Year Completed

<u>Acct</u>	<u>Description</u>	<u>FY 19-20 Budget</u>	<u>October 2019</u>	<u>FY 19-20 Year-to-Date</u>	<u>Percent YTD</u>	<u>Encumbered</u>	<u>Balance Available</u>
<b>Personnel Services</b>							
60000	Salaries/Wages	124,623	11,016	43,671	35%	-	80,952
60100	Benefits	69,437	5,578	22,243	32%	-	47,194
60102	Medical Reimbursements	400	-	-	0%	-	400
<b>sub-total Personnel Services:</b>		<b>194,460</b>	<b>16,594</b>	<b>65,914</b>	<b>34%</b>	<b>-</b>	<b>128,546</b>
<b>Services and Supplies</b>							
60310	Material and Supplies	500	-	-	0%	-	500
60505	Outside Legal Fees	155,000	22,539	38,986	25%	-	116,014
60541	Advertising/Publicity	500	-	-	0%	-	500
60590	Professional Services	84,000	7,175	14,526	17%	5,670	63,804
60732	Membership/Dues	47,500	-	60,364	127%	-	(12,864)
60810	Training, Conferences & Travel	4,000	20	1,301	33%	-	2,699
60820	Other Travel Costs	750	-	-	0%	-	750
61100	New Hogan O&M	293,262	-	-	0%	-	293,262
61435	State/Federal/County Fees	785,000	25,000	254,526	32%	-	530,474
61450	Mandated Plans	20,000	-	-	0%	-	20,000
61452	Strategic Plans Updates	50,000	-	-	0%	-	50,000
<b>sub-total Services &amp; Supplies:</b>		<b>1,440,512</b>	<b>54,734</b>	<b>369,703</b>	<b>26%</b>	<b>5,670</b>	<b>1,065,139</b>
<b>Total Department:</b>		<b>1,634,972</b>	<b>71,328</b>	<b>435,617</b>	<b>27%</b>	<b>5,670</b>	<b>1,193,685</b>



Water Capital Renovation and Replacement Fund  
 July 1, 2013 through October 31, 2019

	Through Jun 30, 2019	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Y-T-D FY 19-20	Total to Date
<b>Revenues:</b>							
Capital R&R Water Revenues	\$ 17,010,368	\$ 932,018	\$ 244,964	\$ -	\$ -	\$ 1,176,981	\$ 18,187,350
Interest Income	459,106	1,839	36,043	-	-	37,882	496,988
Capital R&R Loan *	6,622,000	-	-	-	-	-	6,622,000
Grant Revenues	5,244,297	-	442,834	-	-	442,834	5,687,131
<b>Total Revenues</b>	<b>\$ 29,335,772</b>	<b>\$ 933,857</b>	<b>\$ 723,841</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,657,697</b>	<b>\$ 30,993,469</b>
<b>Expenditures:</b>							
Ebbetts Pass Techite Line	\$ 212,263	\$ 1,900	\$ 4,409	\$ -	\$ -	\$ 6,309	\$ 218,572
Ebbetts Pass Reach 1	1,047,072	1,789,082	11,486	-	-	1,800,569	2,847,641
Jenny Lind A-B Trans Line	10,243	-	-	-	-	-	10,243
Jenny Lind Pretreatment Facility	4,748,448	130,433	5,769	-	-	136,201	4,884,649
EP Redwood Tanks HMGP	35,707	823	-	-	-	823	36,530
AMR/AMI Radio Read Meter Program	-	143	-	-	-	143	143
Ebbetts Pass WTP Filter Rehab	524	-	-	-	-	-	524
Meadowmont Pump Station Improv	29,879	54,198	68	-	-	54,266	84,145
White Pines Lake Restoration	67,747	-	-	-	-	-	67,747
Wallace SCADA Improvements	-	-	-	-	-	-	-
West Point Backup Water Filter	-	-	-	-	-	-	-
West Point SCADA Improvements	-	-	-	-	-	-	-
Tank Management Plan	67,816	-	-	-	-	-	67,816
Pipeline Replacement	237,613	5,799	720	-	-	6,519	244,133
Completed Projects (see Funding)	8,472,633	-	-	-	-	-	8,472,633
<b>Total Expenditures</b>	<b>\$ 14,929,945</b>	<b>\$ 1,982,378</b>	<b>\$ 22,453</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,004,831</b>	<b>\$ 16,934,776</b>
<b>Beginning Balance</b>	<b>\$ -</b>	<b>\$ 11,991,994</b>	<b>\$ 10,276,862</b>	<b>\$ 10,978,250</b>	<b>\$ 10,978,250</b>	<b>\$ 11,991,994</b>	<b>\$ -</b>
Total Revenues	29,335,772	933,857	723,841	-	-	1,657,697	30,993,469
Less							
Loan Payments	2,413,833	666,611	-	-	-	666,611	3,080,443
Project Costs	14,929,945	1,982,378	22,453	-	-	2,004,831	16,934,776
<b>Ending Balance</b>	<b>\$ 11,991,994</b>	<b>\$ 10,276,862</b>	<b>\$ 10,978,250</b>	<b>\$ 10,978,250</b>	<b>\$ 10,978,250</b>	<b>\$ 10,978,250</b>	<b>\$ 10,978,250</b>

\* R&R/USDA Loans - Outstanding P&I Due: \$ 5,100,434

Water Capital Renovation and Replacement Funding  
 July 1, 2013 through October 31, 2019

Project Funding	Project Budget	Expenses To Date	Balance	Operating Funds	Expansion Funds	Capital R&R	Grant Revenues
Ebbetts Pass Techite Line	\$ 1,600,000	\$ 218,572	\$ 1,381,428	\$ -	\$ -	\$ 1,600,000	\$ -
Ebbetts Pass Reach 1	7,400,000	2,847,641	4,552,359	-	1,000,000	6,400,000	-
Jenny Lind A-B Trans Line	4,500,000	10,243	4,489,757	-	-	4,500,000	-
Jenny Lind Pretreatment Facility	4,000,000	4,884,649	(884,649)	-	-	1,472,899	3,411,750
EP Redwood Tanks HMGP	2,800,000	36,530	2,763,470	-	-	700,000	2,100,000
AMR/AMI Radio Read Meter Program	4,500,000	143	4,499,857	-	-	4,500,000	-
Ebbetts Pass WTP Filter Rehab	400,000	524	399,476	-	-	400,000	-
Meadowmont Pump Station Improv	175,000	84,145	90,855	-	-	175,000	-
White Pines Lake Restoration	200,000	67,747	132,253	-	-	200,000	-
Wallace SCADA Improvements	100,000	-	100,000	-	-	100,000	-
West Point Backup Water Filter	3,400,000	-	3,400,000	-	-	3,400,000	-
West Point SCADA Improvements	100,000	-	100,000	-	-	100,000	-
Tank Management Plan	2,450,000	67,816	2,382,184	-	-	2,450,000	-
Pipeline Replacement	250,000	244,133	5,867	-	-	250,000	-
Big Trees Tank Replacement (1)	1,160,000	1,430,906	(270,906)	290,000	-	-	870,000
Ebbetts Pass Reach 3a (1)	5,360,000	5,829,093	(469,093)	-	-	3,982,000	1,378,000
Jenny Lind Pressure Reg Station (1)	190,000	207,581	(17,581)	-	-	190,000	-
Vista Del Lago/SR 26 Relocate (1)	190,000	200,671	(10,671)	-	-	200,671	-
Lake Tulloch Drought Emergency (1)	750,000	749,414	586	-	-	749,414	-
Capital Program Management (1)	50,000	54,969	(4,969)	-	-	54,969	-
<b>Total Expenditures</b>	<b>\$ 39,575,000</b>	<b>\$ 16,934,776</b>	<b>\$ 22,640,224</b>	<b>\$ 290,000</b>	<b>\$ 1,000,000</b>	<b>\$ 31,424,953</b>	<b>\$ 7,759,750</b>

(1) completed project

**Wastewater Capital Renovation and Replacement Fund  
July 1, 2013 through October 31, 2019**

	Through Jun 30, 2019	Jul - Sep	Oct - Dec	Jan - Mar	Apr - Jun	Y-T-D FY 19-20	Total to Date
<b>Revenues:</b>							
Capital R&R Wastewater Revenues	6,177,909	\$ 325,224	\$ 70,468	\$ -	\$ -	\$ 395,692	\$ 6,573,602
Interest Income	132,150	608	13,797	-	-	14,405	146,555
Capital R&R Loan *	2,300,001	-	-	-	-	-	2,300,001
Grant Revenues	69,066	-	16,578	-	-	16,578	85,644
<b>Total Revenues</b>	<b>\$ 8,679,126</b>	<b>\$ 325,832</b>	<b>\$ 100,843</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 426,675</b>	<b>\$ 9,105,801</b>
<b>Expenditures:</b>							
Copper Cove L/S 8,12,13 Bypass	\$ 131,881	\$ 13,214	\$ -	\$ -	\$ -	\$ 13,214	\$ 145,095
Copper Cove LS 15 & 18 Renovation	134,269	13,833	-	-	-	13,833	148,103
Vallecito Recycle Water Distribution	93,099	16,132	12,815	-	-	28,947	122,046
Wallace Renovation/SCADA/PLC	466	-	-	-	-	-	466
West Point/Wilseyville Construction	611	-	-	-	-	-	611
Arnold Secondary Clarifier	4,405	-	-	-	-	-	4,405
Arnold Leach Field Improvements	-	-	-	-	-	-	-
La Contenta Biolac, Clarifier and UV	-	-	-	-	-	-	-
Copper Cove TP/UV Improvements	-	-	9,318	-	-	9,318	9,318
Huckleberry Lift Station Rehab	34,351	159	38,625	-	-	38,784	73,135
Indian Rock East Sand Filter Rehab	-	-	-	-	-	-	-
Southworth Collection I&I Mitigation	45,039	51,472	-	-	-	51,472	96,510
Vallecito/DF Headworks Screen	-	-	-	-	-	-	-
Completed Projects (see Funding)	2,336,367	-	-	-	-	-	2,336,367
<b>Total Expenditures</b>	<b>\$ 2,780,487</b>	<b>\$ 94,810</b>	<b>\$ 60,758</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 155,568</b>	<b>\$ 2,936,056</b>
<b>Beginning Balance</b>	<b>\$ -</b>	<b>\$ 4,110,842</b>	<b>\$ 4,142,289</b>	<b>\$ 4,182,373</b>	<b>\$ 4,182,373</b>	<b>\$ 4,110,842</b>	<b>\$ -</b>
Total Revenues	8,679,126	325,832	100,843	-	-	426,675	9,105,801
Less							
Loan Payments/Expenses	1,787,796	199,576	-	-	-	199,576	1,987,372
Project Costs	2,780,487	94,810	60,758	-	-	155,568	2,936,056
<b>Ending Balance</b>	<b>\$ 4,110,842</b>	<b>\$ 4,142,289</b>	<b>\$ 4,182,373</b>	<b>\$ 4,182,373</b>	<b>\$ 4,182,373</b>	<b>\$ 4,182,373</b>	<b>\$ 4,182,373</b>

\* Sewer R&R Loan - Outstanding P&I Due: \$ 594,445

Wastewater Capital Renovation and Replacement Funding  
 July 1, 2013 through June 30, 2019

Project Funding	Project Budget	Expenses To Date	Balance	Operating Funds	Expansion Funds	Capital R&R	Grant Revenues
Copper Cove L/S 8,12,13 Bypass	2,400,000	145,095	2,254,905	-	-	2,400,000	-
Copper Cove LS 15 & 18 Renovation	3,200,000	148,103	3,051,897	-	-	3,200,000	-
Vallecito Recycle Water Distribution	280,000	122,046	157,954	-	-	100,000	180,000
Wallace Renovation/SCADA/PLC	100,000	466	99,534	-	-	100,000	-
West Point/Wilseyville Construction	4,750,000	611	4,749,389	-	-	-	4,750,000
Arnold Secondary Clarifier	1,400,000	4,405	1,395,595	-	280,000	1,120,000	-
Arnold Leach Field Improvements	600,000	-	600,000	-	120,000	480,000	-
La Contenta Biolac, Clarifier and UV	3,850,000	-	3,850,000	-	1,925,000	1,925,000	-
Copper Cove TP/UV Improvements	13,000,000	9,318	12,990,682	-	6,500,000	6,500,000	-
Huckleberry Lift Station Rehab	200,000	73,135	126,865	-	-	200,000	-
Indian Rock East Sand Filter Rehab	150,000	-	150,000	-	-	150,000	-
Southworth Collection I&I Mitigation	100,000	96,510	3,490	-	-	100,000	-
Vallecito/DF Headworks Screen	250,000	-	250,000	-	-	250,000	-
Vallecito I&I/Equalization (1)	400,000	39,285	360,715	-	-	-	-
Copper Cove Reclaim Permit (1)	250,000	221,825	28,175	-	-	-	-
WP/Wilseyville Consolidation (1)	45,000	5,728	39,272	-	-	-	-
Copper Cove Lift Station 22 (1)	1,600,000	1,516,935	83,065	-	-	-	-
Poker Flat LS 9, 10 and 11 (1)	285,000	493,406	(208,406)	-	-	-	-
Capital Program Management (1)	50,000	59,188	(9,188)	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 32,910,000</b>	<b>\$ 2,936,056</b>	<b>\$ 29,973,944</b>	<b>\$ -</b>	<b>\$ 8,825,000</b>	<b>\$ 10,725,000</b>	<b>\$ 4,750,000</b>

(1) completed project



# Agenda Item

DATE: Monday, November 25, 2019

TO: Finance Committee

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Report on the FY 2018-19 Financial Audit Report by Richardson & Company, LLP

---

## RECOMMENDED ACTION:

### SUMMARY:

We are pleased to present the Independent Auditor's Report and Financial Statements for the Calaveras County Water District for the fiscal year ending June 30, 2019. The purpose of the report is to provide the Board of Directors, District staff, rate-payers, 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:

Section 1 – the introductory sections contains the Table of Contents, the Independent Auditor's Report, and the Management's Discussion and Analysis (MD&A)

Section 2 – 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.

Section 3 – the Independent Auditors' report on Internal Control over Financial Reporting and on Compliance and other matters based on the audit.

### Stewardship

The District prepares financial reports to promote accountability. The District's elected officials are accountable to the rate payers and the residents of Calaveras County. District management is accountable to the elected officials. This report gives rate

payers and other interested parties the means of assessing whether the elected officials and District management have faithfully carried out their role of being good stewards of the District's resources.

### 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 2018-19 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, will make a presentation to the Board at the December 2019 Board meeting and will answer any questions the Board or general public may have regarding the FY 2018-19 audit.

### **FINANCIAL CONSIDERATIONS:**

None.

*Attachment: Draft FY 2018-19 Audit Report*

# DRAFT



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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 funds of the Calaveras County Water District (the District) as of and for the year ended June 30, 2019, 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 our auditing procedures for the purpose of expressing our opinion 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.

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.

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. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The following matters have been included in this letter for your consideration:

### Internal Controls

The District appears to have adequate review procedures to reduce the risk of errors occurring and to safeguard the District's assets. However, we continue to recommend the following enhancements to controls be considered. We also continue to recommend that all controls performed be documented with a manual or system sign-off of the preparer and reviewer.

### Journal Entry Review

Having a second member of management review journal entries is an important fraud prevention control. We noted journal entries were not reviewed by a second employee during the closing process for the 2019 financial statements after the Director of Administrative Services left the District. The District should ensure journal entries are reviewed and assign an alternate reviewer in the absence of key employees.

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.

Cash Receipts

- We recommended last year that certain duties be separated related to over-the-counter cash handling, posting of cash receipt batches and adjustments to the cash receipt batches posted. Management has determined that the over-the-counter receipts are not significant in relation to the payments processed and do not warrant establishing additional controls that would result in additional staff time.
- 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.

Policies and Procedures

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.

Other Items

We recommend the District prepare one combined year-end reconciliation of all cash and investment accounts for both the enterprise funds and agency funds that lists the account name/type and bank or investment account number at the top of each column, the balance per the bank or investment statement on the top line, totals of any reconciling items on following lines and the amount per the general ledger on the bottom line so a summary exists that has all petty cash, bank deposits, investment and fiscal agent investment accounts in one report to make it easier to tie total cash and investments in the general ledger and cash and investments footnote to the supporting statements.

Current year depreciation expense is not included on the capital asset detail list, making it difficult to audit depreciation expense and net book value of capital assets. We also noted the cost of existing assets on the capital asset detail list generated did not agree to the prior year cost as the depreciation software apparently did not remove prior year partial disposals. We recommend the District work with its software provider to ensure the fields on the depreciation list are adequate for financial reporting or consider changing software providers.

We recommended last year that accounting procedures over functional areas be documented so a new employee would have documentation to follow to understand how to perform accounting functions. The District made progress documenting accounting procedures during the year. However, detailed payables and wire/bank transfer procedures still need to be documented.

We continue to recommend a policy and procedures be developed to address how to pay bills of assessment districts that do not have a sufficient balance in its deposit account with the assistance of legal counsel.

\* \* \* \* \*

To the Board of Directors and Management  
Calaveras County Water District  
Page 3

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

\_\_\_\_\_, 2019



**DRAFT**

**CALAVERAS COUNTY WATER DISTRICT**

**AUDITED FINANCIAL STATEMENTS**

**June 30, 2019**

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CALAVERAS COUNTY WATER DISTRICT

AUDITED FINANCIAL STATEMENTS

June 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

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

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

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

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, 2019, 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.

To the Board of Directors  
Calaveras County Water District

**Other Matters**

*Report on Summarized Comparative Information*

We have previously audited the District's 2018 financial statements, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 14, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, 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 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, 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.

*Other 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 presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary 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. Such 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 supplementary 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 \_\_\_\_\_, 2019 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 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.

\_\_\_\_\_, 2019

## 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, 2019. 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 located 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 13,130 residential and commercial customer accounts in five major water service areas. This is an increase of 32 accounts from 2017-18. With the exception of 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 4,875 customers. This is an increase of 19 accounts from 2017-18.

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 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 of 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 current year’s revenues and expenses and measures the District’s operations over the past year, and 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.

The *Statement of Revenues, Expenses and changes in Net Position – Proprietary Funds* accounts for current year’s operating revenue, operating expenses, nonoperating revenues and expenses, capital contributions, and the changes associated with the net position. It can be used to 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 Agency Fund* accounts for the assets and liabilities associated with the Assessment District.

## 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

The District historically analyzed changes in its major funds (water, sewer and public financing authority) "in total." For this reporting period, the District has separated the analysis into water fund and sewer fund, as well as in total. The public financing authority is included in the water fund totals.

Below are some of the key financial highlights for the fiscal year ending June 30, 2019 and how they compare to the prior fiscal year (FY 2017-18). The source documents for the following condensed tables (A-1 through A-7) 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, increased by \$6.4 million
- Operating Revenues increased by \$0.4 million
- Non-operating Revenues increased by \$1.9 million
- Operating Expenses decreased by \$32 thousand
- Non-operating Expenses decreased by \$0.6 million
- Capital assets, net of depreciation, are \$110 million, a \$1.7 million increase
- Long-term liabilities, as reported in Note D, increased 42.7%, or \$3.7 million
  - This was primarily due to the Umpqua bank loan to paydown the CalPERS UAL (unfunded actuarial liability), February 2019. This liability would have historically been reported only as part of Note I.

## BALANCE SHEETS

The District's condensed balance sheets are displayed below:

**Table A-1**  
**Condensed Balance Sheets**  
(in millions)  
**As of June 30**

	Water*	Sewer	Total	Water	Sewer	Total	Dollar	Percent
	2019	2019	2019	2018	2018	2018	Change	Change
Current assets	\$ 13.1	\$ 1.3	\$ 14.4	\$ 12.4	\$ 1.0	\$ 13.4	\$ 1.0	8.0%
Noncurrent assets	17.6	9.8	27.4	17.5	8.6	26.1	1.3	5.0%
Other noncurrent and OPEB assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0%
Interfund Loans	1.0	0.0	1.0	0.0	0.0	0.0	1.0	100.0%
Capital assets, net of accumulated depreciation	69.9	40.1	110.0	67.6	40.7	108.3	1.7	2.0%
Deferred outflows of resources	6.9	3.0	9.9	3.4	1.2	4.6	5.3	112.0%
Total assets and deferred outflows of resources	108.5	54.2	162.7	100.9	51.5	152.4	10.3	7.0%
Current liabilities	3.2	1.1	4.3	2.4	1.1	3.5	0.9	27.0%
Noncurrent liabilities	21.6	7.7	29.3	19.9	6.6	26.5	2.8	11.0%
Deferred inflows of resources	0.5	0.2	0.7	0.5	0.2	0.7	0.0	9.0%
Net position	83.2	45.2	128.4	78.2	43.8	122.0	6.4	5.0%
Total liabilities, deferred inflows and net position	108.5	54.2	162.7	100.9	51.5	152.4	10.3	7.0%
Detail of net position								
Net investment in capital assets	68.7	39.8	108.5	66.3	39.6	105.9	2.6	2.0%
Restricted for expansion and construction	14.7	9.5	24.2	13.5	8.3	21.8	2.4	11.0%
Unrestricted	(0.3)	(4.1)	(4.4)	(1.6)	(4.2)	(5.8)	1.4	-25.0%
Total net position:	\$ 83.1	\$ 45.1	\$ 128.3	\$ 78.1	\$ 43.7	\$ 121.9	\$ 6.4	5.0%

\* Includes Public Financing Authority Fund

### Current Assets

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

As of June 30, 2019, current assets totaled \$14.4 million, \$1 million higher than the prior year. This increase was due in part to cash and cash equivalents, utility billing accounts receivable and grant receivables.

### Noncurrent Assets

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

As of June 30, 2019, noncurrent assets totaled \$27.4 million, which is \$1.3 million higher than FY 2017-18. The two main categories, restricted cash and investments, experienced the largest increases as collections of restricted revenue outpaced spending.

### Other Noncurrent

Other noncurrent assets totaled \$49 thousand. This is made up of deferred charges for the New Hogan Fiscal Year 2019-20 debt service payments and a note receivable from the New Hogan/La Contenta Assessment District in the amount of \$10,741.



**Net Capital Assets**

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

As of June 30, 2019, net capital assets totaled \$110 million. There were increases of \$4.7 million in capital assets, less depreciation of \$3.9 million, for a net increase of \$1.7 million. The largest contributor was related to Work in Progress of \$4.5 million. The two main projects were the Jenny Lind Pretreatment Plant, and the Ebbetts Pass Reach 1 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 \$9.9 million. The increase of \$5.3 million is related to the payment of the CalPERS UAL after the measurement period. For more information on pension liability, see Note I of 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, 2019, current liabilities totaled \$4.3 million, \$0.9 million higher than the prior year. This increase is a combination of higher than prior year Accounts Payable accruals related to project costs, and the current portion of the Districts new CalPERS UAL Loan.

**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 \$29.3 million as of June 30, 2019. This is an increase over 2017-18 of \$2.8 million. This is primary due to the CalPERS UAL Loan.

**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 \$0.7 million, which is almost the same as last year. For more information on the pension plan, see Note I of 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, 2019. The District's Net Position in 2019 increased from \$121.9 million to \$128.3 million, or \$6.3 million. This is a combination of increased revenues, reduction in expenditures, and increases related to capital contributions.

**Table A-2**  
**Condensed Statement of Revenues, Expenses and Changes in Net Position**  
(in millions)  
**As of June 30**

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Operating revenues	\$ 8.1	\$ 4.6	\$ 12.7	\$ 7.9	\$ 4.3	\$ 12.3	\$ 0.4	3.0%
Nonoperating revenues	4.7	1.4	6.2	3.3	1.0	4.3	1.9	44.0%
Total revenues	12.8	6.0	18.9	11.2	5.3	16.6	2.3	14.0%
Operating expenses	11.1	5.1	16.3	10.7	5.6	16.3	0.0	0.0%
Depreciation	2.7	1.2	4.0	2.7	1.2	3.9	0.1	3.0%
Nonoperating expenses	0.2	0.1	0.3	0.7	0.2	0.8	(0.5)	-62.0%
Total expenses	14.0	6.4	20.6	14.1	7.0	21.0	(0.4)	-2.0%
Net (Loss) income before capital contributions	(1.2)	(0.4)	(1.7)	(2.9)	(1.7)	(4.4)	2.7	-60.0%
Expansion fees	0.5	0.5	1.0	0.4	0.1	0.6	0.4	78.0%
Capital renovation and replacement (R&R) fees	3.3	1.2	4.4	3.3	1.2	4.4	0.0	0.0%
Other capital contributions	2.5	0.2	2.7	0.8	0.0	0.8	1.9	254.0%
Ebbetts Pass Reach 3a Pipeline (USDA) Grant	0.0	0.0	0.0	0.6	0.0	0.6	(0.6)	-100.0%
Total capital contributions and transfers	6.3	1.9	8.1	5.1	1.3	6.4	1.7	28.0%
Change in net position	5.1	1.5	6.4	2.2	(0.4)	2.0	4.4	133.0%
Net position at beginning of year as previously reported	78.2	43.7	121.9	81.1	45.9	127.0	(5.1)	-4.0%
Restatement	0.0	0.0	0.0	(5.3)	(1.8)	(7.1)	7.1	-100.0%
Net position at beginning of year - as restated	78.2	43.7	121.9	75.9	44.1	119.9	2.0	2.0%
Net position at end of year	\$ 83.2	\$ 45.1	\$ 128.3	\$ 78.1	\$ 43.7	\$ 121.9	\$ 6.4	5.0%

### Operating Revenues

Operating revenues account for approximately sixty-three percent (63%) of the District's revenues. The majority of the revenues come from water sales, including base rates and consumptive revenues.

**Table A-3**  
**Operating Revenues**  
(in millions)  
**As of June 30**

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Water sales and sewer charges	\$ 7.7	\$ 4.5	\$ 12.2	\$ 7.6	\$ 4.2	\$ 11.8	\$ 0.4	3.0%
Water and sewer fees	0.4	0.1	0.5	0.3	0.1	0.5	0.0	3.0%
Total operating revenues	\$ 8.1	\$ 4.6	\$ 12.7	\$ 7.9	\$ 4.3	\$ 12.3	\$ 0.4	3.0%

A growth in new accounts and increased customer water consumption in FY 2018-19 led to a \$0.4 million increase in operating revenues over the prior fiscal year.

### Nonoperating Revenues

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

Nonoperating revenues, increased \$1.9 million, from \$4.3 million in FY 2017-18 to \$6.2 million in FY 2018-19. Increases in investment income and an accounting change related reimbursable federal and state regulatory fees. At the request of our auditors, Richardson & Company, effective Fiscal Year 2018-19 the District now recognizes an expense when the government agency is paid, and revenue when the reimbursing agency is invoiced.

**Table A-4**  
**Nonoperating Revenues**  
**(in millions)**

	As of June 30							
	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Property taxes and assessments	\$ 2.5	\$ 0.7	\$ 3.2	\$ 2.3	\$ 0.6	\$ 2.9	\$ 0.3	10.0%
Investment income	0.6	0.2	0.8	0.3	0.1	0.4	0.4	111.0%
Power sales	0.6	0.2	0.8	0.6	0.2	0.8	0.0	6.0%
Other income	1.0	0.3	1.3	0.2	0.0	0.2	1.1	602.0%
Grant revenues	0.0	0.0	0.0	0.0	0.0	0.1	(0.1)	-59.0%
<b>Total nonoperating revenues excluding depreciation</b>	<b>\$ 4.7</b>	<b>\$ 1.4</b>	<b>\$ 6.2</b>	<b>\$ 3.3</b>	<b>\$ 1.0</b>	<b>\$ 4.3</b>	<b>\$ 1.9</b>	<b>44.0%</b>

### Operating Expenses, Excluding Depreciation

Approximately sixty percent (60%) of the District's operating expenses are salaries and benefits, followed by other operating expenses and professional services. Other significant operating expenses include other utility services and repairs and maintenance.

**Table A-5**  
**Operating Expenses, Excluding Depreciation**  
**(in millions)**

	As of June 30							
	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Salaries and benefits	\$ 6.8	\$ 2.9	\$ 9.7	\$ 7.0	\$ 3.2	\$ 10.1	\$ (0.4)	-4.0%
Repairs and maintenance	0.6	0.3	1.0	0.7	0.3	1.0	(0.1)	-7.0%
Materials and supplies	0.5	0.3	0.8	0.5	0.5	0.9	(0.1)	-9.0%
Utility services	0.7	0.4	1.1	0.7	0.5	1.1	0.0	-3.0%
Professional services	0.8	0.3	1.1	1.0	0.4	1.4	(0.3)	-21.0%
Vehicle and equipment	0.2	0.1	0.4	0.2	0.1	0.3	0.1	23.0%
Other operating expenses	1.4	0.6	2.1	0.6	0.4	1.1	1.0	88.0%
Travel and training	0.0	0.0	0.1	0.0	0.0	0.1	0.0	24.0%
Director costs	0.1	0.0	0.1	0.1	0.0	0.1	0.0	5.0%
Postemployment benefits	0.0	0.0	(0.1)	0.0	0.1	0.1	(0.2)	-148.0%
<b>Total operating expenses, excluding depreciation</b>	<b>\$ 11.1</b>	<b>\$ 5.1</b>	<b>\$ 16.3</b>	<b>\$ 10.7</b>	<b>\$ 5.6</b>	<b>\$ 16.3</b>	<b>\$ -</b>	<b>0.0%</b>

Total FY 2018-19 operating expenses, excluding depreciation, were \$16.3 million. While there were increases and decreases throughout this category, the overall change compared to the prior year was a decrease of \$32 thousand.

### Nonoperating Expenses

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

**Table A-6**  
**Nonoperating Expenses**  
**(in millions)**

	As of June 30							
	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
(Gain)/loss on sale of capital assets	\$ -	\$ -	\$ -	\$ 0.4	\$ 0.1	\$ 0.6	\$ (0.5)	-101.0%
Interest expense	0.2	0.1	0.3	0.2	0.1	0.3	0.0	-4.0%
<b>Total nonoperating expenses</b>	<b>\$ 0.2</b>	<b>\$ 0.1</b>	<b>\$ 0.3</b>	<b>\$ 0.6</b>	<b>\$ 0.2</b>	<b>\$ 0.8</b>	<b>\$ (0.6)</b>	<b>-69.0%</b>

Nonoperating expenses were \$0.3 million, There was a small gain on sale of capital assets compared to a much larger loss in the prior year. The interest expense remains relatively unchanged from the prior year.

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

An important measure of an organization's performance.

**Table A-7**  
**Net Operating Income, Excluding Depreciation**  
(in millions)  
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Operating revenues	\$ 8.1	\$ 4.6	\$ 12.7	\$ 7.9	\$ 4.3	\$ 12.3	\$ 0.4	3.0%
Operating expenses	(11.1)	(5.1)	(16.3)	(10.7)	(5.6)	(16.3)	-	0.0%
Net operating income/(loss), excluding depreciation	\$ (3.0)	\$ (0.5)	\$ (3.6)	\$ (2.8)	\$ (1.3)	\$ (4.0)	\$ 0.4	-10.0%

In spite of increased water sales, a FY 2018-19 net operating loss still exists. Overall, Operating Revenues increased \$0.4 million while Operating Expenses remained flat.

## 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:

**Table A-8**  
**Capital Assets, Net of Accumulated Depreciation**  
(in millions)  
As of June 30

	Water 2019	Sewer 2019	Total 2019	Water 2018	Sewer 2018	Total 2018	Dollar Change	Percent Change
Capital assets, not being depreciated								
Land	\$ 4.2	\$ 9.4	\$ 13.6	\$ 4.1	\$ 9.3	\$ 13.4	\$ 0.2	1.0%
Construction in progress	6.9	0.5	7.4	2.3	0.6	2.9	4.5	154.0%
Total capital assets, not being depreciated	11.1	9.9	21.0	6.4	9.9	16.3	4.7	29.0%
Capital assets, being depreciated								
Buildings	6.0	1.2	7.3	6.3	1.3	7.6	(0.3)	-4.0%
Utility system - infrastructure	51.4	28.2	79.6	53.5	28.6	82.1	(2.5)	-3.0%
Machinery and equipment	1.3	0.8	2.1	1.3	0.9	2.2	(0.1)	-5.0%
Total capital assets, being depreciated	58.8	30.2	89.0	61.1	30.8	91.9	(2.9)	-3.0%
Total capital assets, net	\$ 69.9	\$ 40.1	\$ 110.0	\$ 67.5	\$ 40.7	\$ 108.2	\$ 1.7	2.0%

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

Net capital assets totaled approximately \$110 million, \$1.7 million higher than the prior year. An increase of \$4.5 million in capital assets and \$0.7 million in equipment and utility, was offset by reductions of \$3.9 million in current year depreciation expense.

The major capital asset additions for fiscal year 2018-19 include:

- \$3.4 million for the Jenny Lind Water Treatment Plant Pretreatment Project
- \$1.0 million for the Ebbetts Pass Reach 1 Water Line Replacement Project

## LONG-TERM DEBT AND LOANS

As of June 30, 2019, the District had \$11.6 million in long-term debt and loans outstanding, and a compensated absences balance of \$0.8 million. Total long-term liabilities increased \$3.7 million, or 42.5% from FY 2017-18 as the District closed the CalPERS UAL loan with Umpqua Bank.

A condensed summary of the District's long-term liabilities are as follows:

**Table A-9**  
**Condensed Long Term Liabilities**  
**(in millions)**  
**As of June 30**

	2019	2018	Dollar Change	Percent Change
<b>Water Fund:</b>				
Water Revenue Loans	\$ 2.3	\$ 3.4	\$ (1.1)	-33.0%
U.S. Bureau of Reclamation Note	0.2	0.3	0.0	-15.0%
Pension Loans	3.8	0.2	3.6	2105.0%
Total Water Fund loans and notes	6.3	3.9	2.5	64.0%
Compensated absences	0.5	0.6	0.0	-6.0%
Total Water Fund liabilities	6.8	4.5	2.5	55.0%
<b>Sewer Fund:</b>				
Sewer Revenue Loans	0.8	1.1	(0.4)	-33.0%
U.S. Bureau of Reclamation Note	0.1	0.1	0.0	-15.0%
Pension Loans	1.9	0.1	1.8	2105.0%
Total Sewer Fund loans and notes	2.8	1.3	1.4	105.0%
Compensated absences	0.3	0.3	(0.1)	-23.0%
Total Sewer Fund liabilities	3.1	1.6	1.3	79.0%
<b>Public Financing Authority</b>				
Water Revenue Bonds	2.5	2.6	0.0	-2.0%
Total long-term liabilities	\$ 12.4	\$ 8.7	\$ 3.7	43.0%

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

## ECONOMIC CONDITION AND OUTLOOK

Calaveras County's employment picture continued to improve as the unemployment rate dropped from an adjusted 4.1 percent (4.1%) in June 2018 to 3.2 percent (3.2%) in June 2019. The county has now reached a "full employment" scenario where future job growth will be minimal and the unemployment rate will not experience significant declines. Approximately 25% of our available workforce is commuting to external counties, with San Joaquin and Amador being the two largest draws. Furthermore, the county's population is projected to decline annually 0.2 percent (0.2%) from 2019 to 2023. As a result, wage growth is expected to slow to 1.3 percent (1.3%) per year between 2019 and 2023.

While the public sector remains the County's largest employer, accounting for approximately twenty-eight percent (28%) of all jobs, future job gains are expected to occur in leisure services, healthcare and education, and retail trade. It is likely that a portion of these new jobs will be filled by non-county residents due to the aging of the county's current workforce and projected county population declines. With fewer people moving into the county, demand for construction of new housing units will likely remain low. Thus, the number of new water and sewer service connections will also remain low, as will capacity fee revenues. Conversely, slower growth does delay the need to expand the water and sewer systems to accommodate new connections. The County of Calaveras did approve the General Plan in November 2019. However, it is unknown what overall impacts that will have on growth in the county at this point.

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, etc. The Capital R&R rate revenues, in conjunction with the water and sewer loans and grants, have provided the 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 state recently passed SB 606 and AB 1668 which establishes 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. Targets for outdoor water use will be set differently for each area taking into account factors like 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's customers have yet to return to pre-drought consumptive levels.

The District adopted a five-year water and sewer rate plan that runs from 2018 through 2023. These additional operating revenues will help offset the costs of operating and maintaining water and sewer systems on a 24/7 basis, as much of the treatment and regulatory costs are fixed. Although the District remains vigilant in implementing cost-cutting and efficiency measures to reduce expenses, these measures cannot be allowed to compromise the District's ability to meet public health and safety requirements. As always, the District is committed to monitoring its fiscal condition as well as the state of the local economy.

## **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.ccw.org](http://www.ccw.org).

**BASIC FINANCIAL STATEMENTS**



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CALAVERAS COUNTY WATER DISTRICT

BALANCE SHEET - PROPRIETARY FUNDS

June 30, 2019

(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public	2019	2018
			Financing Authority		
ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and cash equivalents	\$ 9,470,429	\$ 145,681		\$ 9,616,110	\$ 9,133,048
Investments	500,628			500,628	578,161
Accounts receivable	2,093,099	996,038		3,089,137	2,815,931
Taxes receivable	134,513	35,319		169,832	185,253
Grants receivable	784,010	68,612		852,622	488,324
Interest receivable	82,288	19,083		101,371	66,468
Prepaid expenses and other assets	65,073	48,484		113,557	113,940
Deposits	4,015	7,835		11,850	4,500
TOTAL CURRENT ASSETS	13,134,055	1,321,052		14,455,107	13,385,625
NONCURRENT ASSETS					
Restricted Assets:					
Cash and cash equivalents	16,561,291	7,250,179		23,811,470	20,841,341
Investments	960,516	549,933		1,510,449	1,720,634
Interest receivable	59,125	26,271		85,396	57,825
Due from other funds					1,126,267
Interfund loans		1,981,870		1,981,870	2,351,139
Total Restricted Assets	17,580,932	9,808,253		27,389,185	26,097,206
Other noncurrent assets	28,034	10,368		38,402	38,109
Notes receivable	7,841	2,900		10,741	10,742
Interfund loans	1,023,409			1,023,409	
Capital assets:					
Nondepreciable	11,109,590	9,860,632		20,970,222	16,308,540
Depreciable, net	58,799,294	30,210,644		89,009,938	91,966,094
Total Capital Assets, Net	69,908,884	40,071,276		109,980,160	108,274,634
TOTAL NONCURRENT ASSETS	88,549,100	49,892,797		138,441,897	134,420,691
TOTAL ASSETS	101,683,155	51,213,849		152,897,004	147,806,316
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	5,812,419	2,605,516		8,417,935	3,405,469
Other postemployment benefits	1,038,458	384,087		1,422,545	1,228,844
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 108,534,032	\$ 54,203,452	\$ -	\$ 162,737,484	\$ 152,440,629

CALAVERAS COUNTY WATER DISTRICT  
BALANCE SHEET - PROPRIETARY FUNDS (Continued)

June 30, 2019  
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public Financing Authority	2019	2018
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 1,239,297	\$ 362,989		\$ 1,602,286	\$ 670,448
Deposits payable	56,098	19,309		75,407	92,983
Accrued interest payable	62,463	27,867	\$ 18,914	109,244	56,896
Current portion of long-term liabilities	1,803,937	710,340	44,700	2,558,977	2,607,349
TOTAL CURRENT LIABILITIES	<u>3,161,795</u>	<u>1,120,505</u>	<u>63,614</u>	<u>4,345,914</u>	<u>3,427,676</u>
NONCURRENT LIABILITIES					
Unearned revenue	15,221	5,630		20,851	
Due to other funds					1,126,267
Interfund loans	1,981,870	1,023,409		3,005,279	2,351,139
Retention payable	145,206			145,206	12,723
Noncurrent portion of long-term liabilities	5,053,473	2,284,180	2,490,900	9,828,553	6,067,806
Net pension liability	7,339,341	2,714,550		10,053,891	10,242,016
Net other postemployment benefits liability	4,606,892	1,703,919		6,310,811	6,662,940
TOTAL NONCURRENT LIABILITIES	<u>19,142,003</u>	<u>7,731,688</u>	<u>2,490,900</u>	<u>29,364,591</u>	<u>26,462,891</u>
TOTAL LIABILITIES	<u>22,303,798</u>	<u>8,852,193</u>	<u>2,554,514</u>	<u>33,710,505</u>	<u>29,890,567</u>
DEFERRED INFLOWS OF RESOURCES					
Pension plan	454,598	168,139		622,737	489,307
Other postemployment benefits	46,441	17,176		63,617	141,332
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>501,039</u>	<u>185,315</u>		<u>686,354</u>	<u>630,639</u>
NET POSITION					
Net investment in capital assets	68,743,782	39,786,866		108,530,648	105,913,689
Restricted for expansion and construction	14,731,307	9,486,645		24,217,952	21,844,647
Unrestricted	2,254,106	(4,107,567)	(2,554,514)	(4,407,975)	(5,838,913)
TOTAL NET POSITION (DEFICIT)	<u>85,729,195</u>	<u>45,165,944</u>	<u>(2,554,514)</u>	<u>128,340,625</u>	<u>121,919,423</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 108,534,032</u>	<u>\$ 54,203,452</u>	<u>\$ -</u>	<u>\$ 162,737,484</u>	<u>\$ 152,440,629</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, 2019  
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public Financing Authority		
				2019	2018
OPERATING REVENUE					
Water sales and sewer charges	\$ 7,721,769	\$ 4,464,513		\$ 12,186,282	\$ 11,830,690
Water and sewer fees	350,113	115,654		465,767	452,173
TOTAL OPERATING REVENUE	<u>8,071,882</u>	<u>4,580,167</u>		<u>12,652,049</u>	<u>12,282,863</u>
OPERATING EXPENSES					
Salaries and benefits	6,764,124	2,930,770		9,694,894	10,141,876
Repairs and maintenance	643,460	318,491		961,951	1,031,641
Materials and supplies	510,172	312,466		822,638	905,074
Utility services	682,315	409,695		1,092,010	1,121,399
Professional services	792,560	331,969		1,124,529	1,420,125
Vehicle and equipment	244,914	137,709		382,623	310,449
Other operating expenses	1,409,914	648,903		2,058,817	1,094,973
Travel and training	44,054	21,491		65,545	52,684
Director costs	94,824	35,384		130,208	124,211
Postemployment benefits	(44,407)	(8,681)		(53,088)	109,764
Depreciation	2,749,810	1,241,799		3,991,609	3,866,861
TOTAL OPERATING EXPENSES	<u>13,891,740</u>	<u>6,379,996</u>		<u>20,271,736</u>	<u>20,179,057</u>
NET LOSS FROM OPERATIONS	<u>(5,819,858)</u>	<u>(1,799,829)</u>		<u>(7,619,687)</u>	<u>(7,896,194)</u>
NONOPERATING REVENUES (EXPENSES)					
Property taxes and assessments	2,519,303	656,297		3,175,600	2,884,008
Investment income	583,502	240,259		823,761	390,753
Power sales	586,131	216,788		802,919	756,360
Other income	1,018,897	316,878		1,335,775	190,166
Grant revenues	23,207	8,583		31,790	78,018
Gain/(loss) on sale of capital assets	2,395	843		3,238	(553,508)
Interest expense	(171,281)	(89,500)	\$ (57,218)	(317,999)	(272,674)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>4,562,154</u>	<u>1,350,148</u>	<u>(57,218)</u>	<u>5,855,084</u>	<u>3,473,123</u>
NET (LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(1,257,704)</u>	<u>(449,681)</u>	<u>(57,218)</u>	<u>(1,764,603)</u>	<u>(4,423,071)</u>
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Expansion fees	510,219	498,226		1,008,445	567,667
Capital renovation and replacement (R & R) fees	3,264,713	1,181,826		4,446,539	4,449,341
Other capital contributions	2,541,819	189,002		2,730,821	770,880
Ebbetts Pass Reach 3A Pipeline (USDA) grant					629,795
Transfers in		18,957	101,243	120,200	4,212,982
Transfers (out)	(120,200)			(120,200)	(4,212,982)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>6,196,551</u>	<u>1,888,011</u>	<u>101,243</u>	<u>8,185,805</u>	<u>6,417,683</u>
CHANGE IN NET POSITION	<u>4,938,847</u>	<u>1,438,330</u>	<u>44,025</u>	<u>6,421,202</u>	<u>1,994,612</u>
Net position (deficit) at beginning of year - as previously reported	80,790,348	43,727,614	(2,598,539)	121,919,423	127,035,501
Restatement					(7,110,690)
Net position at beginning of year - as restated	<u>80,790,348</u>	<u>43,727,614</u>	<u>(2,598,539)</u>	<u>121,919,423</u>	<u>119,924,811</u>
NET POSITION (DEFICIT) AT END OF YEAR	<u>\$ 85,729,195</u>	<u>\$ 45,165,944</u>	<u>\$ (2,554,514)</u>	<u>\$ 128,340,625</u>	<u>\$ 121,919,423</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, 2019  
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public Financing Authority	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash receipts from customers	\$ 7,896,749	\$ 4,469,855		\$ 12,366,604	\$ 12,152,165
Cash paid to suppliers for goods and services	(3,210,208)	(2,052,442)		(5,262,650)	(5,581,339)
Cash paid to employees for services	(7,180,942)	(3,152,036)		(10,332,978)	(9,929,248)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(2,494,401)</u>	<u>(734,623)</u>		<u>(3,229,024)</u>	<u>(3,358,422)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Property taxes and assessments	2,531,670	659,351		3,191,021	2,932,942
Power sales	586,131	216,788		802,919	756,360
Other income	1,018,898	316,878		1,335,776	190,166
Operating grants from outside agencies	23,207	(34,499)		(11,292)	(8,921)
Proceeds from noncapital pension loan	3,795,550	1,869,450		5,665,000	
Principal paid on noncapital pension loan	(172,133)	(84,783)		(256,916)	
Contribution of pension loan proceeds to CalPERS	(3,714,857)	(1,829,705)		(5,544,562)	
Interfund transfers	(285,368)	285,368			
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>3,783,098</u>	<u>1,398,848</u>		<u>5,181,946</u>	<u>3,870,547</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions received	5,995,535	1,869,054		7,864,589	7,272,556
Acquisition of capital assets	(4,972,140)	(616,007)		(5,588,147)	(3,642,643)
Proceeds from disposals of capital assets	19,781	6,952		26,733	144,132
Interfund capital transfers	(101,243)		101,243		
Principal paid on long-term liabilities	(1,153,334)	(389,226)	(43,700)	(1,586,260)	(1,926,718)
Interest payments on long-term liabilities	(136,900)	(71,208)	(57,543)	(265,651)	(283,757)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(348,301)</u>	<u>799,565</u>		<u>451,264</u>	<u>1,563,570</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Maturities of investments	210,104	77,614		287,718	1,103,739
Purchases of investments					1,055,815
Interest received	542,279	219,008		761,287	325,717
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>752,383</u>	<u>296,622</u>		<u>1,049,005</u>	<u>2,485,271</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	1,692,779	1,760,412		3,453,191	4,560,966
Cash and cash equivalents at beginning of year	<u>24,338,941</u>	<u>5,635,448</u>		<u>29,974,389</u>	<u>25,413,423</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 26,031,720</u>	<u>\$ 7,395,860</u>	<u>\$ -</u>	<u>\$ 33,427,580</u>	<u>\$ 29,974,389</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET</b>					
Cash and cash equivalents	\$ 9,470,429	\$ 145,681		\$ 9,616,110	\$ 9,133,048
Restricted cash and cash equivalents	<u>16,561,291</u>	<u>7,250,179</u>		<u>23,811,470</u>	<u>20,841,341</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 26,031,720</u>	<u>\$ 7,395,860</u>	<u>\$ -</u>	<u>\$ 33,427,580</u>	<u>\$ 29,974,389</u>

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Continued)

For the Year Ended June 30, 2019  
(With Prior Year Data for Comparative Purposes Only)

	Business-type Activities - Enterprise Funds			Totals for Comparative Purposes Only	
	Water	Sewer	Public Financing Authority	2019	2018
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:					
Net loss from operations	\$ (5,819,858)	\$ (1,799,829)		\$ (7,619,687)	\$ (7,896,194)
Adjustments to reconcile net loss from operations to net cash used for operating activities:					
Depreciation	2,749,810	1,241,799		3,991,609	3,866,861
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:					
Accounts receivable	(162,087)	(111,119)		(273,206)	(136,382)
Prepaid expenses and other assets	18,103	(17,720)		383	(13,095)
Deposits	(730)	(6,620)		(7,350)	(4,500)
Deferred charges	(215)	(78)		(293)	(2,345)
Net pension liability and related deferred inflows and outflows of resources	(63,184)	(82,960)		(146,144)	758,214
Accounts payable and accrued expenses	813,745	118,093		931,838	68,970
Deposits payable	(12,831)	(4,745)		(17,576)	8,029
Unearned revenue	15,221	5,630		20,851	
Compensated absences	(32,375)	(77,074)		(109,449)	(7,980)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (2,494,401)</u>	<u>\$ (734,623)</u>	<u>\$ -</u>	<u>\$ (3,229,024)</u>	<u>\$ (3,358,422)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:					
Change in unrealized gain/loss on investments	\$ 6,450	\$ 3,212		\$ 9,662	\$ 52,319
Capital asset purchases payable	\$ 939,181	\$ 58,596		\$ 997,777	\$ (56,506)
Developer donated assets	\$ 178,650	\$ 132,224		\$ 310,874	

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

CALAVERAS COUNTY WATER DISTRICT

STATEMENT OF FIDUCIARY NET POSITION  
ASSESSMENT DISTRICT AGENCY FUND

June 30, 2019

(With Prior Year Data for Comparative Purposes Only)

	Agency Funds	
	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,119,036	\$ 1,141,438
Interest receivable	3,770	2,956
Due from County of Calaveras	24,228	21,999
Restricted assets:		
Cash and cash equivalents with fiscal agents	531,858	527,289
TOTAL ASSETS	<u>\$ 1,678,892</u>	<u>\$ 1,693,682</u>
<b>LIABILITIES</b>		
Notes payable	\$ 10,742	\$ 10,742
Due to other governments	263,761	327,322
Due to bond holders	1,404,389	1,355,618
TOTAL LIABILITIES	<u>\$ 1,678,892</u>	<u>\$ 1,693,682</u>

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

CALAVERAS COUNTY WATER DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

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NOTE A – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 13,100 municipal, residential and commercial customers; retail sewer services to approximately 4,900 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 five 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 expire 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 D). 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 activity of the Authority is reported as the Public Financing Authority Enterprise Fund due to the separate reporting requirements under the joint exercise of powers agreement. The Authority does not issue separate financial statements.

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



CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

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

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.

*Public Financing Authority Fund*— This fund accounts for the activities of the Calaveras County Water District Public Financing Authority. The Authority was established to assist the District in the issuance of certain debt used for a water pipeline project, as discussed in Note D.

The District also reports the following fiduciary fund:

*Agency Fund* — This fund is used to account for assets held by the District as an agent for nine special assessment districts within its boundaries used to finance improvements within the special assessment districts, including improvements financed with special assessment bonds.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on the flow of economic resources measurement focus and agency funds have no measurement focus. Under the flow of 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 balance sheet. 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 position. 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.

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

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

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

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, 2019 totaled \$3,241,337 and \$831,659, respectively, including accounts payable and principal payable on the Umpqua Bank 2014 Water and Sewer Revenue Loans as described in Note D.

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 E.

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.

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 position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position 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 pension plan under GASB Statement No. 68 as described in Note I and OPEB plan under GASB Statement No. 75 as described in Note J.

Compensated Absences: A total of 22 to 32 days of Personal Time Off (PTO) leave per year may be accumulated by each employee. Compensation time and holiday hours are also accrued as compensated absences. 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.

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

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

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

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 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. 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 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, 2018 from which the summarized information was derived.

Reclassifications: The District reclassified unrestricted cash and net position of \$520,464 and \$192,500 in the Water and Sewer Fund, respectively, that was inadvertently reported as restricted for debt service in 2018. In addition, it was determined in 2019 that the amount restricted for expansion and construction and the net investment in capital assets was misstated due to not accounting for unspent debt proceeds appropriately. This resulted in an increase in the net investment in capital assets of \$2,578,308 offset by a decrease in net position restricted for expansion and construction of \$984,438 and a decrease in unrestricted net position of \$1,593,870. These reclassifications had no effect on total assets, liabilities, net position or change in net position.

New Pronouncements: In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

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

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the lease's guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement improves the information that is disclosed in the notes to government financial statements and clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences and significant subjective acceleration clauses. For notes to the financial statement there is a requirement that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2018.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement enhances disclosures about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense rather than being recorded as part of the cost of capital assets in a business-type activity or enterprise fund and interest cost incurred by a fund using the current financial resources measurement focus before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2018.

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, 2019:

	Proprietary Funds	Fiduciary Funds	Total
Cash and cash equivalents	\$ 9,616,110	\$ 1,119,036	\$ 10,735,146
Investments	500,628		500,628
Restricted cash and cash equivalents	23,811,470		23,811,470
Restricted cash and cash equivalents with fiscal agents		531,858	531,858
Restricted investments	1,510,449		1,510,449
Total cash and investments	<u>\$ 35,438,657</u>	<u>\$ 1,650,894</u>	<u>\$ 37,089,551</u>

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE B – CASH AND INVESTMENTS (Continued)

Cash and investments were classified according to GASB Statement No. 40 as follows at June 30, 2019:

	Proprietary Funds	Fiduciary Funds	Total
Cash on hand	\$ 600		\$ 600
Bank deposits	4,546,968	\$ 672,410	5,219,378
Total cash and deposits	<u>4,547,568</u>	<u>672,410</u>	<u>5,219,978</u>
Medium term corporate notes	23,798		23,798
Local Agency Investment Fund (LAIF)	28,880,011	446,625	29,326,636
Non-negotiable certificates of deposit	1,987,280		1,987,280
Investments with fiscal agents:			
Money market mutual funds		203,831	203,831
Local Agency Investment Fund (LAIF)		328,028	328,028
Total investments	<u>30,891,089</u>	<u>978,484</u>	<u>31,869,573</u>
Total cash and investments	<u>\$ 35,438,657</u>	<u>\$ 1,650,894</u>	<u>\$ 37,089,551</u>

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 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.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE B – CASH AND INVESTMENTS (Continued)

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:

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%	AI/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, 2019:

Investment Type	Total	12 Months or Less	13 to 24 Months	25 to 60 Months
Medium term corporate notes	\$ 23,798	\$ 23,798		
LAIF	29,326,636	29,326,636		
Non-negotiable certificates of deposit	1,987,280			\$ 1,987,280
Investments with fiscal agent:				
Money market mutual funds	203,831	203,831		
LAIF	328,028	328,028		
Total Investments	<u>\$ 31,869,573</u>	<u>\$ 29,882,293</u>	<u>\$ -</u>	<u>\$ 1,987,280</u>

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

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 (where applicable) 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, 2019.

Investment Type	Total	Minimum Rating	Ratings as of Year End Not Rated
Medium term corporate notes <sup>(1)</sup>	\$ 23,798	A	\$ 23,798
LAIF	29,326,636	N/A	29,326,636
Non-negotiable certificates of deposit	1,987,280	N/A	1,987,280
Investments with fiscal agent:			
Money market mutual funds	203,831	N/A	203,831
LAIF	328,028	N/A	328,028
<b>Total Investments</b>	<b>\$ 31,869,573</b>		<b>\$ 31,869,573</b>

<sup>(1)</sup> Investment in Lehman Brothers note. Corporation filed for bankruptcy in 2008 and rating was withdrawn.

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. The District’s non-negotiable certificate of deposit with Wells Fargo Bank NA in the amount of \$1,987,280 exceeded 5% of total investments.

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, 2019, the carrying amount of the District’s deposits, including Agency Fund deposits and certificates of deposit, was \$7,206,658 and the balance in financial institutions was \$7,280,496. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and the remaining amount of \$6,780,496 was secured by a pledge of securities by the financial institution, but not in the name of the District. The California local district obligations, medium term corporate notes and money market mutual funds are held by the same broker-dealers (counterparty) used by the District to buy the securities.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

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NOTE B – CASH AND INVESTMENTS (Continued)

On September 15, 2008, Lehman Brothers Holdings Inc. declared bankruptcy, which has had a direct and negative impact on the District's investment holdings. After consultation with the District's investment broker, the District decided to permanently write-down the carrying amount of the securities to the estimated recoverable market value and hold the securities through the bankruptcy proceedings. There is a market for selling the security and the District is able to determine a fair value. As of June 30, 2019, the District carried the Lehman securities at the estimated recoverable fair value provided by the investment broker of \$23,798. The amount ultimately recovered may differ from this estimate. The District recovered \$13,141 on the securities during the year-ended June 30, 2019.

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 is \$105,814,483,092, which is managed by the State Treasurer. Of that amount, 1.77 percent 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 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 173 days at June 30, 2019.

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 has the following recurring fair value measurements as of June 30, 2019:

- Medium term corporate notes of \$23,798 are valued based on the estimated recoverable value based on information learned during the Lehman Brothers Holdings Inc. bankruptcy, which includes unobservable inputs (Level 3 inputs).

The District's investment in LAIF, non-negotiable certificates of deposit and money market mutual funds are not subject to fair value measurements or are measured at the net asset value of the underlying investments.



CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE C – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance at July 1, 2018	Additions	Retirements	Transfer	Balance at June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 13,389,343	\$ 178,127			\$ 13,567,470
Construction in progress	2,919,197	4,866,606		\$ (383,051)	7,402,752
Total capital assets, not being depreciated	16,308,540	5,044,733		(383,051)	20,970,222
Capital assets, being depreciated:					
Buildings	17,732,474				17,732,474
Utility system - infrastructure	161,220,852	330,876		383,051	161,934,779
Machinery and equipment	17,541,965	345,021	\$ (33,160)		17,853,826
Total capital assets, being depreciated	196,495,291	675,897	(33,160)	383,051	197,521,079
Less accumulated depreciation for:					
Buildings	(10,114,883)	(339,720)			(10,454,603)
Utility system - infrastructure	(79,072,940)	(3,225,534)			(82,298,474)
Machinery and equipment	(15,341,374)	(426,355)	9,665		(15,758,064)
Total accumulated depreciation	(104,529,197)	(3,991,609)	9,665		(108,511,141)
Total capital assets, being depreciated, net	91,966,094	(3,315,712)	(23,495)	383,051	89,009,938
Total capital assets, net	\$ 108,274,634	\$ 1,729,021	\$ (23,495)	\$ -	\$ 109,980,160

NOTE D – LONG-TERM LIABILITIES

The activity of the District's long-term liabilities during the year ended June 30, 2019 was as follows:

	Balance at July 1, 2018	Additions	Retirements	Balance at June 30, 2019	Current Portion
Water Fund:					
Umpqua Bank 2014 Water Revenue Loan	\$ 3,411,593		\$ (1,113,008)	\$ 2,298,585	\$ 1,136,957
U.S. Bureau of Reclamation Note - Hogan	277,609		(40,326)	237,283	40,327
Umpqua Bank 2012 Pension Loan	172,133		(172,133)		
Umpqua Bank Series 2019 Taxable Revenue Refunding Loan		\$ 3,795,550		3,795,550	179,560
Total Water Fund loans and notes	3,861,335	3,795,550	(1,325,467)	6,331,418	1,356,844
Compensated absences	558,367	525,992	(558,367)	525,992	447,093
Total Water Fund liabilities	4,419,702	4,321,542	(1,883,834)	6,857,410	1,803,937
Sewer Fund:					
Umpqua Bank 2014 Sewer Revenue Loan	1,147,374		(374,311)	773,063	382,377
U.S. Bureau of Reclamation Note - Hogan	102,677		(14,915)	87,762	14,915
Umpqua Bank 2012 Pension Loan	84,783		(84,783)		
Umpqua Bank Series 2019 Taxable Revenue Refunding Loan		1,869,450		1,869,450	88,440
Total Sewer Fund loans and notes	1,334,834	1,869,450	(474,009)	2,730,275	485,732
Compensated absences	341,319	264,245	(341,319)	264,245	224,608
Total Sewer Fund liabilities	1,676,153	2,133,695	(815,328)	2,994,520	710,340
Public Financing Authority Fund:					
Series 2016 Water Enterprise Revenue Bonds	2,579,300		(43,700)	2,535,600	44,700
Total long-term liabilities	\$ 8,675,155	\$ 6,455,237	\$ (2,742,862)	\$ 12,387,530	\$ 2,558,977

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

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NOTE D – LONG-TERM LIABILITIES (Continued)

Description of Water Fund Loans and Notes – Direct Borrowing:

Umpqua Bank 2014 Water Revenue Loan: In April 2014, the District obtained a loan from Umpqua Bank for \$4,061,933 to fund various water improvement projects. The loan is payable from a pledge on the District's net water 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 \$587,005 to \$593,385 are due each September 1 and March 1 at 2.12% through March 1, 2021. In the event of default, the interest rate increases 3%.

Description of Sewer Fund Loans and Notes – Direct Borrowing:

Umpqua Bank 2014 Sewer Revenue Loan: In April 2014, the District obtained a loan from Umpqua Bank for \$2,337,528 to fund various wastewater improvement projects. The loan is payable from a pledge on the District's net 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 events of default and remedies for default are identical to those disclosed for the Umpqua Bank 2014 Water Revenue Loan above except the Bank has the right to require the District to charge and collect rates for wastewater services sufficient to meet requirements of the loan agreement. Semi-annual principal and interest payments ranging from \$197,428 to \$199,582 are due each September 1 and March 1 at 2.12% through March 1, 2021. In the event of default, the interest rate increases 3%.

Description of Shared Water Fund and Sewer Fund Loans and Notes – 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 \$14,687 through June 10, 2025. The remaining balance on the contract at June 30, 2019 was \$325,045.

The contract also requires the District to make payments to Stockton-East Water District for the Calaveras County Water District's share of expenses for operations, maintenance, replacements and contract administration. These costs are expensed as incurred.

Umpqua Bank 2012 Pension Loan: On March 28, 2012, the District obtained a loan from Umpqua Bank for \$1,974,792 in order to pay off its side-fund with CalPERS in the same amount. The side fund represented the District's unfunded pension liability when the District joined a CalPERS cost-sharing pension plan. The loan is paid in monthly payments of \$26,051 including interest at 2.9%, maturing on April 1, 2019. The loan was paid off in April 2019.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE D – LONG-TERM LIABILITIES (Continued)

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 Water and Sewer Fund 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 events of default and remedies for default are identical to those disclosed for the Umpqua Bank 2014 Water Revenue Loan above except the Bank has the right to require the District to charge and collect rates for both water and wastewater services sufficient to meet requirements of the loan agreement. Semi-annual principal and interest payments ranging from \$176,591 to \$259,240 are due beginning in 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%.

Description of Public Financing Authority Fund Debt – Direct Placement:

U.S. Department of Agriculture Bonds: On June 16, 2016, the Calaveras County Water District Public Financing Authority issued 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 \$44,700 to \$99,500 and semi-annual interest payments ranging from \$1,119 to \$28,526 at 2.25% through September 1, 2055.

The annual requirements to amortize the outstanding loans and notes payable at June 30, 2019 were as follows:

Years Ending June 30	Water Fund			Sewer Fund			Public Financing Authority Fund		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 1,356,844	\$ 180,410	\$ 1,537,254	\$ 485,732	\$ 80,782	\$ 566,514	\$ 44,700	\$ 56,548	\$ 101,248
2021	1,421,715	145,879	1,567,594	513,841	67,839	581,680	45,700	55,531	101,231
2022	276,837	117,857	394,694	131,405	57,184	188,589	46,700	54,492	101,192
2023	265,447	108,279	373,726	125,795	52,689	178,484	47,700	53,430	101,130
2024	266,787	98,991	365,778	126,455	48,337	174,792	48,800	52,344	101,144
2025-2029	1,163,930	366,784	1,530,714	568,905	180,458	749,363	260,900	244,558	505,458
2030-2034	1,099,470	179,598	1,279,068	541,530	88,459	629,989	291,700	213,508	505,208
2035-2039	480,388	20,420	500,808	236,612	10,058	246,670	325,900	178,748	504,648
2040-2044							364,400	140,013	504,413
2045-2049							407,200	96,649	503,849
2050-2054							455,100	48,194	503,294
2055-2059							196,800	4,453	201,253
	<u>\$ 6,331,418</u>	<u>\$ 1,218,218</u>	<u>\$ 7,549,636</u>	<u>\$ 2,730,275</u>	<u>\$ 585,806</u>	<u>\$ 3,316,081</u>	<u>\$ 2,535,600</u>	<u>\$ 1,198,468</u>	<u>\$ 3,734,068</u>

Description of Shared Water Fund and Sewer Fund Capital Lease:

Enterprise Fleet Management Lease Program: On June 7, 2019, the District entered into a multi-year capital 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 District makes monthly rental payments according to the lease schedule and the lease agreement. The term of the lease schedule begins on the date each vehicle is delivered to the District. The District agrees to pay within 30 days after the end of the term for each vehicle additional rent amount equal to the excess, if any, of the book value of a leased vehicle greater than the wholesale value of the vehicle. As of June 30, 2019, the District has not leased any vehicles. In the event of default, the interest rate will increase to 18% or the highest rate permitted by law.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE D – LONG-TERM LIABILITIES (Continued)

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, Sewer Fund and Public Financing Authority 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 September 1, 2055. 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 on the table above. Total principal and interest paid on all debt payable from net revenues in the Water and Sewer Funds was \$1,932,425 and \$647,908, respectively, and total water and sewer system net revenues were \$5,292,517 and \$2,571,201 for the year ended June 30, 2019. At June 30, 2019, the District’s total water and sewer system net revenues were 274% and 397% 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 E – 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. This resulted in the total loans outstanding of \$1,570,731 from the Sewer Fund to the Water Fund at June 30, 2019. The internal loan will be repaid with operating funds over ten years at an interest rate of 2.5% or the weighted average of the District's current return on investments each year, whichever is higher. The internal loan will be repaid on an "interest only" basis for the first five years and then principal payments of \$645,741 will be made each year thereafter in addition to yearly interest payments. As part of the fiscal year 2017-18 budget adoption (June 28, 2017), the Board approved delaying the start of the principal pay down one year (to fiscal year 2018-19), which extends the “interest only” period to six years. Thus, the revised term will be eleven years, including six years with interest only payments and five years with principal and interest payments.

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 outstanding loan balance as of June 30, 2019 was \$1,522,736. This resulted in an internal loan of \$411,139 from the Sewer Fund to the Water Fund at June 30, 2019. 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.

On August 8, 2018, the Board of Directors 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 \$125,383, including interest at 2% per year. The outstanding balance at June 30, 2019 was \$1,023,409.

NOTE F – INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2019 were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount</u>
Water Fund	Sewer Fund	\$ 18,957
Water Fund	Public Financing Authority Fund	<u>101,243</u>
Total interfund transfers		<u>\$ 120,200</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them, (2) move receipts restricted to debt service from the Funds collecting the receipts to the debt service fund as debt service payments become due and (3) subsidize operating losses.

CALAVERAS COUNTY WATER DISTRICT  
 NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE G – 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. 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. The outstanding principal amounts of these special assessment bonds at June 30, 2019, were as follows:

District	Amount
Westpoint Acres #3A	\$ 9,000
Arnold Sewer #9S4 A/B	120,000
Saddle Creek Refinance 2001	1,045,000
DaLee/Cassidy	750,000
Fly-In Acres	1,760,000
Total	\$ 3,684,000

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. At this time the value of the properties (both unimproved) are significantly less than the lien amounts.

NOTE H – NET POSITION

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

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.

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.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE H – NET POSITION (Continued)

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, 2019:

	Limited to Unrestricted Net Position			As Approved		
	Water Fund	Sewer Fund	Public Financing Authority Fund	Water Fund	Sewer Fund	Public Financing Authority Fund
Designated:						
90 Day Emergency Operating Reserve				\$ 2,920,000	\$ 1,080,000	
Water Rights Reserve				3,000,000		
CIP Cash Flow Reserve	\$ 1,167,467			1,241,000	459,000	
Special Projects Reserve	1,086,639			1,086,639	401,907	
Total designated	2,254,106					
Undesignated		\$ (4,107,567)	\$ (2,554,514)	\$ 8,247,639	\$ 1,940,907	\$ -
Total unrestricted net position	\$ 2,254,106	\$ (4,107,567)	\$ (2,554,514)			

NOTE I – PENSION 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
- PEPRM 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 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 PEPRM 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 following: 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 for the year ended June 30, 2019 are summarized as follows:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE I – PENSION PLAN (Continued)

	Miscellaneous Plan First Tier (Prior to August 1, 2012)	Miscellaneous Plan Second Tier (August 1, 2012 to December 31, 2012)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Hire date			
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	7.952%	6.912%	6.250%
Required employer contribution rates	12.212%	7.634%	6.842%

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, 2019 the employer contributions for the Plan (all rate plans combined) were \$6,676,136, including the contribution for the employer unfunded accrued liability and a contribution made from the proceeds of the 2019 pension loan described in Note D of \$5,544,562.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2019 the District reported a net pension liability for its proportionate share of the net pension liability of the Plan (all rate plans combined) of \$10,053,891.

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, 2019 is measured as of June 30, 2018, 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, 2017 rolled forward to June 30, 2018 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 as of June 30, 2019 was as follows:

Proportion - June 30, 2018	0.25981%
Proportion - June 30, 2019	0.26677%
Change - Increase (Decrease)	0.00696%

For the year ended June 30, 2019 the District recognized pension expense of \$1,608,975. At June 30, 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, 2019

NOTE I – PENSION PLAN (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 6,676,136	
Differences between actual and expected experience	385,750	\$ (131,268)
Changes in assumptions	1,146,172	(280,905)
Differences between the employer's contributions and the employer's proportionate share of contributions		(205,019)
Change in employer's proportion	160,173	(5,545)
Net differences between projected and actual earnings on plan investments	<u>49,704</u>	
Total	<u>\$ 8,417,935</u>	<u>\$ (622,737)</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 as of June 30, 2019:

Year Ended June 30	
2020	\$ 986,438
2021	558,761
2022	(335,707)
2023	<u>(90,430)</u>
Total	<u>\$ 1,119,062</u>

Actuarial Assumptions: The total pension liabilities in the June 30, 2018 actuarial valuations for each of the rate plans were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service (1)
Investment Rate of Return	7.150%
Mortality	Derived using CalPERS Membership Data for all Funds (2)

(1) Varying by service, including inflation.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report.



CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE I – PENSION PLAN (Continued)

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Change of Assumptions: The demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions in December 2017. There were no changes in the discount rate.

Discount Rate: The discount rates used by CalPERS to measure the total pension liability was 7.15% in the June 30, 2018 accounting valuation. 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 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15% 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, 2018. 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)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.0%	(0.92)%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE I – PENSION PLAN (Continued)

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:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	<u>\$ 15,587,656</u>	<u>\$ 10,053,891</u>	<u>\$ 5,485,858</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, 2019 the District had no outstanding contributions payable to the Plan.

NOTE J – OTHER POSTEMPLOYMENT BENEFITS PLAN

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). 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 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 to be provided 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 to be provided 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.

Employees Covered by Benefit Terms: At June 30, 2018, the following employees were covered by the benefit terms:

<u>Category</u>	<u>Count</u>
Active employees	65
Inactive employees or beneficiaries currently receiving benefit payments	47

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE J – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

**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, 2019, the District’s cash contributions to the trust were \$851,958 and the benefit payments were \$570,587, resulting in total payments of \$1,422,545.

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 was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

**Actuarial Assumptions:** The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.00%
Inflation	2.26%
Aggregate salary increases	3.25%
Investment rate of return	7.00%
Healthcare cost trend rates	8.40% and 5.00% in the first year for pre-65 and post-65, respectively, trending down to 5.00% until 2033 and thereafter.
Mortality rates	Derived using CalPERS membership data
Participation rate	100%

Mortality was based on the 2014 CalPERS Mortality study and morbidity factors were based on the 2013 CalPERS study. It was assumed 100% of eligible participants would participate in the Plan and 80% of future retirees would cover spouses at retirement. Retirement rates used were the rates in the most recent CalPERS Miscellaneous 2% at 55 Risk Pool for active employees hired before January 1, 2013 and the 2% at 62 Risk Pool for active employees hired on or after January 1, 2013.

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 the measurement date for each major asset class are summarized in the following table:

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE J – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Investment Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	48.25%	5.65%
Fixed income	45.00%	1.39%
REITs	1.75%	5.06%
Cash	5.00%	0.00%
Total	100.00%	

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

Discount Rate: The discount rate used to measure the total OPEB liability was 7.00%. 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, 2018	\$ 13,077,306	\$ 6,414,366	\$ 6,662,940
Changes for the year:			
Service cost	356,032		356,032
Interest on the total OPEB liability	921,936		921,936
Differences between expected and actual experience	(13,392)		(13,392)
Contribution - employer		1,228,844	(1,228,844)
Net investment income		405,162	(405,162)
Benefit payments	(534,668)	(534,668)	
Administrative expense		(17,301)	17,301
Net changes	729,908	1,082,037	(352,129)
Balance at June 30, 2019	\$ 13,807,214	\$ 7,496,403	\$ 6,310,811

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 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB liability	\$ 8,259,206	\$ 6,310,811	\$ 4,711,108

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE J – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

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 7.40% decreasing to 4.00%	Current Healthcare Cost Trend Rates 8.40% decreasing to 5.00%	1% Increase 9.40 decreasing to 6.00%
Net OPEB liability	\$ 4,703,425	\$ 6,310,811	\$ 8,125,809

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2019, the District recognized OPEB expense of \$799,000. At June 30, 2019, 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	\$ 1,422,545	
Differences between actual and expected experience		\$ 11,325
Net differences between projected and actual earnings on OPEB plan investments		52,292
Total	<u>\$ 1,422,545</u>	<u>\$ 63,617</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2020	\$ (23,973)
2021	(23,973)
2022	(23,973)
2023	11,359
2024	(2,067)
Thereafter	(990)
	<u>\$ (63,617)</u>

There were no amounts payable to the Plan at year-end.

NOTE K – 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).

CALAVERAS COUNTY WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE K – RISK MANAGEMENT (Continued)

The District’s self-insured retention levels and limits on coverage under the JPIA were as follows at June 30, 2019:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General liability	\$ 5,000,000	\$ 55,000,000	None
Auto liability	5,000,000	55,000,000	\$ 1,000
Public officials liability	5,000,000	55,000,000	None
Property damage, including buildings, personal property, fixed equipment, mobile equipment and other	100,000	500,000,000	1,000 to 50,000
Crime	100,000	1,000,000	1,000
Workers compensation	2,000,000	Statutory	None
Employers liability	2,000,000	Statutory	None
Cyber liability		3,000,000/5,000,000 occurrence/aggregate	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 L — COMMITMENTS AND CONTINGENT LIABILITIES

The District had the following capital project commitments outstanding as of June 30, 2019:

Reach 1 Water Line Replacement	\$ 6,229,499
Jenny Lind Pre-Treatment Facility	352,794
Copper Cove Lift Station Rehabilitation	164,083
Copper Cove Force Main Rehabilitation	<u>164,083</u>
Total	<u>\$ 6,910,459</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: A claim was filed by La Contenta Investors, Ltd. (La Contenta), a local golf course, against the District where La Contenta claimed it is entitled to \$1.8 million in sewer credits under a contract provision that provides La Contenta with sewer credits in exchange for its use of recycled water for irrigation. If La Contenta prevails in the claim, the District would be required to provide up to \$1.8 million of credits for future sewer hookups to the District’s system, less any credits previously exercised. Management does not believe La Contenta is due the full \$1.8 million of sewer credits.

Various other 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 counsel, the resolution of any claims outstanding will not have a material adverse effect on the financial condition of the District.

Contingent Revenue from Settlement Agreement: In June 2019, the District accepted a mediator’s proposal of \$3 million from Pacific Gas & Electric Company (PG&E) to resolve the District’s claims resulting from the 2015 Butte Fire. The proposed settlement is subject to confirmation by the Bankruptcy Court in a planned reorganization to be filed by PG&E under Chapter 11 of the Bankruptcy Code. Because the amount is contingent upon a future event, the District will not recognize revenue for the amount until the contingency is resolved as required by paragraph 112 of GASB Statement No. 62. If the settlement is approved in PG&E’s bankruptcy proceedings, the District intends to use a large portion of the amount to reimburse expenses the District incurred as a result of the Butte Fire, namely the construction and operation of the Jenny Lind Water Treatment Plant Pretreatment Facility.

REQUIRED SUPPLEMENTARY INFORMATION

CALAVERAS COUNTY WATER DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 For the Year Ended June 30, 2019

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the Net Pension Liability	0.26677%	0.25981%	0.25186%	0.25186%	0.21557%
Proportionate Share of the Net Pension Liability	\$ 10,053,891	\$ 10,242,016	\$ 8,797,338	\$ 6,909,619	\$ 5,327,739
Covered Payroll - Plan Measurement Period	\$ 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	186.90%	185.33%	170.63%	144.67%	109.44%
Plan Fiduciary Net Position	\$ 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	89.41%	83.65%	74.51%	78.93%	83.03%

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)**  
 Last 10 Years

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 1,131,574	\$ 1,012,621	\$ 946,214	\$ 535,436	\$ 725,590
Contributions in Relation to the Actuarially Determined Contributions	6,676,136	1,012,621	946,214	535,436	725,590
Contribution Deficiency (Excess)	<u>\$ (5,544,562)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll - Employer Fiscal Year	\$ 5,373,055	\$ 5,379,180	\$ 5,256,427	\$ 5,155,786	\$ 4,776,189
Contributions as a Percentage of Covered Payroll	124.25%	18.82%	18.00%	10.39%	15.19%
Notes to Schedule:					
Valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Measurement date:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Date contributions were calculated:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Investment rate of return and discount rate used to compute contribution rates	7.375%	7.500%	7.50%	7.50%	7.50%

Benefit Changes: There were no changes to benefit terms.

Contributions: During 2019, the District contributed the proceeds of the Umpqua Bank Series 2019 Taxable Revenue Refunding Loan in the amount of \$5,544,562.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Method	Entry Age Normal Cost Method
Amortization Method	Difference Between Projected and Actual Earnings is Amortized Straight-line Over 5 Years. All Other Amounts are Amortized Straight-line Over Average Remaining Service Life of Participants
Remaining Amortization Period	Not Stated
Asset Valuation Method	5-year Smoothed Market
Inflation	2.75%
Salary Increases	Varies depending on Entry Age and Service
Retirement Age	50-67 Years. Probabilities of Retirement are Based on the 2014 CalPERS Experience Study for the Period 1997 to 2011.
Mortality	CalPERS Specific Data from January 2014 Actuarial Experience Study for the Period 1997 to 2011 that Uses 20 Years of Mortality Improvements Using Society of Actuaries Scale BB.

Covered payroll in the first table above was revised in 2017 to be the covered payroll at the measurement date.

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, 2019

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

	June 30, 2019	June 30, 2018
Total OPEB liability:		
Service cost	\$ 356,032	\$ 339,078
Interest	921,936	873,640
Differences between expected and actual experience	(13,392)	
Benefit payments	(534,668)	(544,601)
Net change in total OPEB liability	729,908	668,117
Total OPEB liability - beginning	13,077,306	12,409,189
 Total OPEB liability - ending (a)	 \$ 13,807,214	 \$ 13,077,306
 Plan fiduciary net position:		
Contributions - employer	\$ 1,228,844	\$ 1,156,609
Net investment income	405,162	564,907
Benefit payments	(534,668)	(544,601)
Administrative expenses	(17,301)	(15,813)
Net change in plan fiduciary net position	1,082,037	1,161,102
Plan fiduciary net position - beginning	6,414,366	5,253,264
 Plan fiduciary net position - ending (b)	 \$ 7,496,403	 \$ 6,414,366
 Net OPEB liability - ending (a)-(b)	 \$ 6,310,811	 \$ 6,662,940
 Plan fiduciary net position as a percentage of the total OPEB liability	 54.29%	 49.05%
 Covered-employee payroll - measurement period	 \$ 5,379,180	 \$ 5,256,427
 Net OPEB liability as percentage of covered-employee payroll	 117.32%	 126.76%
 Notes to schedule:		
Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	June 30, 2017

Benefit changes. None.

Changes in assumptions. None

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, 2019

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

	June 30, 2019	June 30, 2018
Actuarially determined contribution - employer fiscal year	\$ 851,958	\$ 746,759
Contributions in relation to the actuarially determined contributions	(1,422,545)	(1,156,609)
Contribution deficiency (excess)	\$ (570,587)	\$ (409,850)
 Covered-employee payroll - employer fiscal year	 \$ 5,373,055	 \$ 5,379,180
 Contributions as a percentage of covered-employee payroll	 26.48%	 21.50%

**Notes to Schedule:**

Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	June 30, 2017
Actuarial cost method	Entry age normal cost method	
Amortization method	Straight-line amortization. 5 years for investment gains and losses	
Discount rate	7.00%	
Inflation	2.26%	
Aggregate salary increases	3.25%	
Investment rate of return	7.00%	
Retirement age	CalPERS Miscellaneous Risk Pool age	
Mortality	CalPERS 2014 study	
Healthcare cost trend rates	8.40% and 5.00% in the first year for pre-65 and post-65, respectively, trending down to 5.00% in 2033 and thereafter.	

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.

OTHER SUPPLEMENTARY INFORMATION

CALAVERAS COUNTY WATER DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
ASSESSMENT DISTRICT AGENCY FUND

June 30, 2019

(With Prior Year Data for Comparative Purposes Only)

	West Point Acres Fund	Wilseyville Fund	Arnold Sewer Fund	New Hogan/ La Contenta Fund	Lake Tulloch Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 26,810	\$ 5	\$ 73,117	\$ 102,162	\$ 1
Interest receivable	90		246	344	
Due from County of Calaveras	236		1,435		
Restricted assets:					
Cash and cash equivalents with fiscal agents				6	
<b>TOTAL ASSETS</b>	<u>\$ 27,136</u>	<u>\$ 5</u>	<u>\$ 74,798</u>	<u>\$ 102,512</u>	<u>\$ 1</u>
<b>LIABILITIES</b>					
Notes payable					\$ 10,742
Due to other governments		\$ 5			
Due to (from) bond holders	\$ 27,136		\$ 74,798	\$ 102,512	(10,741)
<b>TOTAL LIABILITIES</b>	<u>\$ 27,136</u>	<u>\$ 5</u>	<u>\$ 74,798</u>	<u>\$ 102,512</u>	<u>\$ 1</u>

Saddle Creek Fund	DaLee/ Cassidy Fund	Fly in Acres Fund	Wallace Fund	Totals for Comparative Purposes Only	
				2019	2018
\$ 480,625	\$ 71,104	\$ 104,686	\$ 260,526	\$ 1,119,036	\$ 1,141,438
1,619	240	353	878	3,770	2,956
9,988	3,559	6,658	2,352	24,228	21,999
<u>328,368</u>	<u>69,752</u>	<u>133,732</u>		<u>531,858</u>	<u>527,289</u>
<u>\$ 820,600</u>	<u>\$ 144,655</u>	<u>\$ 245,429</u>	<u>\$ 263,756</u>	<u>\$ 1,678,892</u>	<u>\$ 1,693,682</u>
				\$ 10,742	\$ 10,742
			\$ 263,756	263,761	327,322
<u>\$ 820,600</u>	<u>\$ 144,655</u>	<u>\$ 245,429</u>		<u>1,404,389</u>	<u>1,355,618</u>
<u>\$ 820,600</u>	<u>\$ 144,655</u>	<u>\$ 245,429</u>	<u>\$ 263,756</u>	<u>\$ 1,678,892</u>	<u>\$ 1,693,682</u>

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

For the Years Ended June 30, 2019 and 2018

	2019	2018
<b>REVENUES</b>		
Water operating revenues	\$ 8,071,882	\$ 7,934,981
Property taxes	2,519,303	2,289,765
Investment income	583,502	263,827
Expansion Fees	510,219	430,858
Power sales	586,131	552,143
Capital R&R fees	3,264,713	3,272,222
Other income	1,018,897	183,699
<b>TOTAL REVENUES</b>	<b>16,554,647</b>	<b>14,927,495</b>
<b>EXPENSES</b>		
Total Operating Expenses	13,891,740	13,375,253
<i>Less: Depreciation</i>	(2,749,810)	(2,656,687)
Transfers (in), excluding noncash transfers		(55,191)
Transfers out	120,200	190,576
<b>TOTAL EXPENSES</b>	<b>11,262,130</b>	<b>10,853,951</b>
<b>NET REVENUES</b>	<b>5,292,517</b>	<b>4,073,544</b>
Debt Service Payments *	1,281,559	1,280,923
<b>Debt Coverage Ratio - Actual</b>	<b>4.13</b>	<b>3.18</b>
<b>Required Ratio - 2014 Water Revenue Loans and 2016 Water Enterprise Revenue Bonds</b>	<b>1.25</b>	<b>1.25</b>
<i>Annual Debt Service Payments</i>		
<i>* Includes Umpqua Bank (Series 2014 Water Revenue Loan) and USDA (Series 2016 Water Enterprise Revenue Bonds).</i>		
<b>NET REVENUES</b>	<b>\$ 5,292,517</b>	<b>\$ 4,073,544</b>
Debt Service Payments (ALL)**	1,932,425	1,598,316
<b>Debt Coverage Ratio - Actual</b>	<b>2.74</b>	<b>2.55</b>
<b>Required Ratio - 2014 Water Revenue Loans, 2016 Water Enterprise Revenue Bonds and 2019 Taxable Revenue Refunding Loan</b>	<b>1.25</b>	<b>1.25</b>

*\*\* Includes all debt payments.*

CALAVERAS COUNTY WATER DISTRICT

OTHER SUPPLEMENTARY INFORMATION  
DEBT SERVICE COVERAGE RATIO - SEWER FUND

For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>REVENUES</b>		
Sewer operating revenues	\$ 4,580,167	\$ 4,347,882
Property taxes	656,297	594,243
Investment income	240,259	126,926
Expansion Fees	498,226	136,809
Power sales	216,788	204,217
Capital R&R fees	1,181,826	1,177,119
Other income	316,878	6,467
TOTAL REVENUES	<u>7,690,441</u>	<u>6,593,663</u>
<b>EXPENSES</b>		
Total Operating Expenses	6,379,996	6,803,804
Less: Depreciation	(1,241,799)	(1,210,174)
Transfers (in)	(18,957)	(90,057)
Transfers out		49,712
TOTAL EXPENSES	<u>5,119,240</u>	<u>5,553,285</u>
NET REVENUES	2,571,201	1,040,378
Debt Service Payments *	<u>396,969</u>	<u>397,010</u>
<b>Debt Coverage Ratio - Actual</b>	<u><u>6.48</u></u>	<u><u>2.62</u></u>
<b>Required Ratio - 2014 Sewer Revenue Loans</b>	<u><u>1.25</u></u>	<u><u>1.25</u></u>
<i>Annual Debt Service Payments</i>		
<i>* Includes payments on loan from Umpqua Bank (Series 2014 Sewer Revenue Loan).</i>		
NET REVENUES	\$ 2,571,201	\$ 1,040,378
Debt Service Payments (ALL)**	<u>647,908</u>	<u>623,031</u>
<b>Debt Coverage Ratio - Actual</b>	<u><u>3.97</u></u>	<u><u>1.67</u></u>
<b>Required Ratio - 2014 Sewer Revenue Loans and 2019 Taxable Revenue Refunding Loan</b>	<u><u>1.25</u></u>	<u><u>1.25</u></u>

\*\* Includes all debt payments.

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# Agenda Item

DATE: November 25, 2019  
TO: Finance Committee  
FROM: Joel Metzger, External Affairs Manager  
RE: Discussion/direction regarding SB 998 Policy Update

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## **RECOMMENDED ACTION:**

Provide a recommendation to the full Calaveras County Water District Board of Directors regarding the draft SB 998 policy update.

## **SUMMARY:**

On February 1, 2020, the Calaveras County Water District is required by law to implement new policies consistent with SB 998 (Dodd) Discontinuation of residential water service: urban and community water systems, which was passed in 2018. This legislation requires CCWD to change policies regarding delinquent account notifications, fee assignments and discontinuation of service.

## **BACKGROUND INFORMATION:**

This bill applies to all urban and community water systems, public or private, that provide water to more than 200 service connections.

The legislation requires CCWD to provide customers with written discontinuation policies that are available in English, Spanish, Chinese, Tagalog, Vietnamese, Korean and any other language spoken by 10 percent or more of the residents who live within the District's service areas.

Additionally, the legislation requires the following:

- Water service may not be discontinued until the customer has been delinquent for 60 days
- Offer customers alternative payment plans, if they are unable to pay the bill.
- Provide customers with a formal process to appeal bills
- At least seven days before discontinuing service, CCWD must contact the customer by telephone, email or in writing and provide the occupant with the District's written policy on discontinuation of service, discuss ways to avoid service

being discontinued, inform them of alternative payment plans and the appeals process.

- If a customer cannot be contacted remotely, the District must make a good faith effort to visit the physical residence with information.
- Allow tenants to become CCWD customers and waive past-due balances accrued when they were not official customers.
- Limit customers' reconnection fees to no more than \$50 during regular business hours, and \$150 during non-regular hours.
- Report the number of lock-offs, due to inability to pay, on CCWD's website and provide this information to the State Water Resources Control Board.
- If CCWD does not comply with this law, it will be subject to enforcement by the State Water Board and the California Attorney General.
- Utilities in violation of this legislation face a penalty up to \$1,000 for each day in which the violation occurs, and would require the enforcement fees collected by the State Water Board to be deposited in the Safe Drinking Water Fund.

## **NEXT STEPS**

Staff has prepared a draft document that amends CCWD's existing delinquency policy in order to address the new legal requirements imposed by SB 998 (attached). Additionally, staff has prepared a payment plan agreement form and a bill appeal form, per SB 998 requirements (attached).

Staff has also prepared suggested amendments to CCWD's existing deposit policy (attached), which will ensure that the District has some level of protection in the event that a non-legal-deeded owner decides to become a CCWD customer and fails to pay their bill.

Staff looks forward to feedback from the Finance Committee on the draft policy language and suggests the Committee make a recommendation to the full Board of Directors for adoption of the amended policies that address the new legal requirements of SB 998.

With the Finance Committee's approval, staff intends to bring these policies before the full Board for consideration on Wednesday December 11, 2019.

## **FINANCIAL CONSIDERATIONS:**

The implementation of this new policy has already consumed a great deal of staff time and this is expected to continue through the February 1, 2020, implementation date and beyond.

The changes to CCWD's delinquency policy are expected to increase the burden on the Customer Service Department staff with regard to manual tracking and increased customer contacts, including letters, phone calls, emails and other correspondence. These changes may also add an additional burden to field staff, who will be required to

make good faith efforts to contact customers at their residences and may be required to lock of and restore services on a non-regular schedule, due to payment plans. The appeals process will require the Customer Service Manager, Director of Administrative Services and General Manager to spend additional time reviewing and processing requests. Additionally, the District expects costs to increase related to postage and printing.

*Attachments: SB 998 (Dodd) Bill Text  
SB 998 Policy Update (clean)  
SB 998 Policy Update (redline)  
CCWD Bill Appeal Form  
CCWD Payment Plan Agreement Form  
CCWD Deposit Policy Update (redline)*





## Senate Bill No. 998

### CHAPTER 891

An act to add Chapter 6 (commencing with Section 116900) to Part 12 of Division 104 of the Health and Safety Code, relating to water.

[Approved by Governor September 28, 2018. Filed with Secretary of State September 28, 2018.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 998, Dodd. Discontinuation of residential water service: urban and community water systems.

Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Existing law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations. Existing law requires certain notice to be given before a water corporation, public utility district, municipal utility district, or a municipally owned or operated public utility furnishing water may terminate residential service for nonpayment of a delinquent account, as prescribed.

This bill would require an urban and community water system, defined as a public water system that supplies water to more than 200 service connections, to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. The bill would require the policy to include certain components, be available on the system's Internet Web site, and be provided to customers in writing, upon request. The bill would provide for enforcement of these provisions, including making a violation of these provisions punishable by a civil penalty issued by the board in an amount not to exceed \$1,000 for each day in which the violation occurs, and would require the enforcement moneys collected by the board to be deposited in the Safe Drinking Water Account. The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. The bill would require an urban and community water system to contact the customer named on the account and provide the customer with the urban and community water system's policy on discontinuation of residential service for nonpayment no less than 7 business days before discontinuation of residential service, as prescribed.

This bill would prohibit residential service from being discontinued under specified circumstances. The bill would require an urban and community

water system that discontinues residential service to provide the customer with information on how to restore service. The bill would require an urban and community water system to waive interest charges on delinquent bills for, and would limit the amount of a reconnection of service fee imposed on, a residential customer who demonstrates, as prescribed, to the urban and community water system household income below 200% of the federal poverty line. The bill would require an urban and community water system that furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit structure, mobilehome park, or permanent residential structure in a labor camp, and that the owner, manager, or operator of the dwelling, structure, or park is the customer of record, to make every good faith effort to inform the residential occupants by written notice that service will be terminated and that the residential occupants have the right to become customers, as specified. The bill would require an urban and community water system to report the number of annual discontinuations of residential service for inability to pay on its Internet Web site and to the board, and the bill would require the board to post on its Internet Web site the information reported. The bill would require an urban water supplier, as defined, or an urban and community water system regulated by the commission, to comply with the bill's provisions on and after February 1, 2020, and any other urban and community water system to comply with the bill's provisions on and after April 1, 2020. The bill would provide that the provisions of the bill are in addition to the provisions in existing law duplicative of the bill and that where the provisions are inconsistent, the provisions described in the bill apply.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares as follows:

- (a) All Californians have the right to safe, accessible, and affordable water as declared by Section 106.3 of the Water Code.
- (b) It is the intent of the Legislature to minimize the number of Californians who lose access to water service due to inability to pay.
- (c) Water service discontinuations threaten human health and well-being, and have disproportionate impact on infants, children, the elderly, low-income families, communities of color, people for whom English is a second language, physically disabled persons, and persons with life-threatening medical conditions.
- (d) When there is a delinquent bill, all Californians, regardless of whether they pay a water bill directly, should be treated fairly, and fair treatment includes the ability to contest a bill, seek alternative payment schedules, and demonstrate medical need and severe economic hardship.
- (e) The loss of water service causes tremendous hardship and undue stress, including increased health risks to vulnerable populations.
- (f) It is the intent of the Legislature that this act provide additional procedural protections and expand upon the procedural safeguards contained

in the Public Utilities Code and Government Code as of January 1, 2018, relating to utility service disconnections.

SEC. 2. Chapter 6 (commencing with Section 116900) is added to Part 12 of Division 104 of the Health and Safety Code, to read:

CHAPTER 6. DISCONTINUATION OF RESIDENTIAL WATER SERVICE

116900. This chapter shall be known, and may be cited, as the Water Shutoff Protection Act.

116902. For the purposes of this chapter, the following definitions apply:

(a) "Board" means the State Water Resources Control Board.

(b) "Public water system" has the same meaning as defined in Section 116275.

(c) "Residential service" means water service to a residential connection that includes single-family residences, multifamily residences, mobilehomes, including, but not limited to, mobilehomes in mobilehome parks, or farmworker housing.

(d) "Urban and community water system" means a public water system that supplies water to more than 200 service connections.

(e) "Urban water supplier" has the same meaning as defined in Section 10617 of the Water Code.

116904. (a) An urban water supplier not regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020.

(b) An urban and community water system regulated by the Public Utilities Commission shall comply with this chapter on and after February 1, 2020. The urban and community water system regulated by the Public Utilities Commission shall file advice letters with the commission to conform with this chapter.

(c) An urban and community water system not described in subdivision (a) or (b) shall comply with this chapter on and after April 1, 2020.

116906. (a) An urban and community water system shall have a written policy on discontinuation of residential service for nonpayment available in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by at least 10 percent of the people residing in its service area. The policy shall include all of the following:

(1) A plan for deferred or reduced payments.

(2) Alternative payment schedules.

(3) A formal mechanism for a customer to contest or appeal a bill.

(4) A telephone number for a customer to contact to discuss options for averting discontinuation of residential service for nonpayment.

(b) The policy shall be available on the urban and community water system's Internet Web site, if an Internet Web site exists. If an Internet Web site does not exist, the urban and community water system shall provide the policy to customers in writing, upon request.

(c) (1) The board may enforce the requirements of this section pursuant to Sections 116577, 116650, and 116655. The provisions of Section 116585

and Article 10 (commencing with Section 116700) of Chapter 4 apply to enforcement undertaken for a violation of this section.

(2) All moneys collected pursuant to this subdivision shall be deposited in the Safe Drinking Water Account established pursuant to Section 116590.

116908. (a) (1) (A) An urban and community water system shall not discontinue residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days. No less than seven business days before discontinuation of residential service for nonpayment, an urban and community water system shall contact the customer named on the account by telephone or written notice.

(B) When the urban and community water system contacts the customer named on the account by telephone pursuant to subparagraph (A), it shall offer to provide in writing to the customer the urban and community water system's policy on discontinuation of residential service for nonpayment. An urban and community water system shall offer to discuss options to avert discontinuation of residential service for nonpayment, including, but not limited to, alternative payment schedules, deferred payments, minimum payments, procedures for requesting amortization of the unpaid balance, and petition for bill review and appeal.

(C) When the urban and community water system contacts the customer named on the account by written notice pursuant to subparagraph (A), the written notice of payment delinquency and impending discontinuation shall be mailed to the customer of the residence to which the residential service is provided. If the customer's address is not the address of the property to which residential service is provided, the notice also shall be sent to the address of the property to which residential service is provided, addressed to "Occupant." The notice shall include, but is not limited to, all of the following information in a clear and legible format:

- (i) The customer's name and address.
- (ii) The amount of the delinquency.
- (iii) The date by which payment or arrangement for payment is required in order to avoid discontinuation of residential service.
- (iv) A description of the process to apply for an extension of time to pay the delinquent charges.
- (v) A description of the procedure to petition for bill review and appeal.
- (vi) A description of the procedure by which the customer may request a deferred, reduced, or alternative payment schedule, including an amortization of the delinquent residential service charges, consistent with the written policies provided pursuant to subdivision (a) of Section 116906.

(2) If the urban and community water system is unable to make contact with the customer or an adult occupying the residence by telephone, and written notice is returned through the mail as undeliverable, the urban and community water system shall make a good faith effort to visit the residence and leave, or make other arrangements for placement in a conspicuous place of, a notice of imminent discontinuation of residential service for nonpayment and the urban and community water system's policy for discontinuation of residential service for nonpayment.



(b) If an adult at the residence appeals the water bill to the urban and community water system or any other administrative or legal body to which such an appeal may be lawfully taken, the urban and community water system shall not discontinue residential service while the appeal is pending.

116910. (a) An urban and community water system shall not discontinue residential service for nonpayment if all of the following conditions are met:

(1) The customer, or a tenant of the customer, submits to the urban and community water system the certification of a primary care provider, as that term is defined in subparagraph (A) of paragraph (1) of subdivision (b) of Section 14088 of the Welfare and Institutions Code, that discontinuation of residential service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided.

(2) The customer demonstrates that he or she is financially unable to pay for residential service within the urban and community water system's normal billing cycle. The customer shall be deemed financially unable to pay for residential service within the urban and community water system's normal billing cycle if any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

(3) The customer is willing to enter into an amortization agreement, alternative payment schedule, or a plan for deferred or reduced payment, consistent with the written policies provided pursuant to subdivision (a) of Section 116906, with respect to all delinquent charges.

(b) (1) If the conditions listed in subdivision (a) are met, the urban and community water system shall offer the customer one or more of the following options:

(A) Amortization of the unpaid balance.

(B) Participation in an alternative payment schedule.

(C) A partial or full reduction of the unpaid balance financed without additional charges to other ratepayers.

(D) Temporary deferral of payment.

(2) The urban and community water system may choose which of the payment options described in paragraph (1) the customer undertakes and may set the parameters of that payment option. Ordinarily, the repayment option offered should result in repayment of any remaining outstanding balance within 12 months. An urban and community water system may grant a longer repayment period if it finds the longer period is necessary to avoid undue hardship to the customer based on the circumstances of the individual case.

(3) Residential service may be discontinued no sooner than 5 business days after the urban and community water system posts a final notice of intent to disconnect service in a prominent and conspicuous location at the property under either of the following circumstances:

(A) The customer fails to comply with an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges for 60 days or more.

(B) While undertaking an amortization agreement, an alternative payment schedule, or a deferral or reduction in payment plan for delinquent charges, the customer does not pay his or her current residential service charges for 60 days or more.

116912. An urban and community water system that discontinues residential service for nonpayment shall provide the customer with information on how to restore residential service.

116914. (a) For a residential customer who demonstrates to an urban and community water system household income below 200 percent of the federal poverty line, the urban and community water system shall do both of the following:

(1) Set a reconnection of service fee for reconnection during normal operating hours at fifty dollars (\$50), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. For the reconnection of residential service during nonoperational hours, an urban and community water system shall set a reconnection of service fee at one hundred fifty dollars (\$150), but not to exceed the actual cost of reconnection if it is less. Reconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

(2) Waive interest charges on delinquent bills once every 12 months.

(b) An urban and community water system shall deem a residential customer to have a household income below 200 percent of the federal poverty line if any member of the household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

116916. (a) This section applies if there is a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling.

(b) If an urban and community water system furnishes individually metered residential service to residential occupants of a detached single-family dwelling, a multiunit residential structure, mobilehome park, or permanent residential structure in a labor camp as defined in Section 17008, and the owner, manager, or operator of the dwelling, structure, or park is the customer of record, the urban and community water system shall make every good faith effort to inform the residential occupants, by means of written notice, when the account is in arrears that service will be terminated at least 10 days prior to the termination. The written notice shall further inform the residential occupants that they have the right to become

customers, to whom the service will then be billed, without being required to pay any amount which may be due on the delinquent account.

(c) The urban and community water system is not required to make service available to the residential occupants unless each residential occupant agrees to the terms and conditions of service and meets the requirements of law and the urban and community water system's rules and tariffs. However, if one or more of the residential occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of the urban and community water system, or if there is a physical means legally available to the urban and community water system of selectively terminating service to those residential occupants who have not met the requirements of the urban and community water system's rules and tariffs, the urban and community water system shall make service available to those residential occupants who have met those requirements.

(d) If prior service for a period of time is a condition for establishing credit with the urban and community water system, residence and proof of prompt payment of rent or other credit obligation acceptable to the urban and community water system for that period of time is a satisfactory equivalent.

(e) Any residential occupant who becomes a customer of the urban and community water system pursuant to this section whose periodic payments, such as rental payments, include charges for residential water service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the urban and community water system for those services during the preceding payment period.

(f) In the case of a detached single-family dwelling, the urban and community water system may do any of the following:

(1) Give notice of termination at least seven days prior to the proposed termination.

(2) In order for the amount due on the delinquent account to be waived, require an occupant who becomes a customer to verify that the delinquent account customer of record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code.

116918. An urban and community water system shall report the number of annual discontinuations of residential service for inability to pay on the urban and community water system's Internet Web site, if an Internet Web site exists, and to the board. The board shall post on its Internet Web site the information reported.

116920. (a) The Attorney General, at the request of the board or upon his or her own motion, may bring an action in state court to restrain by temporary or permanent injunction the use of any method, act, or practice declared in this chapter to be unlawful.

(b) For an urban and community water system regulated by the Public Utilities Commission, the commission may bring an action in state court to restrain by temporary or permanent injunction the use by an urban and community water system regulated by the commission of any method, act, or practice declared in this chapter to be unlawful.

116922. All written notices required under this chapter shall be provided in English, the languages listed in Section 1632 of the Civil Code, and any other language spoken by 10 percent or more of the customers in the urban and community water system's service area.

116924. Where provisions of existing law are duplicative of this chapter, compliance with one shall be deemed compliance with the other. Where those provisions are inconsistent, the provisions of this chapter shall apply. Nothing in this chapter shall be construed to limit or restrict the procedural safeguards against the disconnection of residential water service existing as of December 31, 2018.

116926. This chapter does not apply to the termination of a service connection by an urban and community water system due to an unauthorized action of a customer.

CALAVERAS COUNTY WATER DISTRICT  
RULES AND REGULATIONS GOVERNING THE FURNISHING OF WATER  
AND/OR WASTEWATER SERVICES  
ARTICLE III

APPLICATION FOR SERVICE RATES AND BILLING

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

**22.00.01 Delinquent Account Definition**

A delinquent account is any account that remains unpaid on the close of business 25 calendar days after the date of issuance of the water or wastewater bill unless the customer has made alternative payment arrangements or filed an appeal pursuant to this Section.

**22.00.02 Late Fees**

The District will apply a late fee to Delinquent Accounts and mail a reminder notice to the customer explaining the delinquent amount and a due date that is ten (10) days from the date printed on the notice.

If the delinquent account is not paid within the ten (10) calendar day reminder notice period, a second past-due penalty will be applied to the customer's billing account and a physical tag, providing the date when service(s) will be disconnected if payment has not been received, will be placed in a prominent location at the property. This tag will include the delinquent amount due and the date the service(s) will be discontinued if payment is not received.

**22.00.03 Alternative Payment Plans**

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

**22.00.03.1 Threat to Health or Safety**

An alternative payment plan may be approved if the discontinuation of water or wastewater service will be life-threatening or pose a serious threat to the health and safety of any resident. The request for an alternative payment plan must include certification from a primary care provider (per WIC § 14088(b)(1)(A)) that the

discontinuation of service will be life-threatening or pose a serious threat to the health and safety of any resident.

### **22.00.03.2 Financial Inability to Pay**

The customer demonstrates that they are financially unable to pay for residential service within the normal billing cycle by providing income verification. Acceptable forms of income verification are:

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

Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer not to exceed 6 (six) months from the date of the account becoming delinquent. The amortized payments will be combined with, and subject to, the due date of the customer's regular bill(s). The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice, which will be physically delivered to the premises no fewer than 5 (five) business days in advance of discontinuance of service.

### **22.00.04 Appeals**

Customers may dispute a bill or request an adjustment of charges through the CCWD Customer Service Department within 25 days of the date on the bill. If the Customer Service Department denies the request, the customer may submit a written appeal to the Director of Administrative Services within 30 days of the date the account becomes delinquent. The Director of Administrative Services will issue a written determination. If the Director of Administrative Services denies the appeal, the customer may appeal to the General Manager in writing within 15 days

of the date the Director of Administrative Service's determination. The General Manager will provide the customer with a final decision on the appeal within 30 days from the date the written request was received. Late appeals will not be considered.

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

#### **22.00.05 Fee Waivers**

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

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

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

For accounts that have water and/or wastewater services, the District will allow no more than \$20 to be rolled to the next billing cycle without incurring delinquency penalties. Exceptions to these amounts may be approved by the Customer Service manager.

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

#### **22.01 Disconnection of Service(s)**

##### **22.01.01 Service Disconnection Fee**

A customer will be charged a fee for each occasion that an employee of the District is dispatched to disconnect or shut off a service line pursuant to the provisions of Section 22.

##### **22.01.02 Service Disconnection Notifications**

The District will not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 7 (seven) business days before discontinuation of service(s) for non-payment. The written warning of disconnection of service(s) will be mailed to the mailing address

designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The written disconnection notice will include:

- Customer's name and address
- Amount that is past due
- Date by which payment or payment arrangements are required to avoid discontinuation of service
- Description of the process to apply for an amortization plan
- Description of the process to dispute or appeal a bill
- District phone number and a web link to the District's written collection policy

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone.

#### **22.01.03 Notice to Residential Tenants/Occupants in an Individually Metered Residence**

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a signed owner authorization form or a rental agreement.

Occupants who become CCWD customers under the provisions of this policy will be required to pay a new account fee and deposit.

The act of an occupant becoming a CCWD customer, does not alleviate the legal-deeded owner from being ultimately responsible for all fees and charges related to the property.

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

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice hung on the door of each residence, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that



they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at the address(es) served by the master meter. If one or more of the occupants are willing and able to assume responsibility for the subsequent charges for water service to the satisfaction of the District, or if there is a physical means, legally available to the District, of selectively terminating service to those occupants who have not met the requirements for service, the District will make service available to the occupants who have met those requirements and paid associated capacity and connection fees.

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

#### **22.02. Reconnection – Charges**

A disconnected service line will only be reconnected when payment of all charges and indebtedness for water and/or wastewater service(s) has been made. A fee will be charged for each such reconnection during normal business hours. A higher fee will be charged if reconnection is requested outside of normal business hours.

#### **22.03. Returned Payments, Unpaid Credit Card Charges, Unhonored ACH Bank Payments, Stopped Payments, Disputed Payments**

For each payment of water and/or wastewater service(s) that is returned unpaid to the District by its financial institution, a charge will be added to that account:

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

#### **22.04 Annual Review of Charges**

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

#### **22.05. Responsibilities and Authorities**

The customer bears full responsibility for contacting the District regarding the status of any account for water and/or wastewater services immediately upon the receipt of any statement, bill, reminder or any other notice from the District.

## 22.06. Tampering

Any person who, with intent to obtain for water without paying the full lawful charge, or with intent to enable another person/business to do so, or with intent to deprive the Calaveras County Water District of any part of the full lawful charge for utility services it provides, commits, authorizes, solicits, aids or abets any of the following will be guilty of a crime (misdemeanor). All of the actions below are prosecutable offenses, and the District reserves the right to exercise any and every remedy permitted by law in the event of tampering with the District's lines and/or equipment.

- (1) Diverts or causes to be diverted water services, by any means.
- (2) Prevents any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by tampering or any other means.
- (3) Tampers with any property owned by or used by the District to provide water services.
- (4) Makes or causes to be made any connection with or reconnection with property owned or used by the District to provide water without the authorization or consent of the District.
- (5) Uses or receives the direct benefit of all or a portion of utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the utility.
- (6) Provides access to District water to any unauthorized user.

The District will cause the prosecution of all violations of Sections 498, 624 or 625 of the State of California Penal Code and all Ordinances or Regulations which make the interference with the orderly supply of water to the District's users a crime.

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or his/her authorized/unauthorized tenant in operating or using any or all facilities, appliances or equipment for which water is supplied.

CALAVERAS COUNTY WATER DISTRICT  
RULES AND REGULATIONS GOVERNING THE FURNISHING OF WATER  
AND/OR WASTEWATER SERVICES  
ARTICLE III

APPLICATION FOR SERVICE RATES AND BILLING

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

Delinquent Account Definition

Delinquent accounts are hereafter identified as any account that remains unpaid (and without having made payment arrangements or filed an appeal) by close of business 25 days after the date of issuance on the water and/or wastewater bill.

Late Fees

~~The District may refuse to furnish water and/or wastewater service(s) to any property / parcel having a delinquent water and/or wastewater account. When a ever a bill customer for such services remains delinquent and unpaid for twenty five (25) calendar days from the date of mailing, the District may act accordingly, applying apply a ten dollar (\$10) late fee to the customer's billing account and mailing mail a ten (10) calendar day "reminder notice" to the delinquent customer that includes the delinquent amount due and a due date that is ten (10) days from the date printed on the notice account's deeded property owner or any other person / entity permitted by the owner. Such notice shall state: (a) the delinquent amount, and (b) the reminder notice due date, bringing the account current following the "reminder notice" late fee will not relieve a customer of this fee. Determine if late fees need to be listed specifically~~

If the delinquent account is not paid within the ten (10) calendar day reminder notice period, a second past-due penalty of eighteen dollars (\$18) will be applied to the customer's account and a physical tag, giving providing the date when service a minimum of 48 hours' notice of servicewill be disconnectiondisconnected if payment has not been received, shall will be placed in a prominent location at the property where the disconnection of services will occur. This tag will include the delinquent amount due, information about payment plan and appeal options and the date the service will be discontinued if payment is not received. Bringing the account current following the second past due penalty will not relieve a customer of this fee. Determine if late fees need to be listed specifically

Alternative Payment Plans

Customers who are unable to pay for water and/or wastewater service(s) within the standard payment period may request an alternative payment plan to avoid discontinuation of service(s). CCWD will consider all circumstances surrounding

the request and make a determination as to whether the alternative payment plan is warranted. Considerations will include the following:

- Primary Care Provider Certification: If any resident of the premises where water and/or wastewater services are provided by CCWD provides certification from a primary care provider (per WIC § 14088(b)(1)(A)) that the discontinuation of service(s) will be life-threatening or pose a serious threat to the health and safety of any resident.
- Financial Inability to Pay: If a customer or occupant demonstrates that he or she is financially unable to pay for residential service(s) within the normal billing cycle by providing income verification from The Resource Connection, producing documentation showing any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or declaring that the household's annual income is less than 200 percent of the federal poverty level.

Payment plans that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer, not to exceed 6 (six) months from the date of the account becoming delinquent ~~date the account becomes delinquent~~. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill(s). The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice, which will be physically delivered to the premises no fewer than 5 (five) business days in advance of discontinuation of service.

### Appeals

Customers may dispute bills, or request an adjustment of bills through the CCWD Customer Service Department manager, within the 25 days between the date listed on the bill and the date of the account becoming delinquent. If there is no satisfactory resolution by the Customer Service Manager, the customer may submit a written appeal to the Director of Administrative Services within 60 days of

the date the account becomes delinquent. If there is no satisfactory resolution to the appeal by the Director of Administrative Services within 30 days of a written appeal being received, the customer may appeal to the General Manager. This final appeal must be submitted to the General Manager in writing no more than 15 days following the date of the appeal denial by the Director of Administrative Services. The General Manager will provide the customer with a final determination on the appeal within 30 days from the date the written appeal request was received. The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal. If a customer misses any of the appeal deadlines, they give up the right to file an appeal through the formal appeals process.

The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal.

### Fee Waivers

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

Once every two (2) years, District Customer Service Department staff may waive the past-due penalty ~~of ten dollars (\$10) on legal deeded owner's customers'~~ accounts, if the accounts ~~are~~ are in good standing, no previous late fees have been waived within the past two (2) years and ~~the~~ the account balances ~~has~~ have been brought current.

Once every five (5) years, District Customer Service staff may waive the second past-due penalty ~~of eighteen dollars (\$18) on legal deeded owner's customers'~~ accounts if the accounts ~~are~~ are in good standing, no previous second past-due fees have been waived within the past five ~~(5)~~ (5) years and ~~the~~ the account balances ~~has~~ have been brought current.

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

For accounts that have water ~~service and/or wastewater only services~~, the District shall ~~will~~ allow no more than \$20 to be rolled to the next billing cycle ~~without incurring delinquency penalties~~. ~~For accounts with water and sewer service, the District shall will allow no more than \$40 to be rolled to the next billing cycle.~~ Exceptions to these amounts may be approved by ~~the Customer Service Manager, department head.~~ the Customer Service Manager.

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

**Section 22(A). Disconnection – Charges of Service(s):**

Service Disconnection Fee

~~\_\_\_\_\_ A charge of thirty six dollars (\$36.00) shall be due~~ A customer will be charged a fee for each occasion that an employee of the District is dispatched to disconnect or shut off a service line pursuant to the provisions of Section 22.

Service Disconnection Notifications

The District shall will not discontinue water service unless payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer in writing at least 10 (ten) days before discontinuation of service(s) for nonpayment. The written warning of discontinuation of service(s) will be sent to the mailing address designated on the account. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant". The written disconnection notice will include:

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

The District will make a reasonable, good faith effort to notify the customer 48 hours in advance of disconnection of water service for non-payment. The notification will be based upon the preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by phone.

Notice to Residential Tenants/Occupants in an Individually Metered Residence

The District will make a reasonable, good faith effort to inform the occupants, by means of written notice, when the water service account is in arrears and subject to disconnection at least 10 days before water service is shut off. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide

verification of tenancy in the form of a signed owner authorization form or a rental agreement.

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

The act of a residential dwelling occupant becoming a CCWD customer, does not alleviate the legal-deeded owner from being ultimately responsible for all fees and charges related to the property.

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

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

If the written disconnection notice is returned through the mail as undeliverable, the District will make a reasonable, good faith effort to visit the residence and leave a notice of discontinuation of service for non-payment. Lock-off authority (per Government Code 60372):

~~“No district shall terminate a residential service for nonpayment in the following situation: On the written certification of a licensed physician and surgeon that to do so will be life threatening to the customer and the customer is financially unable to pay for service within the normal payment period and is willing to enter into an amortization agreement with the district with respect to all charges that the customer is unable to pay prior to delinquency. Any customer meeting these requirements shall, upon written request, be permitted to amortize, over a period~~

~~not to exceed twelve (12) months, the unpaid balance of any bill asserted to be beyond the means of the customer to pay within the normal period of payment."~~

**Section 22(B). Reconnection – Charges.**

—A disconnected service line ~~shall~~will only be reconnected when payment of all charges and indebtedness for water and/or wastewater service(s) ~~theretofore furnished to the property,~~ has been made. A ~~charge of thirty six dollars (\$36.00) fee shall will be made-charged~~ for each such reconnection during normal business hours, not to exceed \$50.00 (fifty). A higher fee will be charged if reconnection is requested outside of normal business hours, not to exceed \$150.00 (one hundred and fifty). Determine if fees need to be added back in

**Section 22(C). Returned Payments, Unpaid Credit Card Charges, Unhonored ACH Bank Payments, Stopped Payments, Disputed Payments.**

—For each payment of water and/or wastewater service(s) that is returned unpaid to the District by its financial institution, ~~the following a~~ charge will be added to that account:

~~Returned Check Fee: — \$25~~

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

**Section 22(D). Annual Review of Charges.**

~~—Except for the initial ten dollar (\$10.00) late fee, allAll other~~ fees and charges outlined in this section may be reviewed annually for possible adjustments relative to actual costs involved with each notification or action.

**Section 22(E). Responsibilities and Authorities.**

—The customer bears full responsibility for contacting the District regarding the status of any account for water and/or wastewater services immediately upon the receipt of any statement, bill, reminder or any other notice from the District.

**Section 22 (F). Tampering**

Any person who, with intent to obtain for water without paying the full, lawful charge therefore, or with intent to enable another person/business to do so, or with intent to deprive the Calaveras County Water District of any part of the full lawful charge



for utility services it provides, commits, authorizes, solicits, aids or abets any of the following shall will be guilty of a crime (misdemeanor). All of the actions below are prosecutable offenses, and the District reserves the right to exercise any and every remedy permitted by law in the event of tampering with the District's lines and/or equipment.

- (1) Diverts or causes to be diverted water services, by any means.
- (2) Prevents any utility meter, or other device used in determining the charge for services, from accurately performing its measuring function by tampering or any other means.
- (3) Tampers with any property owned by or used by the District to provide water services.
- (4) Makes or causes to be made any connection with or reconnection with property owned or used by the District to provide water without the authorization or consent of the District.
- (5) Uses or receives the direct benefit of all or a portion of utility services with knowledge or reason to believe that the diversion, tampering, or unauthorized connection existed at the time of that use, or that the use or receipt was otherwise without the authorization or consent of the utility.
- (6) Provides access to District water to any unauthorized user.

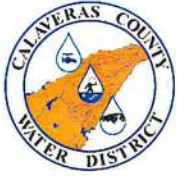
The District will cause the prosecution of all violations of Sections 498, 624 or 625 of the State of California Penal Code and all Ordinances or Regulations which make the interference with the orderly supply of water to the District's users a crime.

The District will not be responsible for any loss or damage caused by any negligence or wrongful act of a customer or his/her authorized/unauthorized tenant in operating or using any or all facilities, appliances or equipment for which water is supplied.

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Resolution 2017-14, March 22, 2017





# CALAVERAS COUNTY WATER DISTRICT

120 Toma Court • PO Box 608 • San Andreas, CA 95249 • Main line (209) 754-3543

## Bill Appeals

Per Senate Bill 998 (Dodd), customers may dispute bills or request an adjustment of bills. This process begins with a written request to the Calaveras County Water District (CCWD) Customer Service Department. Detailed information about the appeals process can be found on the back side of this form. To file an appeal, please fill out the form and sign below.

<b>Name:</b>	<b>Account number:</b>
<b>Owner</b> <input type="checkbox"/> <b>Tenant</b> <input type="checkbox"/>	<b>Service address:</b>
<b>Mailing address:</b>	<b>City:</b> <span style="float: right;"><b>Zip:</b></span>
<b>Email address:</b>	<b>Phone:</b> Cell <input type="checkbox"/> Home <input type="checkbox"/>

What are the charges on the bill you are disputing? \$ \_\_\_\_\_

Please describe your reasons for appealing your CCWD water and/or wastewater bill – if needed, more space is available on the back of this form.

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By signing below, I agree that the information listed on this form is true and correct and agree to the above terms.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

CCWD Internal Staff Use Only	
<b>Request:</b> <input type="checkbox"/> Accepted <input type="checkbox"/> Denied	
<b>Customer Service Manager signature:</b> _____	<b>Date:</b> _____
<b>Request:</b> <input type="checkbox"/> Accepted <input type="checkbox"/> Denied	
<b>Director of Admin. Services signature:</b> _____	<b>Date:</b> _____
<b>Request:</b> <input type="checkbox"/> Accepted <input type="checkbox"/> Denied	
<b>General Manager signature:</b> _____	<b>Date:</b> _____

## **CCWD Bill Appeal Policy**

Customers may dispute bills, or request an adjustment of bills through the CCWD Customer Service Department manager, within the 25 days between the date listed on the bill and the date of the account becoming delinquent, i.e. the due date. If there is no satisfactory resolution by the Customer Service Manager, the customer may submit a written appeal to the Director of Administrative Services within 60 days of the date the account becomes delinquent. If there is no satisfactory resolution to the appeal by the Director of Administrative Services within 30 days of a written appeal being received by CCWD, the customer may appeal to the General Manager in writing within 15 days of being notified of the appeal denial by the Director of Administrative Services. The General Manager will provide the customer with a final decision on the appeal within 30 days from the date the written appeal request was received. The District will not discontinue water and/or wastewater service to a customer if there is a pending appeal. If a customer does not file an appeal within these time frames, they lose the right to file an appeal through the formal appeals process. However, customers always have the right to submit a written request to the General Manger asking to be put on an agenda of the CCWD Board of Directors.

### **Additional Information Regarding Appeal**

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# CALAVERAS COUNTY WATER DISTRICT

120 Toma Court • PO Box 608 • San Andreas, CA 95249 • Main line (209) 754-3543

## Alternative Payment Plan Agreement

The Calaveras County Water District (CCWD) offers alternative payment plans to customers who meet certain requirements (see page 2). If granted, the payment plan will not exceed six months. If the terms of the agreement are violated, water service will be locked off within five (5) days of the violation, which will impact CCWD Customer Assistance Program (CAP) eligibility. To apply for an alternative payment plan, please complete the following fields.

**Please list the circumstances that qualify you for a payment plan:**

Medical  Financial  Government Assistance  Other \_\_\_\_\_

<b>Name:</b>	<b>Account number:</b>
<b>Owner</b> <input type="checkbox"/> <b>Tenant</b> <input type="checkbox"/>	<b>Service address:</b>
<b>Mailing address:</b>	<b>City:</b> <span style="float: right;"><b>Zip:</b></span>
<b>Email address:</b>	<b>Phone:</b> Cell <input type="checkbox"/> Home <input type="checkbox"/>

**Past-due balance:** \$\_\_\_\_\_ (this amount will be divided into three equal parts, see below)

**Payment plan duration:** 6 months

**Minimum bimonthly payment amount:** \$\_\_\_\_\_ + regular bill by the due date. No exceptions.

I am unable to pay the past-due balance owed to the Calaveras County Water District, but I agree to pay the balance noted above in regular installments. I acknowledge that future bills issued during the term of this agreement must be paid in full by their respective due dates, or this contract becomes null and void. I also acknowledge that I may not request further amortization of any subsequent, unpaid charges while paying the past-due balance mentioned above, pursuant to the amortization plan.

By signing below, I agree that the information listed on this form is true and correct and agree to the above terms.

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

CCWD Internal Staff Use Only	
<b>Request:</b> <input type="checkbox"/> Accepted <input type="checkbox"/> Denied   <b>Processed by:</b> _____	<b>Date:</b> _____

## CCWD Policy Regarding Alternative Payment Plans

Customers who are unable to pay for water and/or wastewater services within the normal payment period may request an alternative payment plan to avoid discontinuation of service(s). CCWD will consider all circumstances surrounding the request and make a determination as to whether the alternative payment plan is warranted. Considerations will include the following:

- Primary Care Provider Certification: The District will be obligated to enter into an amortized alternative payment plan if any resident of the premises where water and/or wastewater services are provided by CCWD provides certification from a primary care provider (per WIC § 14088(b)(1)(A)) that the discontinuation of service(s) will be life-threatening or pose a serious threat to the health and safety of any resident.
- Financial Inability to Pay: The customer demonstrates that he or she is financially unable to pay for residential service within the normal billing cycle by providing income verification from The Resource Connection, providing documentation showing any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or the customer declares that the household's annual income is less than 200 percent of the federal poverty level.

Payment plans that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. Such a plan will amortize the unpaid balance over a period agreed upon by the District and the customer, not to exceed 6 (six) months from the date of the account becoming delinquent. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill(s). The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an existing amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice, which will be physically delivered to the premises no fewer than 5 (five) business days in advance of discontinuance of service.

## Section 21 B.

Deposits. This District, in connection with deposits, as a condition for water and/or sewer service, makes a distinction between the direct billing of the owner of real property within the District as the service address and the bill of the non-owner. Deposits are originally required only when the direct billing is to the non-owner. Deposits are required of all applicants whose service has been disconnected for non-payment of charges.

Each non-owner customer receiving service who is to be billed directly will be required to pay an account establishment fee and a cash deposit of \$50 equal to the current bimonthly base rate for service(s) provided to the parcel.

~~A customer's water and/or sewer service may be discontinued if the total charges applicable thereto are not paid (as set forth in Section 22). Service will not be discontinued however until the amount of the deposit, if any, has been fully applied toward the bill. Before re-establishment of these services, a new cash deposit will be required.~~

Upon establishment of one year's credit during which a customer has paid all bills promptly without disconnection for nonpayment, the deposit ~~plus interest~~ at \_\_\_% per annum will be applied to the customer's account or refunded upon final notice of ~~discontinuance~~ discontinuation of service by the customer.

Resolution 2492  
January 25, 1979





# Agenda Item

DATE: Monday, November 25, 2019  
TO: Finance Committee  
FROM: Damon Wyckoff, Director of Operations  
SUBJECT: Personnel Allocation Change and Budgeted Impacts – Senior Treatment Plant Operators (STPOs)

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## **RECOMMENDED ACTION:**

Approve the recommendation to the full Board to approve the amended personnel allocation and budget change

## **SUMMARY:**

District management has been working to resolve an issue raised by our three Senior Treatment Plant Operators (STPOs) regarding their compensation. Currently, the STPOs are a range 19 even though they have responsibilities equivalent to the Senior Supervisor of Operations at range 22. After review and consideration of the data and options, management seeks to reclassify the three STPOs to Senior Supervisors of Operations and needs the approval from the Board to amend the personnel allocation accordingly.

District management recognizes our treatment plant operators are in unique positions as they are required to hold state licenses for water treatment, wastewater treatment, and distribution. No other classifications are required to hold three unique certifications. In the case of the STPOs and the Senior Supervisor of Operations, they are required to hold W4, WW4, and D3 licenses (dependent upon water /wastewater career tract).

The STPOs and the Senior Supervisor of Operations all operate multiple treatment plants and supervise staff who also operate those facilities. They also have regulatory testing and reporting responsibilities as well as other supervisory and compliance functions. Combined, the four of them are responsible for 85% of the operations and maintenance of the District's six drinking water treatment facilities and 13 wastewater treatment facilities.

The fact that the STPOs are paid less than the Senior Supervisor of Operations has been a source of frustration for them for several years. Management agrees that this disparity should be addressed. In reviewing the District's options, management reviewed the recently completed salary survey, which found that the STPOs total compensation is 3.3% below the median of the comparators. The salary survey also found that the Senior Supervisor of

Operations total compensation is 6.7% below the median of our comparators. Management agrees with the STPOs that they are performing functions equivalent to the Senior Supervisor of Operations and there is nothing in that job description that they aren't qualified to do or are not already doing. Accordingly, the more relevant comparison is to evaluate the STPO total compensation against the median of comparators for the Senior Supervisor of Operations position. In that analysis, the STPOs current total compensation is 16% below the median of our comparators. Management feels that it is in the District's best interest to close a gap that large to remain competitive.

These changes are consistent with other agencies in the industry and will improve the District's ability to recruit and retain treatment plant operators.

**FINANCIAL CONSIDERATIONS:**

The position allocation will need to be adjusted to increase the total Senior Supervisor of Operations to a total of 4 and reduce the Senior Treatment Plant Operators to 9. The budgetary impacts are detailed below:

Fiscal Year	Range Tier	Additional Budget Increase	Revised Full Budget Costs
2019-20	3	\$18,267	\$486,066
2020-21	3 to 4	\$21,108	\$522,915
2021-22	4 to 5	\$32,616	\$545,304
2022-23	5	\$38,603	\$550,598

*Attachment: Personnel Allocation by Department*

Calaveras County Water District  
**PERSONNEL ALLOCATION BY DEPARTMENT**  
 FISCAL YEARS 2017 - 2020

	Adopted 2017-18	Adopted 2018-19	Amended 2018-19	Adopted 2019-20	Ammended 2019-20
<b>Utility Services</b>					
Director of Operations	1.00	1.00	1.00	1.00	1.00
Director of Utility Services and Engineering	-	-	-	-	-
Regulatory Programs Manager	-	-	-	-	-
Plant Operations Manager	1.00	1.00	1.00	1.00	1.00
Operations, Senior Supervisor	1.00	1.00	1.00	1.00	4.00 (11)
Water/Wastewater Plant Operator OIT/I/II/III/Sr	12.00	12.00	12.00	12.00	9.00 (11)
Construction/Inspection I/II/III/Sr	2.00	-	(2)	-	-
Construction Worker I/II/III/Sr	3.00	3.00	3.00	7.00 (6)	7.00
Controls/Communication Senior Supervisor	1.00	1.00	1.00	1.00	1.00
Controls/Communication Technician I/Sr	2.00	2.00	2.00	2.00	2.00
Electrician I/II/Sr	2.00	2.00	2.00	1.00 (8)	1.00
Facilities Maintenance Worker	-	-	-	1.00 (9)	1.00
Mechanic I/II/Sr	3.00	3.00	3.00	3.00	3.00
Collection System Worker I/II/III/IV/Sr	5.00	5.00	5.00	5.00	5.00
Distribution Worker I/II/III/Sr	10.00	10.00	10.00	7.00 (6/7)	7.00
Meter Reader Trainee/I/II	2.00	2.00	2.00	2.00	2.00
Purchasing Agent	-	-	-	1.00 (8)	1.00
Administrative Technician I/II/Senior	1.00	1.00	1.00	1.00	1.00
<b>Total - Utility Services</b>	<b>46.00</b>	<b>44.00</b>	<b>44.00</b>	<b>46.00</b>	<b>46.00</b>
<b>General Management</b>					
General Manager	1.00	1.00	1.00	1.00	1.00
Assistant to the General Manager	-	-	-	-	-
Executive Assistant	1.00	1.00	1.00	1.00	1.00
Manager of Human Resources	-	-	1.00 (4)	1.00	1.00
Director of Human Resources/Customer Service	1.00	1.00	-	(4)	-
Human Resources Manager	-	-	-	-	-
Human Resources Technician	1.00	1.00	1.00	1.00	1.00
<b>Total - General Management</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>
<b>Engineering/Technical Services</b>					
District Engineer	1.00	1.00	1.00	1.00	1.00
Senior Civil Engineer	1.00	1.00	1.00	1.00	1.00
Civil Engineer	-	-	1.00 (3)	1.00	1.00
Construction Inspector I/II/III/Sr	-	2.00 (2)	2.00	1.00 (7)	1.00
Engineering Analyst	1.00	1.00	1.00	1.00	-
Engineering Technician I/II/Sr	1.00	1.00	1.00	1.00 (10)	2.00 (10)
Administrative Technician I/II/Sr	1.00	1.00	1.00	1.00	1.00
<b>Total - Engineering/Technical Services</b>	<b>5.00</b>	<b>7.00</b>	<b>8.00</b>	<b>7.00</b>	<b>7.00</b>
<b>Administrative Services</b>					
Director of Administrative Services	1.00	1.00	1.00	1.00	1.00

Calaveras County Water District  
**PERSONNEL ALLOCATION BY DEPARTMENT**  
 FISCAL YEARS 2017 - 2020

	Adopted 2017-18	Adopted 2018-19	Amended 2018-19	Adopted 2019-20	Amended 2019-20
Accountant I/II/III	2.00	2.00	2.00	2.00	2.00
Accounting Technician I/II/Sr	- (1)	-	-	-	-
Manager of External Affairs	-	-	1.00 (5)	1.00	1.00
Customer Service Representative I/II/III/Sr	3.00	3.00	3.00	3.00	3.00
Facilities Maintenance Worker	1.00	1.00	1.00	- (9)	-
Information System Administrator	1.00	1.00	1.00	1.00	1.00
<b>Total - Administrative Services</b>	<b>8.00</b>	<b>8.00</b>	<b>9.00</b>	<b>8.00</b>	<b>8.00</b>
<b>Water Resources</b>					
Manager of Water Resources	1.00	1.00	1.00	1.00	1.00
Manager Ex Affairs, Conservation & Grants I/II	1.00	1.00	- (5)	-	-
<b>Total - Water Resources</b>	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>Total - Personnel Allocation</b>	<b>65.00</b>	<b>65.00</b>	<b>66.00</b>	<b>66.00</b>	<b>66.00</b>

**Notes**

**FY 2017-18**

- (1) Deleted 0.5 FTE Accounting Technician I/II/III in Administrative Services

**FY 2018-19**

- (2) Moved 2.0 FTE Construction Inspector I/II/III/Sr from Utilities to Engineering/Technical Services
- (3) Added 1.0 FTE Civil Engineer in Engineering/Technical Services
- (4) Deleted 1.0 FTE Director of Human Resources/Customer Service and added 1.0 FTE Manager of Human Resources
- (5) Deleted 1.0 FTE PIO/Community Relations Manager and added 1.0 FTE Manager of External Affairs

**FY 2019-20**

- (6) Reclassed 4.0 FTE Distribution Worker I/II/III/Sr in Utilities to 4.0 FTE Construction Worker I/II/III/Sr
- (7) Moved 1.0 FTE Construction Inspector I/II/III/Sr from Engineering/Technical Services to Utilities and reclassified position to 1.0 FTE Distribution Worker I/II/III/Sr
- (8) Deleted 1.0 FTE Electrician/II/Sr in Utilities and added 1.0 FTE Purchasing Agent in Utilities
- (9) Moved 1.0 FTE Facilities Maintenance Worker from Administrative Services to Utilities
- (10) Deleted 1.0 FTE Engineering Analyst and added 1.0 FTE Engineering Technician I/II/Sr
- (11) Deleted 3.0 FTE Water/Wastewater Plant Operator OIT/I/II/III/Sr and added 3.0 FTE Operations Senior Supervisor