

CALAVERAS COUNTY WATER DISTRICT FINANCE COMMITTEE MEETING

AGENDA

Tuesday, September 28, 2021
1:00 p.m.

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

This meeting will not be physically open to the public. All members of the public may participate in the meeting via teleconference and will be given the opportunity to provide public comment.

Microsoft Teams meeting

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ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

1. **PUBLIC COMMENT:** Comments limited to three minutes per person.
2. **APPROVAL OF MINUTES:** For the meeting of July 20, 2021
3. **NEW BUSINESS**
 - 3a. Report on the Monthly Financial Reports for August 2021
(Rebecca Callen, Director of Administrative Services)
 - 3b. Discussion and Direction of the Absorbed Model
(Rebecca Callen, Director of Administrative Services)
 - 3c. Discussion Regarding Board of Directors Compensation*
(Michael Minkler, General Manager)

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

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JULY 20, 2021

The following Committee Members were present:

Cindy Secada	Director
Bertha Underhill	Director

Staff Present:

Michael Minkler	General Manager
Rebecca Callen	Director of Administrative Services
Zachary Thompson	Accountant II

Public Present:

None

ORDER OF BUSINESS

CALL TO ORDER / PLEDGE OF ALLEGIANCE

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

1. Public Comment: None.
2. Approval of Minutes: Minutes approved from the April 20, 2021 Finance Committee meeting.
3. New Business:
 - 3a. Report on the Monthly Financial Reports for June 2021:

Ms. Callen started off by saying these are pre-audit reports. Revenues have come in higher than budget, and there was a discussion on utility customer activity. Overall, the expenditures have come in a little higher than budgeted.
 - 3b. Report on the FY 2020-21 Fourth Quarter Investment Activities:

Ms. Callen spoke of the change made to invest through Chandler Asset Management. A transfer was made from LAIF to Chandler Asset Management for investing, and growing the District's assets. The Chandler Asset Management quarterly investment report was provided to the Finance Committee members.
 - 3c. Discussion and Direction Regarding the Full Rewrite of Article III of the Rules and Regulations Governing the Furnishing of Water and/or Wastewater Services:

Ms. Callen talked of the process taken in the rewrite of the Rules and Regulations. This was a collaborative effort over many months and included all departments. She then commented on each of the proposed changes.

Director Secada likes the proposed changes.

Mr. Minkler left the meeting at 1:55 p.m. after commenting that this won't be presented at the next Board meeting as it needs to be reviewed by legal and department heads.
 - 3d. Discussion and Direction Regarding Annual Resolution to Submit Delinquencies to County Tax Rolls:

Ms. Callen commented on the increase in the number of accounts that will be turned over to the County for collection through the tax rolls. The increase in accounts stems from the Governor's executive order preventing the shutoff or suspension of service during the COVID-19 pandemic. She also spoke of Customer Services efforts to reach out to all delinquent customers on making payment arrangements.
4. Director of Administrative Services Comments:

Staff will continue to review the Rules & Regulations. The Tyler implementation is in full swing, and a test site should be available to work with soon. We are moving forward with the new phone

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system, Ring Central that will provide many analytics. Ms. Callen added that we are now live with the lockbox service.

5. General Manager Comments:

Absent.

6. Director Comments:

Director Underhill attended the White Pines Park Committee and talked about the many signs the committee posted at the park listing the rules.

Director Secada attended the car show at White Pines Park and had a good time.

7. Future Agenda Items:

- Accounts Receivable Aging Report

8. Next Committee Meeting:

Tuesday, August 17, 2021, at 1 p.m.

9. Adjournment:

Meeting adjourned at 1:24 p.m.

Respectfully Submitted,

P Christensen

Patti Christensen, Accountant II

Approved:

Rebecca Callen

Rebecca Callen, Director of Administrative Services

Agenda Item

DATE: September 28, 2021

TO: Finance Committee

FROM: Rebecca Callen, Director of Administrative Services

SUBJECT: Report on the Monthly Financial Reports for August 2021 (**PRE-AUDIT**)

RECOMMENDED ACTION:

Receive Report on August 2021 (**PRE-AUDIT**) Monthly Financial Reports.

SUMMARY:

The following financial reports are for the month ending August 31, 2021 (**PRE-AUDIT**):

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

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

Capital Improvement Program Cash Flow/Expenditure Summary – A status report of Capital Improvement Program water and wastewater projects to date.

The Claim Summary was presented and approved by the Board at the September 8, 2021 Board Meeting.

The Monthly Investment Transaction report will be presented to the Board at the second meeting of the month.

FINANCIAL CONSIDERATIONS:

None

Attachment: Budget Status Report – August 2021

Capital R&R Report – August 2021

Capital Improvement Program Cash Flow/Expenditure Summary – August 2021

August 2021 Budget Status Report (Pre-Audit)

The Budget Status Report represents a standard of analysis to identify material issues with the understanding that line-item variances are normal, and the areas of concern are isolated to **Account Types** that fall short of budget and historical trends or Account Types that are at or significantly over the benchmark.

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

These amounts are subject to change pending the District's annual audit.

All District Revenues

This table includes operating, capital, expansion, and reserve funds:

Revenue YTD Totals Account Type	Fiscal Year	2019	2020	2021	2022	Current Budget	Remaining Balance	Benchmark 17% Of Budget
⊕ W01-Sales & Charges		2,849,172	2,923,921	3,031,919	3,259,672	14,008,395	10,748,723	23.27%
⊕ W02-Water/Sewer Fees		2,255	2,021	14,200	7,968	30,000	22,032	26.56%
⊕ W03-Misc. Operating Revenue		1,299	12,008	114,547	12,584	113,000	100,416	11.14%
⊕ X03-Interest Income		5,602	7,020	109		13,500	13,500	0.00%
⊕ X04-Expansion/Assemt Fees		74,017	143,697	911,342	104,422	-	(104,422)	0.00%
⊕ X05-Power Sales		121,127	148,637	127,171	129,694	710,655	580,961	18.25%
⊕ X06-Other Revenue		16,087	240,290	332,061	277,998	987,476	709,478	28.15%
⊕ X30-Transfers In		792,987	4,126,360	841,659		1,973,125	1,973,125	0.00%
Grand Total		3,862,546	7,603,954	5,373,007	3,792,337	20,688,970	16,896,633	18.33%

The table above includes all funds, including those without budgeted revenues. This table is not indicative of the District's revenue performance. The District's operating funds contain the majority of the District's budgeted revenue. As a result, budget vs actual analysis is significantly impacted when additional funds are included in the table above. The subsequent table(s) provide a better representation of the District's revenue performance.

District Operating Revenues

These revenues are isolated to operating funds for water, sewer and general:

							Benchmark
Revenue YTD Totals	Fiscal Year				Current	Remaining	17%
Account Type	2019	2020	2021	2022	Budget	Balance	Of Budget
⊕ W01-Sales & Charges	2,081,440	2,156,606	2,248,265	2,447,307	14,008,395	11,561,088	17.47%
⊕ W02-Water/Sewer Fees	2,255	2,021	14,200	7,968	30,000	22,032	26.56%
⊕ W03-Misc. Operating Revenue	1,299	12,008	114,547	12,584	113,000	100,416	11.14%
⊕ X03-Interest Income	1,598	2,364	30		13,500	13,500	0.00%
⊕ X05-Power Sales	121,127	148,637	127,171	129,694	710,655	580,961	18.25%
⊕ X06-Other Revenue	15,087	240,290	332,061	277,998	987,476	709,478	28.15%
⊕ X30-Transfers In	792,987	4,126,360	841,659		1,973,125	1,973,125	0.00%
Grand Total	3,015,793	6,688,286	3,677,932	2,875,551	20,688,970	17,813,419	13.90%

Analysis of District Revenues identifies the accounts to note:

- Water/Sewer Fees
- Misc. Operating Revenue
- Interest Income
- Other Revenue
- Transfers In

Water/Sewer Fees

							Benchmark
Revenue YTD Totals	Fiscal Year				Current	Remaining	17%
Account Type	2019	2020	2021	2022	Budget	Balance	Of Budget
⊖ W02-Water/Sewer Fees	2,255	2,021	14,200	7,968	30,000	22,032	26.56%
44300-Install Water Meter	2,255	2,021	14,200	7,968	30,000	22,032	26.56%

44300: Revenue generated from the installation of new water meters and is dependent on customer activity.

Miscellaneous Operating Revenue

							Benchmark
Revenue YTD Totals	Fiscal Year				Current	Remaining	17%
Account Type	2019	2020	2021	2022	Budget	Balance	Of Budget
⊖ W03-Misc. Operating Revenue	1,299	12,008	114,547	12,584	113,000	100,416	11.14%
42000-Inspection Fees	200	487	5,331	563	8,000	7,437	7.04%
44500-Repair Labor/Materials	(900)	4,014	10,846	193	44,000	43,807	0.44%
44510-Reimbursable Expense	1,452	6,388	5,569	8,886	33,000	24,114	26.93%
48190-Miscellaneous Operating Rev	547	1,119	92,801	2,942	24,000	21,058	12.26%

42000: Inspection Fees are customer driven and the revenue, although lower than budget, is appropriate.

44500: Repair Labor/Materials is made up of construction costs associated with new construction on utility customer accounts.

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

Interest Income:

Revenue YTD Totals							Benchmark	
Account Type	Fiscal Year	2019	2020	2021	2022	Current Budget	Remaining Balance	17% Of Budget
X03-Interest Income		1,598	2,364	30		13,500	13,500	0.00%
51100-Interest Income/CCWD Invest		1,598	2,364	30		13,500	13,500	0.00%

51100: Interest is reported on a quarterly basis.

Other Revenue

Revenue YTD Totals							Benchmark	
Account Type	Fiscal Year	2019	2020	2021	2022	Current Budget	Remaining Balance	17% Of Budget
X06-Other Revenue		15,087	240,290	332,061	277,998	987,476	709,478	28.15%
48130-Rental Revenue		13,483	11,910	17,907	11,517	76,957	65,440	14.97%
54600-Other Non-Operating Revenue			219,981	314,154	266,481	779,519	513,038	34.19%
54605-Misc Developer Reimbursements		1,604	8,399			-	-	0.00%

54600: Revenue is made up of invoicing NCPA/MID for FERC fees and other agency billings for reimbursable expenses. The related expense will appear in Department 60 - Water Resources' budget under account 61435.

Transfers In

Revenue YTD Totals							Benchmark	
Account Type	Fiscal Year	2019	2020	2021	2022	Current Budget	Remaining Balance	17% Of Budget
X30-Transfers In		792,987	4,126,360	841,659		1,973,125	1,973,125	0.00%
59100-Transfer In From Funds		792,987	4,126,360	841,659		1,973,125	1,973,125	0.00%

59100: Transfer In is used for Debt Service Reclassifications, and miscellaneous interfund transfers.

District Operating Expenses

Expenses at the end of August are below the 17% benchmark. Please note that amounts will track low at the start of the year as invoices are accrued into the prior year. This report is pre-audit and amounts are subject to change.

							Benchmark	
Expense YTD Totals	Fiscal Year <input type="text"/>				Current	Remaining	17%	
Account Type <input type="text"/>	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊕ Y01-Sal/Wage/Benefits	1,543,049	1,500,500	1,474,718	1,519,370	10,502,357	8,982,987	14.47%	
⊕ Y02-Utility Service	114,318	111,771	96,938	110,863	1,186,636	1,075,773	9.34%	
⊕ Y03-Materials/Supplies	168,088	227,504	241,965	132,488	1,231,622	1,099,134	10.76%	
⊕ Y04-Outside Services	98,479	128,483	135,857	94,565	1,075,703	981,138	8.79%	
⊕ Y05-Professional Services	45,005	47,476	44,877	81,069	1,003,286	922,217	8.08%	
⊕ Y06-Vehicle/Equipment	40,453	59,645	48,278	37,868	376,720	338,852	10.05%	
⊕ Y07-Office Expenses	22,917	31,586	25,660	18,348	156,396	138,048	11.73%	
⊕ Y08-Travel/Training	8,216	8,152	1,588	335	97,458	97,123	0.34%	
⊕ Y10-Purchased Water				3,000	506,628	503,628	0.59%	
⊕ Y11-Retired Employee	91,955	102,334	101,999	105,579	608,295	502,716	17.36%	
⊕ Y12-Bad Debts	11,655	3,344	5,148	9,786	52,000	42,214	18.82%	
⊕ Y13-Misc Op Expenses	11,615	316,590	443,554	466,424	1,499,222	1,032,798	31.11%	
⊕ Y15-Director Costs	16,806	20,373	15,205	18,074	170,327	152,253	10.61%	
⊕ Y16-Legal	8,993	17,253	16,091		310,000	310,000	0.00%	
⊕ Z02-Debt Repayment	845,089	1,022,613	1,045,439	290,414	2,103,112	1,812,698	13.81%	
⊕ Z03-Capital Equipment	10,165	15,949	52,295	59,980	934,368	874,388	6.42%	
⊕ Z04-Misc Non Operating	8,131	7,500	52,500	14	37,720	37,706	0.04%	
⊕ Z30-Transfers Out		3,331,493	48,810		-	-	0.00%	
Grand Total	3,044,932	6,952,568	3,850,922	2,948,179	21,851,850	18,903,671	13.49%	

The Account Type to note is:

- Misc Op Expenses

Misc Op Expenses

							Benchmark
Expense YTD Totals	Fiscal Year <input type="text" value="Y"/>				Current	Remaining	17%
Account Type <input type="text" value="v"/>	2019	2020	2021	2022	Budget	Balance	Of Budget
Y13-Misc Op Expenses	11,615	316,590	443,554	466,424	1,499,222	1,032,798	31.11%
61315-Rate Assistance Program		8,299	8,151	9,288	60,000	50,712	15.48%
61409-Unemployment Claims		-	-		2,000	2,000	0.00%
61410-Insurance		70,750	80,361	137,666	255,163	117,497	53.95%
61420-State Water and Sewer Fees	454	454	1,362	4,312	218,770	214,458	1.97%
61435-State/Federal/County Fees		229,526	345,388	280,861	95,700	(185,161)	293.48%
61450-Mandated Plans	1,593				65,000	65,000	0.00%
61455-Water Conservation	575	1,249	700	75	4,000	3,925	1.88%
61485-Third Party Payment Processing	5,711	6,312	7,592	8,891	83,989	75,098	10.59%
61430-Federal Dam and Admin Fees	3,282			25,332	714,600	689,268	3.54%

61410: Insurance policies are paid a few times a year and will meet budget by year end.

61435: A review of this account shows that a correction needs to be posted in September reducing 61435 by \$181,407, moving the Dept. of Water Resources Dam Fees to account number 61430. The correction will bring these accounts more in line with budget.

DEPARTMENTAL EXPENSE REPORTS

Dept 50 – Non-Departmental

							Benchmark	
Expense YTD Totals	Fiscal Year <input type="text"/>				Current	Remaining	17%	
Account Type <input type="text"/>	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊕ Y02-Utility Service	3,415	3,258	730	1,864	39,831	37,967	4.68%	
⊕ Y03-Materials/Supplies	4,112	3,217	1,433	909	45,945	45,036	1.98%	
⊕ Y04-Outside Services	6,391	6,304	10,036	6,577	53,100	46,523	12.39%	
⊕ Y11-Retired Employee	91,955	102,334	101,999	105,579	608,295	502,716	17.36%	
⊕ Y13-Misc Op Expenses	3,282	70,750	80,361	137,666	255,163	117,497	53.95%	
⊕ Z02-Debt Repayment	845,089	1,022,613	1,045,439	290,414	2,103,112	1,812,698	13.81%	
Grand Total	954,245	1,208,476	1,239,997	543,009	3,160,666	2,617,657	17.18%	

Analysis shows Department 50's expenses are on target to benchmark. There is one account type to note:

- Misc Op Expenses

Misc Op Expenses

							Benchmark	
Expense YTD Totals	Fiscal Year <input type="text"/>				Current	Remaining	17%	
Account Type <input type="text"/>	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊖ Y13-Misc Op Expenses	3,282	70,750	80,361	137,666	255,163	117,497	53.95%	
61410-Insurance		70,750	80,361	137,666	255,163	117,497	53.95%	
61430-Federal Dam and Admin Fees	3,282				-	-	0.00%	

See note on Page 5

Dept. 54 - Utility Services

							Benchmark	
Expense YTD Totals	Fiscal Year ▼				Current	Remaining	17%	
Account Type ▼	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊕ Y01-Sal/Wage/Benefits	1,047,810	1,008,655	1,100,078	1,078,142	7,114,104	6,035,962	15.15%	
⊕ Y02-Utility Service	110,903	108,512	96,209	108,999	1,146,805	1,037,806	9.50%	
⊕ Y03-Materials/Supplies	163,260	221,894	238,526	130,422	1,146,327	1,015,905	11.38%	
⊕ Y04-Outside Services	52,306	71,554	77,476	57,034	791,702	734,668	7.20%	
⊕ Y05-Professional Services	6,170	17,360	2,959	500	100,710	100,210	0.50%	
⊕ Y06-Vehicle/Equipment	40,453	59,645	48,278	37,868	376,720	338,852	10.05%	
⊕ Y07-Office Expenses	4,359	4,695	6,340	6,229	24,300	18,071	25.63%	
⊕ Y08-Travel/Training	3,314	2,499	600	297	35,183	34,886	0.84%	
⊕ Y13-Misc Op Expenses	454	454	1,362	4,312	218,770	214,458	1.97%	
⊕ Z03-Capital Equipment		15,949	52,295	59,980	909,368	849,388	6.60%	
⊕ Z04-Misc Non Operating			52,500	14	-	(14)	0.00%	
Grand Total	1,429,028	1,511,218	1,676,621	1,483,798	11,874,989	10,391,191	12.50%	

The accounts to note are:

- Office Expenses

Office Expenses

							Benchmark	
Expense YTD Totals	Fiscal Year ▼				Current	Remaining	17%	
Account Type ▼	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊖ Y07-Office Expenses	4,359	4,695	6,340	6,229	24,300	18,071	25.63%	
60710-Permits and Licenses	1,368	2,138	1,431	1,099	10,800	9,701	10.18%	
60730-Publications/Subscriptions				1	500	499	0.20%	
60732-Memberships and Dues	2,991	2,558	4,909	5,129	13,000	7,871	39.46%	

60732: This includes both business and individual fees for renewal of annual association dues.

Dept 56 – General Management

							Benchmark
Expense YTD Totals	Fiscal Year <input type="text"/>				Current	Remaining	17%
Account Type	2019	2020	2021	2022	Budget	Balance	Of Budget
⊕ Y01-Sal/Wage/Benefits	136,929	137,495	113,396	104,113	654,498	550,385	15.91%
⊕ Y03-Materials/Supplies	205	566		329	6,800	6,471	4.84%
⊕ Y04-Outside Services	648	2,738	1,308	683	15,050	14,367	4.54%
⊕ Y05-Professional Services	12,280	8,552	1,516	7,815	84,300	76,485	9.27%
⊕ Y07-Office Expenses	10,937	11,331	10,999	10,992	47,695	36,703	23.05%
⊕ Y08-Travel/Training	4,781	5,503		38	23,450	23,412	0.16%
⊕ Y13-Misc Op Expenses		-	-		2,000	2,000	0.00%
⊕ Y16-Legal	8,407	2,146			145,000	145,000	0.00%
⊕ Z04-Misc Non Operating	631				-	-	0.00%
Grand Total	174,819	168,331	127,218	123,971	978,793	854,822	12.67%

Although General Management is trending under budget there is one noteworthy item:

- Office Expenses

Office Expenses

							Benchmark
Expense YTD Totals	Fiscal Year <input type="text"/>				Current	Remaining	17%
Account Type	2019	2020	2021	2022	Budget	Balance	Of Budget
⊖ Y07-Office Expenses	10,937	11,331	10,999	10,992	47,695	36,703	23.05%
60700-Forms and Supplies	37				800	800	0.00%
60730-Publications/Subscriptions			7		150	150	0.00%
60732-Memberships and Dues	10,900	11,331	10,992	10,992	46,745	35,753	23.51%

60732: Annual membership dues to Mountain Counties Water Resources Association.

Dept 57 – Board of Directors – nothing to report on

							Benchmark
Expense YTD Totals	Fiscal Year <input type="button" value="▼"/>				Current	Remaining	17%
Account Type <input type="button" value="▼"/>	2019	2020	2021	2022	Budget	Balance	Of Budget
<input type="checkbox"/> Y15-Director Costs	16,806	20,373	15,205	18,074	170,327	152,253	10.61%
60000-Salaries/Wages	4,200	4,200	3,360	3,960	43,200	39,240	9.17%
60100-Benefits	11,694	14,483	12,683	13,739	101,577	87,838	13.53%
60102-Medical Reimbursements			420		1,800	1,800	0.00%
60310-Materials and Supplies		55		23	3,750	3,727	0.61%
60810-Training Conf and Travel	17	725	(1,448)		17,500	17,500	0.00%
60820-Other Travel Costs	895	910	190	352	-	(352)	0.00%
Grand Total	16,806	20,373	15,205	18,074	170,327	152,253	10.61%

Dept 58 – Engineering – nothing to report on

							Benchmark
Expense YTD Totals	Fiscal Year <input type="button" value="▼"/>				Current	Remaining	17%
Account Type <input type="button" value="▼"/>	2019	2020	2021	2022	Budget	Balance	Of Budget
<input type="checkbox"/> Y01-Sal/Wage/Benefits	108,655	140,277	59,928	96,196	1,223,450	1,127,254	7.86%
<input type="checkbox"/> Y03-Materials/Supplies		137		754	7,800	7,046	9.67%
<input type="checkbox"/> Y04-Outside Services		7,320	9,195	2,766	13,000	10,234	21.28%
<input type="checkbox"/> Y05-Professional Services			5,961	3,700	210,000	206,300	1.76%
<input type="checkbox"/> Y07-Office Expenses		542			1,800	1,800	0.00%
Grand Total	108,655	148,276	75,084	103,417	1,484,325	1,380,908	6.97%

Dept 59 – Administrative Services

							Benchmark	
Expense YTD Totals	Fiscal Year <input type="text"/>				Current	Remaining	17%	
Account Type <input type="text"/>	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊕ Y01-Sal/Wage/Benefits	194,851	181,349	168,396	211,026	1,325,070	1,114,044	15.93%	
⊕ Y03-Materials/Supplies	511	1,690	2,007	74	24,250	24,176	0.30%	
⊕ Y04-Outside Services	39,134	40,567	37,842	27,504	202,851	175,347	13.56%	
⊕ Y05-Professional Services	24,216	19,419	25,416	68,337	305,371	237,034	22.38%	
⊕ Y07-Office Expenses	2,647	3,018	258	1,127	19,395	18,268	5.81%	
⊕ Y08-Travel/Training	96	150	638		5,800	5,800	0.00%	
⊕ Y12-Bad Debts	11,655	3,344	5,148	9,786	52,000	42,214	18.82%	
⊕ Y13-Misc Op Expenses	5,711	15,859	16,442	18,254	147,989	129,735	12.33%	
⊕ Z03-Capital Equipment	10,165				-	-	0.00%	
⊕ Z04-Misc Non Operating	7,500	7,500			7,500	7,500	0.00%	
⊕ Z30-Transfers Out		3,331,493	48,810		-	-	0.00%	
Grand Total	296,485	3,604,390	304,956	336,108	2,090,226	1,754,118	16.08%	

There is one account we should make note of:

- Professional Services

Professional Services

							Benchmark	
Expense YTD Totals	Fiscal Year <input type="text"/>				Current	Remaining	17%	
Account Type <input type="text"/>	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊖ Y05-Professional Services	24,216	19,419	25,416	68,337	305,371	237,034	22.38%	
60510-Accounting/Auditing	14,415	13,255	7,800	8,380	41,600	33,220	20.14%	
60590-Professional Services	9,801	6,164	17,616	59,957	263,771	203,814	22.73%	

60590: Outside IT Support, and an upgrade of network security makes up the majority of the expense, all of which was included in the budget.

Dept 60 – Water Resources

							Benchmark	
Expense YTD Totals	Fiscal Year				Current	Remaining	17%	
Account Type	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊕ Y01-Sal/Wage/Benefits	54,804	32,725	32,921	29,892	185,235	155,343	16.14%	
⊕ Y05-Professional Services	2,339	2,145	9,027	718	302,905	302,188	0.24%	
⊕ Y07-Office Expenses	4,974	12,000	8,064		63,206	63,206	0.00%	
⊕ Y08-Travel/Training	25		350		4,750	4,750	0.00%	
⊕ Y10-Purchased Water				3,000	495,628	492,628	0.61%	
⊕ Y13-Misc Op Expenses	2,168	229,527	345,388	306,193	875,300	569,107	34.98%	
⊕ Y16-Legal	586	15,107	16,091		165,000	165,000	0.00%	
Grand Total	64,895	291,504	411,840	339,803	2,092,524	1,752,721	16.24%	

Although Water Resources is under budget there is one account type we should make note of:

- Misc Op Expenses

Misc Op Expenses

							Benchmark	
Expense YTD Totals	Fiscal Year				Current	Remaining	17%	
Account Type	2019	2020	2021	2022	Budget	Balance	Of Budget	
⊖ Y13-Misc Op Expenses	2,168	229,527	345,388	306,193	875,300	569,107	34.98%	
61435-State/Federal/County Fees		229,526	345,388	280,861	95,700	(185,161)	293.48%	
61450-Mandated Plans	1,593				65,000	65,000	0.00%	
61455-Water Conservation	575	0			-	-	0.00%	
61430-Federal Dam and Admin Fees				25,332	714,600	689,268	3.54%	

See explanation on page 5

CALAVERAS COUNTY WATER DISTRICT
Capital Improvement Program
Year-to-Date through 08/31/2021

	CURRENT YEAR		JULY 2013 - JUNE 2021	
	Water Fund 125	Sewer Fund 135	Water Fund 125	Sewer Fund 135
Revenue:				
Capital R&R Rates	610,041	202,324	23,948,037	8,688,505
Interest Income	-	-	599,216	204,785
Grant Revenues	-	-	4,203,602	187,817
Other/Misc Revenue	-	-	1,841,425	-
Loan Proceeds	-	-	6,622,000	2,300,001
	<u>610,041</u>	<u>202,324</u>	<u>37,214,280</u>	<u>11,381,108</u>
Expenditures:				
Project Costs	191,817	139,547	27,105,418	3,994,719
Loan Payments	-	-	4,847,565	2,581,714
	<u>191,817</u>	<u>139,547</u>	<u>31,952,983</u>	<u>6,576,433</u>
Operating Loss/(Gain)	<u>(418,224)</u>	<u>(62,777)</u>	<u>(5,261,297)</u>	<u>(4,804,675)</u>

CALAVERAS COUNTY WATER DISTRICT

Capital Improvement Program

Year -to-Date through 08/31/2021

Project No.	Description	Estimated Cost	FY 21-22 Cash Flow	Prior Years Expenditures	FY 21-22 Expenditures	FY 21-22 Remaining Balance
10029	Slurry Line Improvements	80,000	80,000	400,905	-	80,000
11083C	Clearwell & Tank B / Repair & Paint	1,171,000	500,000	11,196	-	500,000
11083J	Clearwell #2 / Repair & Paint	216,000	-	16,625	-	-
11083L	Larkspur Tank / Repair & Paint	600,000	450,000	23,478	-	450,000
11083S	Sawmill/Hunter's Tanks / Repair & Paint	1,810,000	-	10,751	-	-
11083W	Wallace Tanks / Repair & Paint	1,500,000	-	7,020	-	-
11088	Jenny Lind Tank A-B Trans Line	6,710,000	-	31,407	141	(141)
11095	EP Redwood Tanks Replacement	3,400,000	1,500,000	877,762	10,582	1,489,418
11096	WP AMR/AMI Meter Program	5,000,000	5,000,000	493,569	18,147	4,981,853
11099	Meadowmont P/S Improvement	234,000	100,000	84,169	-	100,000
11100	Wallace SCADA System Improvements	101,000	-	-	-	-
11101	District Corp Yard	1,400,000	900,000	292,665	7,884	892,116
11103	Hunter's Raw Water Pumps Renovation	2,080,000	210,000	10,136	658	209,342
11104	Lake Tulloch Submerged Water Line Cross	6,250,000	-	-	-	-
11106	West Point Backup Water Filter	2,200,000	1,200,000	37,728	12,308	1,187,692
11107	WP SCADA Improvements	110,000	-	434	-	-
11108	Big Trees Pump Stations 1, 4 & 5 Repl	1,500,000	-	203	-	-
11110	Reeds Turnpike Pump Station Repl	500,000	25,000	5,311	-	25,000
11111	Copper Cove Tank B Pump Station Renov	1,265,000	-	107	-	-
11112	White Pines Dam/Blanket Drain Rehab	65,000	35,918	29,082	-	35,918
11115	EP Larkspur Pump Station Rehab	750,000	-	-	-	-
11116	EP Pinebrook Tank Rehab	400,000	-	-	-	-
11118	JL Filters 3/4/5 Rehab/Coating	-	-	408,282	132,333	(132,333)
11119	JL Tanks A,B,E,F Rehab	2,000,000	-	-	-	-
11120	JL Raw Water Intake Structure	4,000,000	-	-	-	-
11121	JL Tank C Replacement	1,000,000	-	-	-	-
11122	CC Zone B-C Trans Pipeline & Pump Stn	9,000,000	150,000	-	-	150,000
11123	West Point Acorn Pump Station/Trans Ppln	2,010,000	-	-	-	-
11124	West Point Middle Fork Pump Station	1,610,000	-	-	-	-
11125	Sheep Ranch Water Plant Replacement	800,000	-	-	-	-
11126	Sheep Ranch Distribution System Replacement	6,000,000	-	-	3,807	(3,807)
11127	Sheep Ranch Clearwell Rehab/ Repair and Paint	350,000	175,000	1,760	5,956	169,044
various	Misc Road Repairs / CalOES	257,655	60,000	-	-	60,000
11109	White Pines Tule Removal/Spillway	200,000	100,000	-	-	100,000
	West Point Regulator Reapir/Tule Removal	100,000	-	-	-	-
	EP Hunters WTP Clearwell Rehab/Coating	1,000,000	-	-	-	-
TOTALS		65,669,655	10,485,918	2,742,590	191,817	10,294,101

CALAVERAS COUNTY WATER DISTRICT
Capital Improvement Program
Year -to-Date through 08/31/2021

Project No.	Description	Estimated Cost	FY 21-22 Cash Flow	Prior Years Expenditures	FY 21-22 Expenditures	FY 21-22 Remaining Balance
15076	CC L/S #6, 8 & Force Main Bypass	4,500,000	-	292,244	379	(379)
15080	CC L/S #15 & 18 Renovations	3,500,000	-	305,980	1,151	(1,151)
15087	Wallace Treatment Plant Renovations	25,000	25,000	111,155	683	24,317
15091	West Point/Wilseyville Consol Constr	5,500,000	500,000	173,557	6,236	493,764
15094	CC Secondary/Tertiary/UV Improvements	15,000,000	250,000	29,567	6,205	243,795
15095	Arnold Secondary Clarifier	3,500,000	550,000	98,992	33,665	516,335
15097	LC Biolac, Clarifier & UV Improvements	4,000,000	-	1,146	-	-
15101	LaContenta Spray Fields	1,000,000	-	13,100	91,229	(91,229)
15102	Arnold Tertiary Filter Rehab	250,000	-	-	-	-
15103	Effluent Storage Tank Rehab	250,000	-	-	-	-
15104	Arnold L/S 2&3 Improvements	2,000,000	-	-	-	-
15106	FM UV Disinfection System Replacement	300,000	300,000	-	-	300,000
15108	Regional Biosolids/Sludge Handling	1,500,000	-	-	-	-
15109	Collection System Rehab and I&I Mitigation	150,000	50,000	-	-	50,000
15110	Sequoia Woods Leach Field Rehab	150,000	-	-	-	-
15111	Vallecito WWTP System Improvements	130,000	130,000	10,800	-	130,000
	LaContenta Sand Filter Rehab	100,000	50,000	-	-	50,000
	CCWWTP Tertiary Filter	1,400,000	-	-	-	-
	CC Lift Station Rehab - General	5,000,000	-	-	-	-
TOTALS		48,255,000	1,855,000	1,036,541	139,547	1,715,453

Agenda Item

DATE: September 28, 2021
TO: Finance Committee
FROM: Rebecca Callen, Director of Administrative Services
SUBJECT: Discussion and Direction of the Absorbed Model

RECOMMENDED ACTION:

Discussion and direction on continuing or ceasing the current practice of absorbing all fees associated with credit card and online payments.

SUMMARY:

Resolution 2004-57 established a 3% surcharge to credit card and online payments to defray the costs to the District for accepting them. Resolution 2008-44 rescinded that action citing that the District had obtained favorable pricing for the services and the surcharge was no longer necessary.

Currently, the District is enrolled in the Utility Interchange Program. This program allows utility agencies, who absorb the costs for credit card charges to have a capped rate for each credit card type (VISA, MasterCard, etc.). The current interchange rate is, on average, \$0.75 per transaction + processing fee. This equates to an absorbed cost, per transaction of approximately \$2.00 per transaction, regardless of amount. Compare this to what the 3% would equate to of approximately \$3-\$6 per transaction if the customer paid the surcharge (this assumes a bill of \$100-200).

When the District first engaged with online payments, a small fraction of the customer base participated, and the annual costs were small. Today, more than half of the District's customers engage with some type of online access to pay their bills.

Fiscal Year	Third Party Absorbed Charges
2015-16	\$56,024
2016-17	\$68,818
2017-18	\$71,175
2018-19	\$71,080
2019-20	\$85,580
2020-21	\$97,320
2021-22*	\$109,971
2022-23*	\$123,168

*Projected

The increase in overall charges has occurred due to an increase of customers using credit cards and online payment methods and has drastically increased due to the “type” of credit cards customers are using. Non-Qualified charges equate to an additional 2.75% on each transaction. These cards are benefit or reward-based cards which are the most expensive tiers of credit cards.

In general, about 6-8% (and growing) of our total transactions are linked to non-qualified credit card usage. This equates to \$1,500-2,000+ of additional charges per month, above and beyond the standard utility interchange rates and normal processing fees discussed above.

Due to the District absorbing these costs, it has been the practice to NOT allow any non-utility payments to utilize credit cards to pay cost to serves, capacity charges, or any other fees that are not utility rate based. Not allowing this form of payment does hinder timely collection and forces applicants to physically come in, even though many have asked to pay over the phone or online.

The District does have the ability to segregate merchant accounts to allow absorption on one and surcharge on the other, to open this as a payment option for non-utility transactions. However, there should be a wider discussion as to the ongoing process of absorbing the overall costs of utility bill payments given the rise in costs to the District and if it continues to make sense or if there is support to cease the practice and pass these costs on to those who use the program.

FINANCIAL CONSIDERATIONS:

None at this time.