

REGULAR BOARD MEETING AGENDA

MIDWAY HEIGHTS COUNTY WATER DISTRICT

May 20, 2021 @ 7:00 P.M.

Note: Pursuant to the Governor's Executive Order N-29-20 and given the state of emergency regarding the threat of COVID-19, the meeting will be held via webinar on the Zoom application. The web link is:

<https://us02web.zoom.us/j/89688852796?pwd=MExLYmtNMGZaYXB6NVNINnFrd3FFQT09>

Meeting ID: 896 8885 2796

Passcode: 963391

The meeting may also be accessed via phone at the toll-free number of:

833 548 0276, 833 548 0282, 877 853 5247 or 888 788 0099

Information on zoom meetings may be found at:

<https://support.zoom.us/hc/en-us/articles/201362193-Joining-a-meeting>

- ❖ This agenda has been prepared and posted at least 72 hours prior to the regular board meeting of the Midway Heights County Water District Board of Directors in accordance with the Ralph M. Brown Act.
- ❖ The chronological order of agenda items does not necessarily mean that each item will be considered in that order. Any listed items may be considered at any time during the meeting, at the discretion of the Board President.
- ❖ The public may address the Board on each agenda item during the Board's consideration of that item. Any members of public present at a meeting will be asked but are not required to state their name to the Board Secretary so that their attendance may be made a matter of public record.
- ❖ The Board is prohibited by law from taking action on any matter not appearing on the posted agenda, except in certain cases provided for in the Brown Act.
- ❖ In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Jason Tiffany at (530) 878-8096 (phone) or (530) 878-8096 (fax). Requests must be made as early as possible, and at least one full business day before the start of the meeting.
- ❖ In accordance with Government Code Sec. 54954.2 (a) this notice and agenda were posted at the following locations: MHCWD Office; Meadow Vista Post Office; Meadow Vista Village Center; at the intersection of Placer Hills and Peaceful Valley Roads; at the intersection of Oak Hill and Hillsdale Roads and Meadow Vista Community Center.

I. CALL TO ORDER**II. ROLL CALL OF DIRECTORS****III. REVIEW AND APPROVAL OF MINUTES**

The minutes from the March 18, 2021 and April 15, 2021 Regular Meetings will be discussed and may be approved.

IV. PUBLIC FORUM

This time is scheduled for comments from members of the public concerning subjects that do not specifically appear as items elsewhere on the agenda. The total time allotted for the public forum session is generally limited to 20 minutes. Discussion on each particular issue is limited to 10 minutes. Individuals are limited to approximately 3 minutes of public comments.

V. GENERAL BUSINESS**A. CONSENT CALENDAR**

1. DIRECTORS REPORTS
2. MISCELLANEOUS INFORMATION AND CORRESPONDENCE

B. DISCUSSION & ACTION RE: REVIEW OF THE DRAFT AUDIT REPORT & FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDING JUNE 30, 2020**C. DISCUSSION AND ACTION RE: CONSIDER APPROVAL OF A CONTRACT FOR STRATEGIC-PLANNING FRAMEWORK IN AN AMOUNT NOT TO EXCEED \$20,000.****D. FIELD REPORT****E. GENERAL MANAGER'S REPORT****VI. FINANCIAL****A. DISCUSSION AND ACTION RE: END OF YEAR REVIEW OF FY 2020 BUDGET****B. DISCUSSION AND ACTION RE: AGED RECEIVABLES****C. TREASURER'S REPORT- APPROVAL OF ACCOUNT TRANSFERS AND BILLS PAID**

Fund Summaries and Checking Account Reconciliation Registers showing the balances of all the District's funds and bills paid for the month of April 2021 will be reviewed, discussed, and acted upon by the Board.

VII. DISCUSSION AND ACTION RE: BOARD/STAFF GENERAL DISCUSSION AND CALENDAR REVIEW

The Board and staff may take this opportunity to ask questions; provide or receive information; make requests or provide direction regarding subsequent meeting agendas. Future agenda items:

1. FY 2022 Budget.
2. Construction contracts for irrigation system.
3. SB998 disconnections of residential water service for nonpayment.
4. Amendments to District code book section 6.3.1 treated water service connection charges, section 6.5.2 treated reconnection charges, section 6.5.3 irrigation water connection and reconnection charges.
5. Discussion and action on how to include public comments into minutes.
6. Discussion and action concerning Director's reports.
7. Ethics policy for appointing Board members.

MIDWAY HEIGHTS COUNTY WATER DISTRICT

Regular Board Meeting Minutes

March 18, 2021 @ 7:00 P.M.

Note: Pursuant to the Governor's Executive Order N-29-20, and given the state of emergency regarding the threat of COVID-19, the meeting was held via webinar.

I. CALL TO ORDER

With a quorum present, President David Wiltsee called the meeting to order at approximately 7:10 PM.

II. ROLL CALL

DIRECTORS PRESENT: Craig Stone
 Donald Rushton
 Jim Mehl
 Richard Goodwin
 David Wiltsee-left meeting due to technical difficulties at approximately 7:20 PM, Vice President Goodwin took over running the meeting during approval of the minutes.

DIRECTORS ABSENT: None

OTHERS PRESENT: Jason Tiffany, General Manager-Secretary to the Board

MEMBERS OF THE PUBLIC: Barbara Milton
 Pauline Nevins
 Tina Leahy

III. REVIEW AND APPROVAL OF MINUTES

M/S Jim Mehl/ Richard Goodwin moved to accept the **January 18, 2021** minutes as amended.

Craig Stone	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input checked="" type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input checked="" type="checkbox"/>
David Wiltsee	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals	Aye	<input type="text" value="3"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value=""/>	Abstain	<input type="text" value="2"/>
Passed Unanimously:	Yes	<input type="text" value=""/>						

The minutes for February 18, 2021 were not approved at the March 18, 2021 meeting. Amendments were offered and the minutes to be reconsidered at the April 15, 2021 meeting.

IV. PUBLIC FORUM

Tina Leahy offered comments on Board operations.

V. GENERAL BUSINESS

A. CONSENT CALENDAR

1. DIRECTORS REPORTS

Director Stone read a statement to the Board about his concern of District governance. See attached document.

B. DISCUSSION AND ACTION RE: STRATEGIC PLAN

M/S Jim Mehl/Don Rushton moved to table this item until the April 15, 2021 meeting since Elyon Strategies and President Wiltsee were unable to attend meeting.

Craig Stone	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input checked="" type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals	Aye	<input type="text" value="4"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value="1"/>	Abstain	<input type="text" value=""/>
Passed Unanimously:	Yes	<input type="text" value=""/>						

C. DISCUSSION AND ACTION RE: AMENDMENT OF SECTION 1.1.A OF THE POLICIES & PROCEDURES MANUAL

Comments from the District's attorney concerning this subject:

"The District's Board of Directors lacks legal authority to determine the qualifications for members of the District's Board of Directors. The District's Board of Directors also may not make job-related decisions about the General Manager based on his or her marital or family status. Therefore, the proposed resolution would not be legally enforceable, and, in the case of the General Manager, could constitute prohibited discrimination."

Director Goodwin stated that he asked Director Wiltsee to contact the General Manager about having the attorney present. Director Wiltsee stated he did not want to spend additional legal fees without input from the Board.

Director Goodwin stated that he had additional questions for the attorney.

M/S Richard Goodwin/Jim Mehl proposed that the attorney be present at the next meeting for up to an hour.

After Board and public comment was taken, Director Goodwin withdrew his motion.

D. DISCUSSION AND ACTION RE: ADJUSTING THE ADMINISTRATIVE DEADLINE IN CODE SECTION 2.2.6 FOR REQUESTING AGENDA ITEMS

The Board asked the General Manager to draft the document to amend section 2.2.6 for agenda items so that the deadline is to be two weeks prior to the meeting.

E. FIELD REPORT

The Board reviewed the field reports.

F. GENERAL MANAGER'S REPORT

The General Manager's report was discussed. The report centered around concerns circulated by Director Mehl, Director Goodwin and members of the public. The General Manager stated that these concerns should be addressed. Public comment was taken.

VI. FINANCIAL.**A. DISCUSSION AND ACTION RE: FY 2021 SIX-MONTH BUDGET REVIEW**

M/S David Wiltsee / Jim Mehl moved to accept the Budget as amended.

Craig Stone	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input checked="" type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>

Board Totals	Aye	<input type="text" value="4"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value="1"/>	Abstain	<input type="text" value=""/>
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Passed Unanimously: Yes

B. DISCUSSION AND ACTION RE: AGED RECEIVABLES

The Board reviewed the report.

C. TREASURER'S REPORT- APPROVAL OF ACCOUNT TRANSFERS AND BILLS PAID

Director Mehl reported that everything looked great.

M/S Don Rushton / Craig Stone moved to accept the report.

Craig Stone	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input checked="" type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>

Board Totals	Aye	<input type="text" value="4"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value="1"/>	Abstain	<input type="text" value=""/>
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Passed Unanimously: Yes

VII. BOARD/STAFF GENERAL DISCUSSION AND CALENDAR REVIEW

Future agenda items:

1. Amendments to District code book section 6.3.1 treated water service connection charges, section 6.5.2 treated reconnection charges, section 6.5.3 irrigation water connection and reconnection charges.
2. Amendments to District code book Section 2.2.2. Time and Place for Regular Meetings.
3. SB998 disconnections of residential water service for nonpayment.
4. FY 2020 Audit report.
5. FY 2022 budget.
6. Election for one regular and one alternate Special District representative seat on the Placer Local Agency Formation Commission.

VIII. ADJOURNMENT

Vice-President Goodwin adjourned the meeting at 9:25 PM.

Respectfully Submitted,

Approved,

Jason Tiffany
 Secretary to the Board
 Midway Heights County Water District

David Wiltsee
 President of the Board

Dated: _____

Midway Heights County Water District
 All Attachments, Ordinances, Resolutions, Policies, etc. are on file with Midway Heights County
 Water District.
 Copies are available upon request.

MIDWAY HEIGHTS COUNTY WATER DISTRICT

Regular Board Meeting Minutes

April 15, 2021 @ 7:00 P.M.

Note: Pursuant to the Governor's Executive Order N-29-20, and given the state of emergency regarding the threat of COVID-19, the meeting was held via webinar.

I. CALL TO ORDER

With a quorum present, President David Wiltsee called the meeting to order at approximately 7:00 PM.

II. ROLL CALL

DIRECTORS PRESENT: David Wiltsee-President
 Richard Goodwin-Vice President
 Jim Mehl-Treasurer
 Craig Stone

DIRECTORS ABSENT: Donald Rushton

OTHERS PRESENT: Jason Tiffany, General Manager-Secretary to the Board
 Carl Engel-Elyon Strategies

MEMBERS OF THE PUBLIC: Pauline Nevins
 Sue Carmichael

III. REVIEW AND APPROVAL OF MINUTES

M/S Jim Mehl/ Richard Goodwin moved to accept the **February 18, 2021** minutes as amended.

Craig Stone	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input checked="" type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input checked="" type="checkbox"/>
David Wiltsee	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>

Board Totals	Aye	<input type="text" value="3"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value=""/>	Abstain	<input type="text" value="2"/>
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Passed Unanimously: Yes

IV. PUBLIC FORUM

None.

V. GENERAL BUSINESS

A. CONSENT CALENDAR

1. DIRECTORS REPORTS
2. MISCELLANEOUS INFORMATION AND CORRESPONDENCE
 - a. Letter from Scot and Tracey Lemma

M/S Richard Goodwin/Jim Mehl moved to accept the calendar.

Craig Stone	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input checked="" type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input checked="" type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals	Aye	<input type="text" value="3"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value="1"/>	Abstain	<input type="text" value="1"/>
Passed Unanimously:	Yes	<input type="text" value=""/>						

B. DISCUSSION AND ACTION RE: STRATEGIC PLAN

Carl Engel of Elyon Strategies presented a Power Point on strategic planning. After the presentation, the Board, staff and the public discussed strategic planning. Director Stone volunteered to compile the components of strategic plan framework to present at the next Board meeting.

C. DISCUSSION AND ACTION RE: AMENDMENT OF SECTION 1.1.A OF THE POLICIES & PROCEDURES MANUAL

Comments from the District’s attorney concerning this subject:

“The District’s Board of Directors lacks legal authority to determine the qualifications for members of the District’s Board of Directors. The District’s Board of Directors also may not make job-related decisions about the General Manager based on his or her marital or family status. Therefore, the proposed resolution would not be legally enforceable, and, in the case of the General Manager, could constitute prohibited discrimination.”

M/S Richard Goodwin/Jim Mehl moved that the attorney be present at the next meeting to address issues raised relating to this subject.

Craig Stone	Aye	<input type="checkbox"/>	Nay	<input checked="" type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input checked="" type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input type="checkbox"/>	Nay	<input checked="" type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals	Aye	<input type="text" value="2"/>	Nay	<input type="text" value="2"/>	Absent	<input type="text" value="1"/>	Abstain	<input type="text" value=""/>
Passed Unanimously:	Yes	<input type="text" value=""/>						

D. DISCUSSION AND ACTION RE: RESOLUTION 2021-01 AUTHORIZING AMENDMENTS TO DISTRICT CODE 2.2.2 (LOCATION, TIME, AND DATE OF MEETINGS) AND CODE SECTION 2.2.6 (ADJUSTING THE ADMINISTRATIVE DEADLINE FOR AGENDA ITEMS)

M/S Jim Mehl/Craig Stone moved to make the District’s office located at 16733 Placer Hills Road, Meadow Vista CA 95722 the Board’s meeting place (section 2.2.2) and to make the administrative deadline for agenda items two weeks before the meeting (section 2.2.6).

Craig Stone	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input checked="" type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals	Aye	<input type="text" value="4"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value="1"/>	Abstain	<input type="text" value=""/>
Passed Unanimously:	Yes	<input type="text" value=""/>						

E. DISCUSSION AND POSSIBLE ACTION RE: ELECTION FOR ONE REGULAR AND ONE ALTERNATE SPECIAL DISTRICT REPRESENTATIVE SEAT ON THE PLACER LOCAL AGENCY FORMATION COMMISSION

M/S David Wiltsee/Craig Stone moved to vote for Joshua Alpine.

Craig Stone	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input checked="" type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals	Aye	<input type="text" value="4"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value="1"/>	Abstain	<input type="text" value=""/>
Passed Unanimously:	Yes	<input type="text" value=""/>						

F. FIELD REPORT

The Board reviewed the field reports. The General Manager complemented the field staff on their performance in completing a couple of exceedingly difficult repairs.

G. GENERAL MANAGERS REPORT

The General Manager’s report was discussed. The highlight was a refund of \$6,007.91 from the District’s insurance company for a low loss ratio.

VI. FINANCIAL.

A. DISCUSSION AND ACTION RE: AD-HOC COMMITTEE FOR FY 2022 BUDGET, STAFF COMPENSATION AND REVIEW OF FUND BALANCES AND ACCOUNT DESCRIPTIONS.

President Wiltsee appointed Director Mehl and Director Goodwin to the committee.

B. TREASURER'S REPORT- APPROVAL OF ACCOUNT TRANSFERS AND BILLS PAID

Director Mehl reported that everything looked right one.

M/S Richard Goodwin / David Wiltsee moved to accept the report.

Craig Stone	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input checked="" type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals	Aye	<input type="text" value="4"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value="1"/>	Abstain	<input type="text" value=""/>
Passed Unanimously:	Yes	<input type="text" value=""/>						

VII. BOARD/STAFF GENERAL DISCUSSION AND CALENDAR REVIEW

Future agenda items:

1. FY 2020 Audit report.
2. FY 2022 Budget.
3. SB998 disconnections of residential water service for nonpayment.
4. Amendments to District code book section 6.3.1 treated water service connection charges, section 6.5.2 treated reconnection charges, section 6.5.3 irrigation water connection and reconnection charges.
5. Discussion and action on how to include public comments into minutes.
6. Discussion and action concerning Directors reports.
7. Ethics policy for appointing Board members.

VIII. ADJOURNMENT

President Wiltsee adjourned the meeting at 9:31 PM.

Respectfully Submitted,

Approved,

 Jason Tiffany
 Secretary to the Board
 Midway Heights County Water District

 David Wiltsee
 President of the Board

Dated: _____

Midway Heights County Water District
 All Attachments, Ordinances, Resolutions, Policies, etc. are on file with Midway Heights County
 Water District.
 Copies are available upon request.

MIDWAY HEIGHTS COUNTY WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

MIDWAY HEIGHTS COUNTY WATER DISTRICT**TABLE OF CONTENTS**

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LARRY BAIN, CPA

An Accounting Corporation

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894

lpbain@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Midway Heights County Water District
Meadow Vista, California

We have audited the accompanying financial statements of the Midway Heights County Water District as of and for the fiscal year ended June 30, 2020, 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.

Auditors' Responsibility

Our Responsibility is to express an opinion 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. 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 includes 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 District'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 District'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 financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of the business-type activities of the Midway Heights County Water District as of June 30, 2020, and the changes in financial position and the results of its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the financial statements of Midway Heights County Water District for the year ended June 30, 2019, and we expressed an unmodified audit opinion on that financial statement in our report dated February 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Midway Height County Water District has not presented the Management Discussion and Analysis, that accounting principles generally accepted in the United States has determined are necessary to supplement, although not required to be part of, the basic financial statements.

Accounting principles generally accepted in the United States of America require that the supplementary information other than MD&A, as listed in the table of contents on page 18 as the Schedule of the Pension Plan's Proportionate Share of the Net Pension Liability and page 19 the Schedule of District Pension Contributions, 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 (GASB), 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.

Larry Bain, CPA,
An Accounting Corporation
April 5, 2021

Assets

	2020	2019
Current Assets		
Cash	\$ 36,257	\$ 57,141
Investments	430,496	316,797
Accounts receivable	107,410	105,267
Grant receivable	2,971	13,138
Current assessments receivable	921	84,332
Inventory	26,648	27,737
Prepaid expense	6,186	4,512
Total current assets	<u>610,889</u>	<u>608,924</u>
Noncurrent Assets		
Long-term assessments receivable		
Restricted cash and investments	241,374	424,426
Capital assets		
Nondepreciable capital assets		
Construction in progress	32,756	32,756
Depreciable capital assets		
Improvements	65,673	65,673
Equipment	229,592	229,592
Transmission and distribution	3,718,928	3,718,928
General	20,352	20,352
Less accumulated depreciation	<u>(1,845,428)</u>	<u>(1,722,495)</u>
Total depreciable capital assets	<u>2,189,117</u>	<u>2,312,050</u>
Total capital assets (net of accumulated depreciation)	<u>2,221,873</u>	<u>2,344,806</u>
Total noncurrent assets	<u>2,463,247</u>	<u>2,769,232</u>
Total assets	<u>3,074,136</u>	<u>3,378,156</u>
Deferred Outflows of Resources		
Deferred outflow-pension	56,711	53,635
Total deferred outflows of resources	<u>56,711</u>	<u>53,635</u>
Liabilities		
Current Liabilities		
Accounts payable	23,578	26,796
Accrued payroll	20,662	19,007
Accrued interest payable	1,873	3,542
Deposits	-	3,694
Total current liabilities	<u>46,113</u>	<u>53,039</u>
Long-Term Liabilities		
Due within one year	69,038	218,308
Due in more than one year	793,179	844,093
Total long-term liabilities	<u>862,217</u>	<u>1,062,401</u>
Total liabilities	<u>908,330</u>	<u>1,115,440</u>
Deferred Inflows of Resources		
Deferred inflow-pension	1,387	1,279
Total deferred inflows of resources	<u>1,387</u>	<u>1,279</u>
Net Position		
Net investment in capital assets	1,609,420	1,544,155
Restricted for:		
Debt service	259,562	210,538
Unrestricted	352,148	560,379
Total net position	<u>\$ 2,221,130</u>	<u>\$ 2,315,072</u>

	2020	2019
Operating revenue		
Water sales	<u>\$ 598,775</u>	<u>\$ 600,483</u>
Total operating revenues	<u>598,775</u>	<u>600,483</u>
Operating expenses		
Water purchases	149,884	139,649
Personnel services	329,340	295,222
Services and supplies	29,685	36,244
Administration and general	110,231	93,741
Depreciation	122,933	121,254
Total operating expenses	<u>742,073</u>	<u>686,110</u>
Operating income (loss)	<u>(143,298)</u>	<u>(85,627)</u>
Nonoperating revenue (expenses)		
Property taxes	49,870	47,909
Interest income	10,822	12,543
Bond assessments interest	649	6,053
Grant revenue	9,884	13,138
Gain on sale of assets	-	8,451
Interest expense	<u>(21,869)</u>	<u>(25,070)</u>
Nonoperating revenues (expenses)	<u>49,356</u>	<u>63,024</u>
Increase (decrease) in net position	(93,942)	(22,603)
Net position, beginning	2,315,072	2,409,405
Prior period adjustment		<u>(71,730)</u>
Net position, ending	<u>\$ 2,221,130</u>	<u>\$ 2,315,072</u>

	2020	2019
Cash flows from operating activities:		
Cash receipts from customers	\$ 592,938	\$ 599,683
Cash payments to suppliers for goods and services	(293,600)	(261,024)
Cash payments to employees for services	(320,231)	(298,881)
Net cash provided by (used in) operating activities	<u>(20,893)</u>	<u>39,778</u>
Cash flows from noncapital and related financing activities:		
Proceeds from property tax and assessments	49,870	47,909
Proceeds from grants	20,051	
Net cash provided by noncapital financing activities	<u>69,921</u>	<u>47,909</u>
Cash flows from capital and related financing activities:		
Additions to capital assets		(5,489)
Sale of assets		8,451
Principal payment for debt	(210,609)	(108,669)
Interest paid on debt	(23,538)	(23,376)
Property assessment for debt service	84,060	76,553
Net cash used in capital and related financing activities	<u>(150,087)</u>	<u>(52,530)</u>
Cash flows from investing activities:		
Interest received on investments	10,822	12,543
Net increase (decrease) in cash and cash equivalents	(90,237)	47,699
Cash and cash equivalents, beginning of year	798,364	750,665
Cash and cash equivalents, end of year	<u>\$ 708,127</u>	<u>\$ 798,364</u>
Reconciliation of cash and cash equivalents to the balance sheet:		
Cash	\$ 36,257	\$ 57,141
Investments	430,496	316,797
Restricted cash and investments	241,374	424,426
Cash and cash equivalents, June 30	<u>\$ 708,127</u>	<u>\$ 798,364</u>
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating Income (Loss)	\$ (143,298)	\$ (85,627)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	122,933	121,254
Changes in assets and liabilities:		
Accounts receivable	(2,143)	(4,194)
Inventory	1,089	554
Prepaid expenses	(1,674)	2,255
Accounts payables	(3,215)	5,801
Accrued payroll	1,655	(1,009)
GASB 68 pension adjustments	4,386	(3,722)
Deposit liability	(3,694)	3,394
Compensated absences	3,068	1,072
Net cash provided by (used in) operating activities	<u>\$ (20,893)</u>	<u>\$ 39,778</u>

Note 1: Summary of Significant Accounting Policies

The Midway Heights County Water District was established in November 1954 in Placer County. The District was formed under Division 12 of the California Water Code to provide water to the District's residents. The District encompasses 4.1 square miles and has 766 active customer connections. The District is governed by five Board of Directors elected by the District's residents. The basic operating revenues of the District are charges for delivered water services.

A. Reporting Entity

The District has defined its reporting entity in accordance with generally accepted accounting principles, which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying financial statements in accordance with Governmental Accounting Standards Board Statement No. 61.

B. Fund Accounting

The accounting records of the District are organized on the generally accepted basis of accounting for an enterprise fund.

Enterprise Fund – An Enterprise fund is used to account for the District's water operations that is financed and operated in a manner similar to a private business enterprise, where the intent of the Board of Directors is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

C. Basis of Accounting

The accompanying financial statements have been prepared on the full accrual basis of accounting. This is a basis of accounting that conforms to accounting principles generally accepted in the United States of America.

U.S. generally accepted accounting principles require all proprietary funds to use the accrual basis of accounting. The revenues are recognized when they are earned. Expenses are recognized under the accrual basis of accounting when the related fund liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

D. Prepaid Expenses

Accounts for prepaid insurance, dues and other expenses.

E. Property Taxes

The District receives property taxes from the County of Placer, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

F. Fixed Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding \$1,000.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each fiscal year represents that year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the costs of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

Structures	20-30 years
Improvements and infrastructure	50-75 years
Distribution and field equipment	5-10 years
Office furniture and equipment	3-5 years

G. Cash Equivalents

For purpose of the statement of cash flows, the District considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes bank accounts and deposits with Placer County Pooled Funds.

H. Accrued Unbilled Revenue

During the year, metered water connections are read and bills are rendered after the period of usage. Revenue for water distributed but not yet billed is accrued at fiscal year-end to match revenues with related expenses.

Note 1: Summary of Significant Accounting Policies (Continued)

I. Budgetary Reporting

The District prepares an annual operating and capital budget, which is approved and adopted by the Board of Directors. The budget serves as an approved plan to facilitate financial control and operational evaluation. California State law does not require formal adoption of appropriated budgets for enterprise funds.

J. Inventory

Inventory consists of water and irrigation system parts and supplies. Inventory is valued at cost using the first-in, first-out method of accounting.

K. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

L. Net Position

Net position comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following three components:

Net investment in capital assets-This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted-This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position-This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

M. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2: Cash and Investments

Cash and investments at June 30, 2020, consisted of the following:

Cash	\$ 36,257
Investments	430,496
Restricted investments	241,374
Total cash and investments	\$ 708,127
General checking	\$ 36,057
Savings	33,826
Petty cash/change fund	200
County cash	638,044
Total cash and investments	\$ 708,127

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the Midway Heights County Water District (District) by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of 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**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	5 years	None	None
U.S. treasury obligations	5 years	None	None
State of California obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	40%	10%
Negotiable CDs	5 years	30%	None
Repurchase agreements	1 years	None	None
Reverse repurchase agreements	92 days	20%	None
Medium term notes	5 years	30%	None
Mutual/money market funds	5 years *	20%	10%
Collateralized bank deposits	5 years	None	None
Mortgage pass-through securities	5 years	20%	15%
Time deposits	5 Years	None	None
Local Agency Investment Fund (LAIF)	5 years *	None	None

* The five year maximum maturity can be extended by the Board of Directors. Also, the maximum maturity can be extended if the funds are reserved for bond, COP or note payments to coincide with the required repayments.

Note 2: Cash and Investments (Continued)

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of and 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 by the following table that shows the distribution of the District's investment by maturity:

Investment Type	Totals	Remaining Maturity (in Months)	
		12 Months or Less	13-48 Months
Placer County pooled funds*	\$ 638,044	\$ 638,044	\$ -
Totals	\$ 638,044	\$ 638,044	\$ -

*Not subject to categorization

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. 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 deposit 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 of 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 or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured 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 government unit). The fair 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 the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2020, the District's deposits balance was \$70,333 and the carrying amount was \$69,883. The difference between the bank balance and the carrying amount was due to normal outstanding checks and deposits in transit. Of the bank balance, all was covered by the Federal Depository Insurance Corporation and the remainder (if any) was covered by collateral held in the pledging bank's trust department in the District's name.

Note 2: Cash and Investments (Continued)

E. Investment in Placer County Investment Pool

The District maintains certain cash and investments with the Placer County Treasurer in an investment pool. The District's funds are managed in accordance with the investment policy of the County Treasury. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding the categorization of investments and investment risk can be found in the County's financial statements. The Placer County's financial statements may be obtained online at the following link: www.placer.ca.gov/2131/Financial-Reports. Required disclosures for the District's investment in the Placer County Investment Pool at June 30, 2020 are as follows:

Credit risk:	Not rated
Custodial risk:	Not applicable
Concentration of credit risk:	Not applicable
Interest rate risk:	Not available

Note 3: Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance 7/1/2019	Additions	Retirements	Balance 6/30/2020
Capital assets, not being depreciated				
Construction in progress	\$ 32,756			\$ 32,756
Capital assets, being depreciated				
Improvements	65,673			65,673
Equipment	229,592			229,592
Transmission and distribution	3,718,928			3,718,928
General	20,352			20,352
Total capital assets, being depreciated	4,034,545			4,034,545
Less accumulated depreciation:	(1,722,495)	(122,933)		(1,845,428)
 Total capital assets, being depreciated, net	 2,312,050	 (122,933)		 2,189,117
 Total capital assets, net	 \$ 2,344,806	 \$ (122,933)	 \$ -	 \$ 2,221,873

Depreciation expense for the fiscal year ended June 30, 2020 was \$122,933.

Note 4: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2020:

	Balance 7/1/2019	Additions	Retirements	Balance 6/30/2020	Due Within One Year
Compensated Absences	\$ 25,716	\$ 12,948	\$ (9,880)	\$ 28,784	\$ 4,940
Net Pension Liability	71,928	7,356		79,284	-
State Revolving Fund Loan	691,519		(39,081)	652,438	39,986
Note Payable-West Am	125,025		(23,315)	101,710	24,131
Note Payable	148,213		(148,213)		-
Total	<u>\$ 1,062,401</u>	<u>\$ 20,304</u>	<u>\$ (220,489)</u>	<u>\$ 862,216</u>	<u>\$ 69,057</u>

Long-term obligations consisted of the following:

Compensated Absences

District employees accumulate earned but unused vacation benefits that can be converted to cash at termination or retirement from employment. District employees earn and accrue vacation time based on years of service. Employees may not accumulate more than two years of vacation accrual at any time.

Long-Term Debt

Note Payable

The District has a note payable with the California Department of Water Resources which was used for construction of the treated water transmission system. The original loan amount was \$1,382,000. Payments of \$38,628.95 are due semi-annually on April 1 and October 1 including interest at 3.3712% per annum. The loan is secured by parcel assessments and from any other sources available should the assessments not cover the required payments. This loan was fully paid off during the 2019/20 fiscal year.

Note Payable-West America Bank.

The District entered into a note payable with the West America Bank which was used for purchasing three utility trucks. The original loan amount was \$125,025. Payments of \$27,691 are due annually on December 21 including interest at 3.5% per annum. Future annual payments to amortize the note payable as of June 30, 2020 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 24,131	\$ 3,560	\$ 27,691
2022	24,975	2,716	27,691
2023	25,850	1,841	27,691
2024	26,754	937	27,691
Totals	<u>\$ 101,710</u>	<u>\$ 9,054</u>	<u>\$ 110,764</u>

Note 4: Long-Term Liabilities (Continued)State Revolving Fund Loan

The District has a Safe Drinking Water State Revolving Fund Loan with the California Department of Public Health which was used for construction of the treated water tank and improvements at the existing tank site. The loan commitment is for \$892,400 of which \$874,057 was advanced. The future semi-annually payment of principle and interest at 2.304% per annum is required over 20 years. Future annual payments to amortize the SRF Loan as of June 30, 2020 are as follows:

Fiscal Year			
June 30,	Principal	Interest	Total
2021	\$ 39,987	\$ 14,800	\$ 54,787
2022	40,913	13,874	54,787
2023	41,861	12,926	54,787
2024	42,831	11,956	54,787
2025	43,823	10,964	54,787
Thereafter	443,022	50,043	493,066
Totals	<u>\$ 652,438</u>	<u>\$ 114,563</u>	<u>\$ 767,001</u>

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan**A. General Information about the Pension Plans**

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the District’s separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Plans’ provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55-60	52 - 67
Monthly benefits , as a % of eligible compensation	1.5% to 2.0%	1.0% to 2.0%
Required employee contribution rates	7.00%	7.50%
Required employer contribution rates	9.463%	7.528%

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

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, 2020, the contributions recognized as part of pension expense were as follows:

Contributions-employer	\$	27,691
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B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate share of Net pension liability	
	\$	<u>79,284</u>
Miscellaneous Plan		

The District’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. 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 plans relative to the projected contributions of all participating employers, actuarially determined.

The District’s proportionate share of the net pension liability as of reporting dates June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.00191%
Proportion - June 30, 2020	0.00198%
Change - Increase (Decrease)	0.00007%

For the year ended June 30, 2020, the District recognized pension expense of \$20,552. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,080	\$ -
Changes of assumptions	2,440	
Net difference between projected and actual earnings on pension plan investments		(1,387)
Changes in proportion	956	
Changes in proportionate share of contributions	20,544	
District contributions subsequent to the measurement date	27,691	
Total	<u>\$ 56,711</u>	<u>\$ (1,387)</u>

\$27,691 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 year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period**Ended June 30:**

2021	\$ (17,933)
2022	(5,566)
2023	(3,855)
2024	(279)
2025	-

Thereafter

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.15%

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a 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. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the

Note 5: Defined Benefit Pension Cost-Sharing Employer Plan (Continued):

municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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 for each 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 equivalent 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. 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.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%

(1) An expected inflation of 2.00% used for this period

(2) An expected inflation of 2.92% used for this period

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 each Plan, calculated using the discount rate for each 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:

	<u>Discount Rate -1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate +1%</u> <u>(8.15%)</u>
Miscellaneous Plan	\$ 127,174	\$ 79,284	\$ 39,752

Note 6: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District joined together with other agencies in the State to form ACWA Joint Powers Insurance Authority (JPIA), a public entity risk pool currently operating as a common risk management and insurance program for member agencies. The District pays an annual premium to JPIA for its insurance coverage. The Agreement for Formation of the JPIA provides that JPIA will be self-sustaining through member premiums and will reinsure through commercial companies for general and automobile liability and workers' compensation coverage.

Note 8: Commitments and Contingent Liabilities

Contingent Liabilities

In the normal course of business, the District is subject to various lawsuits. Defense of lawsuits is typically handled by the District's insurance carrier and losses, if any, are expected to be covered by insurance.

Amounts received or receivable from grant and lending agencies are subject to audit and adjustment by grantor and lending agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor or lender cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

COVID 19

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of Midway Heights County Water District could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. The District has not included any contingencies in the financial statements specific to this issue.

Reporting Date	District's proportion of the net pension liability (asset)	District's proportionate share of the net pension liability (asset)	District's covered-employee payroll	District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2015	0.00224%	\$55,325	\$141,656	39.06%	55.84%
6/30/2016	0.00202%	\$55,370	\$173,896	31.84%	69.64%
6/30/2017	0.00187%	\$64,884	\$193,677	33.50%	73.68%
6/30/2018	0.00196%	\$77,269	\$211,308	36.57%	72.63%
6/30/2019	0.00191%	\$71,928	\$202,405	35.54%	77.11%
6/30/2020	0.00198%	\$79,283	\$207,848	38.14%	77.26%

* The amounts presented for each fiscal year were determined as of the fiscal year-end

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

<u>Reporting Date</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contribution as a percentage of covered-employee payroll</u>
6/30/2015	\$18,606	(\$18,606)	\$0	\$141,656	13.13%
6/30/2016	\$18,357	(\$18,357)	\$0	\$173,896	10.56%
6/30/2017	\$20,507	(\$20,507)	\$0	\$193,677	10.59%
6/30/2018	\$21,698	(\$21,698)	\$0	\$211,308	10.27%
6/30/2019	\$24,274	(\$24,274)	\$0	\$202,405	11.99%
6/30/2020	\$27,691	(\$27,691)	\$0	\$207,848	13.32%

* The amounts presented for each fiscal year were determined as of the fiscal year-end

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only information for those years for which information is available is presented.

TO: MHCWD BOARD OF DIRECTORS

FROM: Jason Tiffany

RE: DISCUSSION AND ACTION RE: CONSIDER APPROVAL OF A CONTRACT FOR STRATEGIC-PLANNING FRAMEWORK IN AN AMOUNT NOT TO EXCEED \$20,000.

President Wiltsee asked for this item to be placed on the agenda.

Discussion:

The District has recognized a need to engage in strategic planning for the benefit of its Board of Directors, staff, and customers. To that end, consultant Eylon Strategies has provided the District with a proposal for strategic planning services. Eylon Strategies is a boutique consulting firm based in Folsom.

District staff used the proposal by Eylon Strategies as the basis for an application to Placer County Water Agency (PCWA) for grant funding. PCWA granted that application and has agreed to provide grant funding to the District in the amount of \$20,000.

Attached is a memo from Director Stone.

Adopting a Strategic Governance Posture

May 17, 2021

Craig Stone

At our last meeting of the Midway Heights County Water District board, I took on the task of evaluating comments by directors on the content of strategic plans, and the information in the Elyon proposal. Previously, I expressed concern we are too tactical of a board, that our board operations are not strategic. Taking this task and my concern into account I asked a simple question: of what value to our board today is a strategic plan?

A strategic plan is a modernization document. It defines what we want to look like in the future, a vision. Our transformation to that future state, our vision, is constrained by our mission. Four different components related to strategic plans are strategic goals, objectives, strategies, and tactics. I am hedging this way because we are a simple operation, and it may be more effective for us to consolidate some components. Strategic goals are broad statements of what we want to accomplish. An objective is something measurable along the path to achieving a strategic goal. Strategies define our approach to achieving the strategic goal. Tactics, then are specific activities in executing strategies.

What is of interest to a strategic board? Clearly, we need to understand where the organization is, our current state. We owe it to residents in the district for us to own the definition of where we are taking the district, the future state. As a board we need to understand and oversee how we transform the district, and we need to monitor progress of that transformation. At some level, a strategic board leaves other components discussed here to management, tactics definitely, possibly some strategies.

Here is an example based on hindsight. Suppose we as a board defined a healthy raw water distribution system as a strategic goal. We could then define objectives for system health, things like risk of failure, depreciated value, or some other metric. One approach of ours could then to have staff prepare a system health report that evaluates the system and identifies opportunities for its improvement. Using hindsight of our operations, the board or staff could then identify the Hillsdale mainline replacement as a top priority. Our strategy for accomplishing our system health goal is thus the Hillsdale mainline replacement. A secondary strategy is to finance the mainline replacement through external grants. I am hedging here on ownership by the board or staff because leaving some matters with staff could protect one or more directors from a conflict of interest.

Is a strategic plan of value to our board? Not at this time. Since we are currently a more tactical body, I am concerned that should be embark on a strategic plan that it would result in either a very tactical document, a list of things to do, or shelf ware, something we just declare done. Our first step needs to be transforming our board operations, our adopting a more strategic posture towards governance.

The Elyon proposal is an appropriate first step. It speaks of defining a method for us to document what we know about a key segment of our operations (e.g., water storage), what we want to do with this segment, laws and regulations, and other information that will help us understand this operational segment. This is what is called a "one-pager" in the proposal. New directors would benefit from a set of one-pagers as they succinctly define Midway Heights assets and operations. Imagine how our operations would change and how we would be improving customer communication with a set of these one-

paggers. Each of them could be published on the district website. Our board packet would contain one-pagers relevant to agenda items and this would orient both directors and customers to the matters under deliberation. Transparency would increase substantially.

We as a board could regularly update these one-pagers, calendaring them for update throughout the year. As an example, we could schedule water storage for January, raw water distribution system for February, and financial management for March. Completing an update cycle will mean we have at least annually provided oversight to all facets of our operations. If each of the one-pagers identifies proposed projects and their priority once a year we as part of our budget process, we as a board can roll up all proposed projects and identify those to fund in the next fiscal year. Managing the one-pagers would thus directly feed into our budget process.

Our first step towards strategic planning seems to be the production of the one-pagers, the overviews of key segments (capabilities) of our operations. This approach will change our board operations moving us far along the path towards a strategic board. Executing the process of managing the one-pagers over one or two years will give us better insight to operations oversight and this could put us in a good position for defining the broader document which is the strategic plan. Creating a district strategic plan could then be more straight forward as it should be a roll up of information from the one-pagers but presented with a more enterprise perspective.

MHCWD

Monthly Field Report
May 2021 for the month of April 2021

FLOW RECORDS

Treated Water: 339,895 cubic feet (2.54 million gallons) purchased, for an average service connection usage of 213 gallons per day (based on 443 active service connections).

Irrigation Water: 20.8 million gallons (42.9 Miner's Inches per day) purchased from PCWA, with an estimated demand of 20.1 million gallons (41.5 Miner's Inches per day) and an estimated usage of 1,907 gallons per day per customer (based on 351 active service connections: 174 metered, 177 flat rate).

FIELD ACTIVITIES

<u>Service Calls:</u>	59.
<u>After Hours Calls:</u>	3.
<u>Line/System Repairs:</u>	2.
<u>Service Disconnections:</u>	0.
<u>New Service Connections:</u>	None.
<u>Installations:</u>	None.
<u>Double Check Valves Tested:</u>	18.
<u>Underground service alerts</u>	34.

Miscellaneous: All 3 Treated tanks were dove & cleaned by inland potable. Annual fire extinguisher recertification. Continued work on GIS mapping system, uploaded maps to mobile app for remote viewing. Truck maintenance, monthly Bac-T samples. Continued treated blow off flushing, check valve testing, treated valve turning, irrigation valve turning & hydrant flushing. Several Irrigation flow rate changes. Easement clearing, repairs and maintenance at all facilities.

**MHCWD
MEMO**

**05/20/21
BOARD MEETING AGENDA
ITEM V-E**

TO: MHCWD BOARD OF DIRECTORS
FROM: Jason Tiffany
RE: GENERAL MANAGER'S REPORT

PCWA staff in recommending to their Board to award two grants to the District totaling \$414,819. The grants are for Hillsdale Irrigation Main Replacement and to Recover Capacity and Improve Operations at District Reservoir.

See the attached documents.

From the Midway Heights CWD February 18, 2021 meeting minutes.

“After reviewing District projects, the ad-hoc recommended applying for grants for the following three projects:

1. Hillsdale Irrigation Main Replacement.
2. Recover Capacity and Improve Operations at District Reservoir.
3. Security Improvements at District Reservoir.

PCWA gives preference to projects that leverage other funding sources in order to secure grant funding. During the last meeting, the committee identified \$187,000 of District reserves available to leverage. The committee recommends that the District leverage these project costs at 20% District funds and 80% grant funding from the FAP. The total project cost for these three projects is \$617,000. At 20% the District would be committing \$123,414 of the \$187,000 identified. This leaves \$63,568 for unforeseen circumstances.

M/S David Wiltsee / Richard Goodwin moved that the District accept the recommendations of the committee.”

Craig Stone	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Richard Goodwin	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Donald Rushton	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
David Wiltsee	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Jim Mehl	Aye	<input checked="" type="checkbox"/>	Nay	<input type="checkbox"/>	Absent	<input type="checkbox"/>	Abstain	<input type="checkbox"/>
Board Totals	Aye	<input type="text" value="5"/>	Nay	<input type="text" value=""/>	Absent	<input type="text" value=""/>	Abstain	<input type="text" value=""/>
Passed Unanimously:	Yes	<input checked="" type="checkbox"/>						



MEMORANDUM

TO: Board of Directors

FROM: Joseph H. Parker, CPA, Director of Financial Services
R. Brent Smith, PE, Director of Technical Services

DATE: May 10, 2021

RE: 2021 PCWA Financial Assistance Program

RECOMMENDATION:

For the 2021 PCWA Financial Assistance Program (FAP):

- a. Receive staff recommendation of 2021 PCWA FAP grants (Exhibit A) to seven eligible Districts in the total amount of \$3,683,644.
- b. Approve award of twelve FAP grants to seven eligible Districts in the total amount of \$3,683,644.

BACKGROUND:

In 1992, the Agency adopted a program to provide financial assistance to eligible Districts that provide water for beneficial use within Placer County. This program is known as the Financial Assistance Program.

To be considered for FAP loans or grants, eligible Districts are required to enter their project into the Project Database and submit a funding request no later than February 20 each year. Agency staff reviews the submissions to determine compliance with the policy's criteria, including the eight elements of the County-Wide Master Plan (CWMP), and makes recommendations to the Board.

DISCUSSION:

Following the Board's approval of the 2021 Agency Budget in November 2020, the Agency emailed the 14 eligible Districts in Placer County to submit funding requests from the Project Database for PCWA's annual FAP. The funding request letter informed the eligible Districts of the approved budget amount of \$3,683,644 and the

Board's strategic objectives to prioritize the 2021 FAP: 1) Elements 2 through 8; 2) For Element 2, priority shall be given to capital projects that go beyond in-kind facility repair or replacement to enhance reliability and/or 3) Projects that leverage applicant and/or other funding sources.

By the February 20, 2021 submission deadline, the Agency received a total of eighteen FAP grant funding request submissions from seven eligible Districts totaling \$5,028,394 and no loan requests were received.

Staff met with the Board's Finance Committee on April 15 and May 10, 2021 to review and discuss the 2021 FAP project submissions and potential staff recommendations. Twelve of the funding requests are recommended for award. Five of the 2021 FAP funding requests were for routine operations and maintenance, which is not eligible under the FAP policy. One request was for renewal & replacement for which there were other projects more closely meeting the Board's Strategic Objectives.

After evaluation, staff's recommendations to the Board of Directors are included in the following, Exhibit A, titled "2021 PCWA Financial Assistance Program Staff Recommendations," which is to award twelve grants to seven eligible Districts in an amount totaling \$3,683,644 for the 2021 PCWA FAP.

FISCAL IMPACT:

Funding for the recommended 2021 Financial Assistance Program awards, in the amount of \$3,683,644, is included in the Agency Wide Budget.

ATTACHMENTS:

Description	Upload Date	Type
Exhibit A	5/11/2021	Backup Material

2021 PCWA Financial Assistance Program Staff Recommendations
Exhibit A

District/Grant Request	Estimated Project Amount	District Matching Amount	District FAP Requested Amount	Staff Recommended Grant Amount
1 Christian Valley Park CSD				
<p>Generator Replacement Project - The 2021 grant request is for design, generator equipment and construction costs of the installation of a new generator and transfer switch.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2 and goes beyond in-kind facility repair or replacement by enhancing reliability through backup power generation. Staff recommends funding this request.</i></p>	\$ 45,500	-	45,500	45,500
2 Christian Valley Park CSD				
<p>Kenneth Loop Project - The 2021 grant request is for pre-design costs associated with identifying alternative pipeline routes.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2 and goes beyond in-kind facility repair or replacement by improving reliability, operational flexibility and fire flow. Staff recommends funding this request.</i></p>	\$ 36,200	-	36,200	36,200
3 Christian Valley Park CSD				
<p>Reservoir Replacement Project - The 2021 grant request is for the cost of preparing operation and maintenance plan updates, as-builts and geotechnical investigation under the existing reservoir.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2, however it does not go beyond in-kind facility repair or replacement and appears to be O&M, thus not eligible for FAP funding.</i></p>	\$ 4,328,830	4,303,860	24,970	-
4 Foresthill PUD				
<p>Foresthill Public Outreach and Information Program - The 2021 grant request is for the cost of developing a public outreach program to improve the flow of information to the public.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 8, however it appears to be O&M, thus not eligible for FAP funding.</i></p>	\$ 30,000	-	30,000	-
5 Foresthill PUD				
<p>Foresthill Public Utility District Backhoe Replacement - The 2021 grant request is for the purchase of a replacement backhoe.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2, however it does not go beyond in-kind facility repair or replacement and appears to be O&M, thus not eligible for FAP funding.</i></p>	\$ 122,000	-	122,000	-
6 Foresthill PUD				
<p>Foresthill Public Utility District Website Rebuild - The 2021 grant request is for the cost of rebuilding the District's website.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 8, however it appears to be O&M, thus not eligible for FAP funding.</i></p>	\$ 7,340	-	7,340	-

2021 PCWA Financial Assistance Program Staff Recommendations
Exhibit A

	District/Grant Request	Estimated Project Amount	District Matching Amount	District FAP Requested Amount	Staff Recommended Grant Amount
7 Foresthill PUD					
	<p>Hardrock Lane Pressure Reducing Station Replacement - The 2021 grant request is for design and construction costs associated with replacing a pressure reducing station.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2, however it does not go beyond in-kind facility repair or replacement and appears to be O&M, thus not eligible for FAP funding.</i></p>	\$ 90,000	-	90,000	-
8 Foresthill PUD					
	<p>Public Safety Power Shutdown Emergency Generator Project - The 2021 grant request is for the design and installation costs of an emergency generator for Public Safety Power Shutdowns.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2 and goes beyond in-kind facility repair or replacement by enhancing reliability through backup power generation. Staff recommends funding this request.</i></p>	\$ 135,000	-	135,000	135,000
9 Foresthill PUD					
	<p>Sierra View Lane Pipeline Replacement Project - The 2021 grant request is for construction costs of installing a new 10" pipeline and new fire hydrants along Foresthill Road in the vicinity of Sierra View Lane.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2 and includes an upgrade component that would enhance reliability. Staff recommends funding the upgrade portion of this request.</i></p>	\$ 2,084,600	226,200	1,858,400	1,201,900
10 Midway Heights CWD					
	<p>Hillsdale Irrigation Main Replacement - The 2021 grant request is for the design and construction costs associated with replacing the existing irrigation main, valves, and appurtenances and add a fire hydrant on Hillsdale Road.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2 and goes beyond in-kind facility repair or replacement by upsizing irrigation pipe to enhance reliability and fire flow. Staff recommends funding this request.</i></p>	\$ 429,524	149,905	279,619	279,619
11 Midway Heights CWD					
	<p>Recover Raw Water Storage Capacity and Operational Improvements at District's Reservoir - The 2021 grant request is for design and construction costs to remove sediment and install valves to increase storage capacity.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2 and goes beyond in-kind facility repair or replacement by enhancing reliability and increasing storage capacity. Staff recommends funding this request.</i></p>	\$ 169,000	33,800	135,200	135,200
12 Midway Heights CWD					
	<p>Security Improvements at District Reservoir - The 2021 grant request is for design and construction costs associated with installation of a retaining wall.</p> <p><i>Evaluation Comments: Staff finds this project meets Element 2, however it does not go beyond in-kind facility repair or replacement and appears to be O&M, thus not eligible for FAP funding.</i></p>	\$ 105,550	26,710	78,840	-

2021 PCWA Financial Assistance Program Staff Recommendations
Exhibit A

	District/Grant Request	Estimated Project Amount	District Matching Amount	District FAP Requested Amount	Staff Recommended Grant Amount
13 Northstar CSD					
	<p><u>NCSD Martis Valley Water System - Source Water Hydrogeologic Sustainability Study</u> - The 2021 grant request is for the cost of a Source Water Hydrogeologic Sustainability Study.</p> <p><u>Evaluation Comments</u>: Staff finds this project meets Element 3 and recommends funding this study.</p>	\$ 25,000	-	25,000	25,000
14 Northstar CSD					
	<p><u>Northstar Community Services District Biomass Energy System</u> - The 2021 grant request is for the design and permitting costs of a Biomass Energy System.</p> <p><u>Evaluation Comments</u>: Staff finds this project meets Element 5 and the District is leveraging other funding sources, thus staff recommends funding this request.</p>	\$ 5,305,000	5,055,000	250,000	250,000
15 Olympic Valley PSD					
	<p><u>Advanced Metering Infrastructure (AMI) Implementation and Water Meter Replacement Project</u> - The 2021 grant request is for construction costs associated with the implementation of a new AMI; including meter purchases, AMI hardware, replacement meters and installation.</p> <p><u>Evaluation Comments</u>: Staff finds this project meets Element 7 and the District is leveraging other funding sources, thus staff recommends partially funding this request.</p>	\$ 775,000	68,300	706,700	371,600
16 Olympic Valley PSD					
	<p><u>OVPSD/SVMWC Water System Intertie Project</u> - The 2021 grant request is for the planning, design and construction costs of one or more connections between two water systems.</p> <p><u>Evaluation Comments</u>: Staff finds this project meets Element 2 and goes beyond in-kind facility repair or replacement by enhancing reliability and increasing storage. Additionally, the District will be leveraging other funding sources, thus staff recommends funding this request.</p>	\$ 586,500	182,875	403,625	403,625
17 Sierra Lakes CWD					
	<p><u>Contemporary Water Quality Assessment of Serene Lakes</u> - The 2021 grant request is for a portion of costs of a Contemporary Water Quality Assessment of Serene Lakes to determine best practices for improving and maintaining lake health.</p> <p><u>Evaluation Comments</u>: Staff finds this project meets Element 3 and the District is leveraging other funding sources, thus staff recommends funding this request.</p>	\$ 181,000	131,000	50,000	50,000
18 Tahoe City PUD					
	<p><u>West Lake Tahoe Regional Water Treatment Plant</u> - The 2021 grant request is for a portion of construction costs associated with replacing the water supply to the McKinney-Quail Water Service Area (MQWSA) using Lake Tahoe surface water as its source.</p> <p><u>Evaluation Comments</u>: Staff finds this project meets Element 3 and the District is leveraging other funding sources, thus staff recommends funding this request.</p>	\$ 18,533,048	17,783,048	750,000	750,000
	2021 Total	\$ 32,989,092	27,960,698	5,028,394	3,683,644

**MIDWAY HEIGHTS
COUNTY WATER DISTRICT**

**Budget
2020 Fiscal Year**

**End of Year
May 17, 2021**

Midway Heights County Water District
End of Year- Budget Fiscal Year 2020

Overview..... 1-2
Budget..... 3-8
Fund Balances..... 9
Detail..... 10-13

Fiscal Year 2020 - Overview

Changes from 1st draft to second draft

- 1) Increased salaries per Board Direction:
 - a) Water Utility Maintenance Worker 2=\$5,886.40 per year
 - b) Field Manager=\$5,865.60 per year
 - c) General Manager=\$4,809.95
 - d) Increase on call by \$10 a day=\$3,650
- 2) Reduced contribution to funding item 2) Irrigation Rate Shift Fund on page 6 of the budget to reflect increased labor cost.
- 3) Use the carry over funds of \$7,599 from FY 2018 that were placed in the Treated Capital facilities Fund of offset labor cost.
- 4) Use \$15,538 (balance) from Rate Stabilization Fund to offset increased labor cost.

These adjustments leave a deficit of \$20,234 in revenue to the treated system. On an annualized basis, the per capita shortfall is \$8.27 per treated connection per month.

Original notes from 1st draft

The budget has a new look this year. I separated out the expenses and revenue based on their relationship to the treated and irrigation systems. The highest variable assumption is in labor. I assigned labor based on last year and is subject to change depending on what system will need maintenance and repairs. If not for the rate increase from Weimar Water Company (WWC) and having the new format the District's revenue would be on pace to cover its current expenses.

Treated System

The impact of this new split budget was to cause a deficit to the funding of the treated system. With this new approach and the rate increase from WWC (approximately \$14,000 this year) the deficit is \$29,008.

Irrigation System

The impact to the new split budget to the irrigation system on the other hand was that it is able to fund repair and replacement at a rate of \$9,057 and purchase an additional \$6,000 in parts for a total of \$15,057 of additional revenue.

Truck Loan

The loan for the three new trucks is \$27,691 for 5 years.

The loan is being paid from funds set aside over the past 12 years (\$56,350), sale of the old trucks (anticipated to be \$6,000), maintenance savings from FY 2019 budget

(anticipated to be \$3,000), and maintenance saving over next 3 years (anticipated to be \$18,600) and prior year budget item for vehicle replacement of five years (\$31,750).

The net cost is an increase of \$3,311 a year for three new trucks. Additionally, the District will be earning interest in the investment account from the vehicle replacement fund to offset the increased cost.

MHCWD BUDGET FISCAL YEAR 2020

July 1, 2019 to June 30,2020

SALES, FEES AND REIMBURSEMENTS

	<u>FY 2020 TOTAL</u> <u>Approved</u>	<u>FY 2020</u> <u>IRRIGATION</u>	<u>FY 2020</u> <u>TREATED</u>
1) Irrigation Water Resale	<u>\$203,751</u>	<u>\$203,751</u>	<u>\$0</u>
a) Miners Inch Service	\$131,341	\$131,341	\$0
b) Metered Service Charge	\$54,146	\$54,146	\$0
c) Metered Water Usage	\$18,263	\$18,263	\$0
2) Treated Water Resale	<u>\$385,653</u>	<u>\$0</u>	<u>\$385,653</u>
a) Service Charges	\$272,478		\$272,478
b) Metered Water Usage	\$113,174		\$113,174
3) Late Charges/Returned Check Fees	<u>\$7,551</u>	<u>\$2,457</u>	<u>\$5,094</u>
a) Late charges/ code violations	\$7,395	\$2,379	\$5,016
b) Returned check fees	\$156	\$78	\$78
4) Irrigation Reconnection Fees	<u>\$600</u>	<u>\$600</u>	<u>\$0</u>
5) Treated Reconnection Fees	<u>\$125</u>	<u>\$0</u>	<u>\$125</u>
6) Installations-Irrigation (Reimbursed Expenditures)	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$0</u>
7) Installations-Treated (Reimbursed Expenditures)	<u>\$4,000</u>	<u>\$0</u>	<u>\$4,000</u>
TOTAL-SALES, FEES AND REIMBURSEMENTS:	\$605,680	\$210,808	\$394,872

<u>FY 2020 TOTAL</u> <u>Actual</u>	<u>FY 2020</u> <u>IRRIGATION</u>	<u>FY 2020</u> <u>TREATED</u>	<u>percent of</u> <u>budget</u>
<u>\$200,455</u>	<u>\$200,455</u>	<u>\$0</u>	<u>98%</u>
\$130,404	\$130,404	\$0	99%
\$54,082	\$54,082	\$0	100%
\$15,969	\$15,969	\$0	87%
<u>\$387,192</u>	<u>\$0</u>	<u>\$387,192</u>	<u>100%</u>
\$274,069		\$274,069	101%
\$113,122		\$113,122	100%
<u>\$2,617</u>	<u>\$1,157</u>	<u>\$1,460</u>	<u>35%</u>
\$2,565	\$1,134	\$1,431	35%
\$52	\$23	\$29	33%
<u>\$650</u>	<u>\$650</u>	<u>\$0</u>	<u>108%</u>
<u>\$300</u>	<u>\$0</u>	<u>\$300</u>	<u>240%</u>
<u>\$2,766</u>	<u>\$2,766</u>	<u>\$0</u>	<u>69%</u>
<u>\$2,602</u>	<u>\$0</u>	<u>\$2,602</u>	<u>65%</u>
\$596,581	\$205,028	\$391,553	98%

Operational Expenditures

	FY 2020 TOTAL Approved	FY 2020 IRRIGATION	FY 2020 TREATED	FY 2020 TOTAL Actual	FY 2020 IRRIGATION	FY 2020 TREATED	percent of budget
1) Irrigation Water Purchase	<u>\$29,123</u>	<u>\$29,123</u>	<u>\$0</u>	<u>\$24,666</u>	<u>\$24,666</u>	<u>\$0</u>	<u>85%</u>
2) Treated Water Purchase	<u>\$123,469</u>	<u>\$0</u>	<u>\$123,469</u>	<u>\$125,666</u>	<u>\$0</u>	<u>\$125,666</u>	<u>102%</u>
3) Payroll	<u>\$296,594</u>	<u>\$116,591</u>	<u>\$180,003</u>	<u>\$292,232</u>	<u>\$124,886</u>	<u>\$167,346</u>	<u>99%</u>
a) Administration/Office	\$58,004	\$25,780	\$32,225	\$82,657	\$36,540	\$46,117	143%
b) Administration/Office salaries reimbursed	\$500	\$250	\$250	\$239	\$135	\$104	48%
c) Field salaries	\$183,138	\$65,930	\$117,209	\$154,769	\$63,950	\$90,819	85%
d) Field salaries reimbursed	\$3,760	\$1,880	\$1,880	\$2,181	\$1,104	\$1,077	58%
e) Health Benefits	\$51,192	\$22,752	\$28,440	\$52,386	\$23,158	\$29,228	102%
4) Employer Payroll Liabilities	<u>\$31,894</u>	<u>\$11,482</u>	<u>\$20,412</u>	<u>\$30,714</u>	<u>\$13,207</u>	<u>\$17,507</u>	<u>96%</u>
S.S./ PERS RET/ Medicare/CA Emp train							
5) Professional Services	<u>\$36,770</u>	<u>\$14,645</u>	<u>\$22,125</u>	<u>\$43,143</u>	<u>\$17,328</u>	<u>\$25,815</u>	<u>117%</u>
a) Legal	\$6,000	\$2,666	\$3,334	\$14,536	\$6,426	\$8,110	242%
b) Engineering	\$10,460	\$4,647	\$5,813	\$10,356	\$4,578	\$5,778	99%
c) Accounting/Audit/Payroll	\$11,220	\$4,985	\$6,235	\$10,166	\$4,494	\$5,672	91%
d) Laboratory Analysis	\$3,810	\$0	\$3,810	\$3,945	\$0	\$3,945	104%
e) Software and Software Support	\$5,280	\$2,347	\$2,933	\$4,139	\$1,830	\$2,310	78%
6) Contract Field Work	<u>\$7,240</u>	<u>\$5,870</u>	<u>\$1,370</u>	<u>\$4,807</u>	<u>\$0</u>	<u>\$4,807</u>	<u>66%</u>
a) Contract Irrigation Repairs/Maintenance	\$5,300	\$5,300	\$0	\$0	\$0	\$0	0%
b) Irrigation Installations (reimbursed)	\$0	\$0	\$0	\$0	\$0	\$0	
c) Contract Treated Repairs/Maintenance	\$700		\$700	\$4,509	\$0	\$4,509	644%
d) Treated Installations (reimbursed)	\$0		\$0	\$0	\$0	\$0	
e) Backfill Material	\$1,000	\$450	\$550	\$298	\$0	\$298	30%
f) Backfill Material (reimbursed)	\$240	\$120	\$120	\$0	\$0	\$0	0%

Operational Expenditures

	FY 2020 TOTAL Approved	FY 2020 IRRIGATION	FY 2020 TREATED	FY 2020 TOTAL Actual	FY 2020 IRRIGATION	FY 2020 TREATED	percent of budget
7) Office	<u>\$4,850</u>	<u>\$2,355</u>	<u>\$2,495</u>	<u>\$6,469</u>	<u>\$2,860</u>	<u>\$3,609</u>	<u>133%</u>
a) Supplies	\$4,100	\$2,018	\$2,082	\$5,242	\$2,318	\$2,925	128%
b) Maintenance/Repairs/Replacement	\$750	\$338	\$413	\$1,226	\$542	\$684	163%
8) Postage	<u>\$2,803</u>	<u>\$1,125</u>	<u>\$1,678</u>	<u>\$2,417</u>	<u>\$1,068</u>	<u>\$1,348</u>	<u>86%</u>
9) Telephone, Pagers & Alarms	<u>\$6,757</u>	<u>\$4,025</u>	<u>\$2,732</u>	<u>\$9,695</u>	<u>\$4,286</u>	<u>\$5,409</u>	<u>143%</u>
10) Utilities (Electric & Telemetry)	<u>\$3,691</u>	<u>\$2,526</u>	<u>\$1,164</u>	<u>\$3,139</u>	<u>\$1,388</u>	<u>\$1,751</u>	<u>85%</u>
11) Publications/Dues/Fees	<u>\$6,168</u>	<u>\$2,622</u>	<u>\$3,546</u>	<u>\$6,796</u>	<u>\$2,898</u>	<u>\$3,898</u>	<u>110%</u>
a) Publications & Publishing	\$65	\$29	\$36	\$74	\$33	\$41	114%
b) Licenses Fees	\$210	\$0	\$210	\$240	\$0	\$240	114%
c) Dues and Subscriptions	\$5,893	\$2,593	\$3,300	\$6,482	\$2,865	\$3,616	110%
12) Election Expense	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
13) Director's Fees	<u>\$7,968</u>	<u>\$3,541</u>	<u>\$4,427</u>	<u>\$4,427</u>	<u>\$1,957</u>	<u>\$2,470</u>	<u>56%</u>
14) Insurance	<u>\$22,072</u>	<u>\$8,860</u>	<u>\$13,212</u>	<u>\$17,149</u>	<u>\$7,479</u>	<u>\$9,670</u>	<u>78%</u>
a) Liability & Property	\$11,430	\$5,029	\$6,401	\$8,690	\$3,842	\$4,849	76%
b) Workers Comp. Insurance	\$10,642	\$3,831	\$6,811	\$8,459	\$3,637	\$4,822	79%
15) Operation & Maintenance Materials	<u>\$21,400</u>	<u>\$13,250</u>	<u>\$8,150</u>	<u>\$10,638</u>	<u>\$5,440</u>	<u>\$5,198</u>	<u>50%</u>
a) Irrigation - maintenance expense	\$11,500	\$11,500	\$0	\$3,962	\$3,962	\$0	34%
b) Irrigation - installation expense (reimbursed to District)	\$1,750	\$1,750	\$0	\$1,478	\$1,478	\$0	84%
c) Treated - maintenance expense	\$6,400	\$0	\$6,400	\$3,778	\$0	\$3,778	59%
d) Treated - installation expense (reimbursed to District)	\$1,750	\$0	\$1,750	\$1,420	\$0	\$1,420	81%

Operational Expenditures

	FY 2020 TOTAL Approved	FY 2020 IRRIGATION	FY 2020 TREATED
16) Mileage Reimbursement	<u>\$500</u>	<u>\$225</u>	<u>\$275</u>
17) Travel, Meetings & Training	<u>\$3,000</u>	<u>\$1,350</u>	<u>\$1,650</u>
18) Safety Equipment	<u>\$3,000</u>	<u>\$1,350</u>	<u>\$1,650</u>
19) DHS Water System Fee	<u>\$2,622</u>	<u>\$0</u>	<u>\$2,622</u>
20) Vehicle/Mobile Equip. Maint. & Op.	<u>\$9,500</u>	<u>\$4,180</u>	<u>\$5,320</u>
21) Rentals	<u>\$9,009</u>	<u>\$3,964</u>	<u>\$5,045</u>
a) Office Rental	\$5,388	\$2,371	\$3,017
b) Field Equipment Rental	\$2,000	\$880	\$1,120
c) Portable Toilet	\$1,621	\$713	\$908
22) Bank Charges	<u>\$966</u>	<u>\$425</u>	<u>\$541</u>
23) Admin. Fees (includes LAFCO fees)	<u>\$1,225</u>	<u>\$539</u>	<u>\$686</u>
TOTAL-OPERATING EXPENDITURES	<u>\$630,622</u>	<u>\$228,049</u>	<u>\$402,573</u>
NET REVENUE-OPERATIONAL	<u>(\$24,942)</u>	<u>(\$17,241)</u>	<u>(\$7,701)</u>

FY 2020 TOTAL Actual	FY 2020 IRRIGATION	FY 2020 TREATED	percent of budget
<u>\$120</u>	<u>\$53</u>	<u>\$67</u>	<u>24%</u>
<u>\$3,969</u>	<u>\$1,755</u>	<u>\$2,215</u>	<u>132%</u>
<u>\$2,008</u>	<u>\$888</u>	<u>\$1,120</u>	<u>67%</u>
<u>\$2,871</u>	<u>\$0</u>	<u>\$2,871</u>	<u>109%</u>
<u>\$11,611</u>	<u>\$5,133</u>	<u>\$6,478</u>	<u>122%</u>
<u>\$7,630</u>	<u>\$3,373</u>	<u>\$4,257</u>	<u>85%</u>
\$5,388	\$2,382	\$3,006	100%
\$621	\$275	\$346	31%
\$1,621	\$717	\$904	100%
<u>\$1,558</u>	<u>\$689</u>	<u>\$869</u>	<u>161%</u>
<u>\$1,280</u>	<u>\$566</u>	<u>\$714</u>	<u>104%</u>
\$613,003	\$219,918	\$393,085	97%
(\$16,423)	(\$14,890)	(\$1,532)	66%

OTHER REVENUE

	FY 2020 TOTAL Approved	FY 2020 IRRIGATION	FY 2020 TREATED
1) Treated Water Connections	\$5,000	\$0	\$5,000
2) Taxes	\$47,600	\$20,944	\$26,656
3) Non-Dedicated Interest from Investments	\$4,300	\$1,892	\$2,408
4) Scrap Sales/Miscellaneous income	\$7,012	\$3,085	\$3,927
TOTAL-OTHER REVENUE:	\$63,912	\$25,921	\$37,991

FY 2020 TOTAL Actual	FY 2020 IRRIGATION	FY 2020 TREATED	percent of budget
\$2,194	\$0	\$2,194	44%
\$49,869	\$22,046	\$27,824	105%
\$5,545	\$2,451	\$3,094	129%
\$20,050	\$8,863	\$11,187	286%
\$77,659	\$33,360	\$44,298	122%

Funding Of Contingencies & Reserves

	FY 2020 TOTAL Approved	FY 2020 IRRIGATION	FY 2020 TREATED
1) Treated Water Capital Facilities above item funded by treated connection charges	\$5,000	\$0	\$5,000
2) Irrigation Rate Shift Fund above item funded by irrigation water charges	\$1,961	\$1,961	\$0
3) Vehicle/Mobile Equipment Reserve	\$0	\$0	\$0
4) Rate and Connection Fee Study	\$0	\$0	\$0
TOTAL-OTHER EXPENDITURES	\$6,961	\$1,961	\$5,000
NET REVENUE-OTHER	\$56,951	\$23,960	\$32,991

FY 2020 TOTAL Actual	FY 2020 IRRIGATION	FY 2020 TREATED	percent of budget
\$2,194	\$0	\$2,194	44%
\$12,099	\$12,099	\$0	617%
\$0	\$0	\$0	
\$0	\$0	\$0	
\$14,293	\$12,099	\$2,194	205%
\$63,366	\$21,261	\$42,104	111%

TOTAL-NET REVENUE	\$32,009	\$6,719	\$25,290
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\$46,943	\$6,371	\$40,572	147%
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To balance irrigation budget

From treated water connection fees

To make truck payment

To balance treated budget

From prior year budget surplus to balance FY 2020 budget

CAPITAL IMPROVEMENT, DEBT SERVICES AND RESERVE FUNDS BUDGET

FUNDING SOURCE	FY 2020 TOTAL Approved	FY 2020 IRRIGATION	FY 2020 TREATED	FY 2020 TOTAL Actual	FY 2020 IRRIGATION	FY 2020 TREATED	percent of budget
1) Designated for Contingencies Fund	\$0	\$0	\$0	\$0	\$0	\$0	
2) Designated for Future Occurrences Reserve	\$13,070	\$5,751	\$7,319	\$13,278	\$5,870	\$7,408	102%
3) Treated Capital Facilities Fund	\$7,599	\$0	\$7,599	\$7,599	\$0	\$7,599	100%
4) Rate Stabilization Fund	\$15,538	\$0	\$15,538	\$15,538	\$0	\$15,538	100%
5) Emergency Reserve	\$0	\$0	\$0	\$0	\$0	\$0	
6) Current FY-Operation Fund	\$18,511	\$0	\$18,511	\$4,839	\$0	\$4,839	26%
TOTAL-FUNDING SOURCE:	\$54,718	\$5,751	\$48,967	\$41,254	\$5,870	\$35,384	75%
EXPENDITURES							
1) Capital Expenses	\$88,275	\$12,184	\$76,091	\$88,197	\$12,241	\$75,956	100%
a) Treated tank loan debt services	\$60,584	\$0	\$60,584	\$60,506	\$0	\$60,506	100%
b) Treated PRV and mainline meter project	\$0	\$0	\$0	\$0	\$0	\$0	
c) Refurbish 0.14 MG treated tank	\$0	\$0	\$0	\$0	\$0	\$0	
d) Loan payment for District trucks	\$27,691	\$12,184	\$15,507	\$27,691	\$12,241	\$15,450	100%
e) Purchase three irrigation pressure relief valves			\$0	\$0	\$0	\$0	
TOTAL-Expenditures	\$88,275	\$12,184	\$76,091	\$88,197	\$12,241	\$75,956	100%
NET:CAP IMPR, DEBT SER AND RES FUNDS BUDGET	(\$33,557)	(\$6,433)	(\$27,124)	(\$46,943)	(\$6,371)	(\$40,572)	140%
NET TOTAL-FISCAL YEAR BUDGET	(\$1,548)	\$286	(\$1,835)	\$0	(\$0)	\$0	0%

Investment Fund @ Placer County

	4/1/2021
Emergency Reserve	\$80,000.00
Future Occurrences	\$160,195.65
Current FY Operation Fund	\$66,904.72
DWR-1990 Loan Fund	\$261,161.20
Treated Water Capital Facilities	\$47,313.29
Rate Stabilization	\$0.00
TOTAL	\$615,574.86

Breakdown of Future Occurrences Fund

Truck & Mobile Equipment	\$39,833.10
Easement Clearing	\$9,759.06
Irrigation Rate Shift Fund	\$72,655.00
System Repair & Replacement	\$37,948.49
TOTAL	\$160,195.65

Midway Heights County Water District
Fiscal Year 2020 -Detail

SALES, FEES AND REIMBURSEMENTS: PAGE 3

In calculating sales I analyzed the usage from the 2018 calendar year.

EXPENDITURES DETAIL: PAGE 4 AND 6

1. Irrigation Water Purchase

Provides funding for irrigation water purchases from Placer County Water Agency (PCWA). PCWA rates increased 16.4%.

2. Treated Water Purchase

Provides funding for treated water purchases from Weimar Water Company (WWC). Part of the increase cost is increased usage and a rate increase from WWC. This fiscal year the rate increase from WWC is about \$14,000.

3. Salaries and Benefits

This category represents direct and indirect costs associated with the funding for personnel employed by the District for administration and field operations. A 2.55% COLA was included in salaries. **See additional information on page 1.**

Administration/ Office

Provides funding for administration salary costs. The cost is ½ the General Managers salary and 10% of the Field Manager's salary.

Administration/Office salaries reimbursed

Administrative cost reimbursed to the District for events like installing of water services.

Field Salaries

Provides funding for field operations salary costs. The costs include ½ the General Manager's salary, the Field Supervisor's salary and the Utility Worker II salary.

Field Salaries reimbursed

Field cost's reimbursed to the District for events like installing of water services.

Health Benefits

Provides funding for payments related to employee health benefits. The cost has decreased the last three years. Per month cost each year; 2019 -\$4,261.56/ 2018-\$4,771.99/ 2017-\$5,157.19

4. Employer Payroll Liabilities

This category represents payments associated with the following employer payroll liabilities: social security, PERS retirement, Medicare and California employee training.

5. Professional Services

Legal

Provides funding for the administrative services of the District's legal counsel.

Engineering

Provides funding for projects provided by the District's engineering consultants.

Accounting/ Audit/ Payroll

Provides funding for the preparation of the District's annual audit and for the District's accountant.

Laboratory Analysis

Provides funding for laboratory services for mandated water quality monitoring of the water supply. This includes routine distribution system monitoring, emergency repair sampling and samples collected and analyzed at customers request. District is increasing water sampling monitoring of the incoming treated water supply.

Software and Software Support

Provides funding for the District's maintenance and service agreement for the billing system, software upgrades, etc. Increased cost because of online bill payment and other services.

6. Contract Field Work: Based on three year average

Contract Irrigation Repairs/Maintenance

Provides funding for repairs and maintenance associated with the District's irrigation system done by outside contractors.

Irrigation Installations reimbursed

Reimbursements associated with installing customer services.

Contract Treated Repairs/Maintenance

Provides funding for repairs and maintenance associated with the District's treated system done by outside contractors.

Treated Installations reimbursed

Reimbursements associated with installing customer services.

Backfill material

Provides funding for backfill material for restoration of areas affected by system repairs.

Backfill material reimbursed

Provides funding for backfill material reimbursements for restoration of areas affected by installing water services.

7. Office:

Supplies - Based on three year average

Provides funding for costs associated with the printing of bills, customer correspondence and Board Meeting items as well as all miscellaneous office supplies.

Maintenance/Repairs

Provides funding for costs associated with maintaining and repairing office equipment.

8. Postage

Provides funding for mailing of all customer bills and District correspondence. Postage cost \$0.05 more per stamp this year

9. Telephone, pagers and alarms: District shifted to different phone and internet plan that should save money.

Provides funding for telephones, cellular phones, pagers and alarms.

10. Utilities: includes 5% increase

Provides funding for telemetry and electrical energy costs for the operation of all District facilities.

11. Publications/Dues/Fees

Publications and Publishing

Provides funding for District advertising of legal ads and for vacancies that may occur.

Licenses Fees

Provides funding for operator's licenses.

Dues and Subscriptions

Provides funding for professional organization memberships including ACWA, AWWA, CSDA, NRWA, and USA North.

12. Election Expenses

Provides funding for the general election, no election planned.

13. Director's Fees

Provides funding for the Board of Directors to attend the monthly Board Meeting, standing committee meetings and miscellaneous meetings that may arise. 2.55% COLA.

14. Insurance

Provides funding for insurance premiums due to ACWA/JPIA. Costs have increased due to the fact that the District is not expected to receive refunds from JPIA.

Liability and Property: Expense is high because the insurance company no longer provides automatic coverage for fencing and they changed the coverage formulas for vehicles.

Workers Compensation: based on current rates

15. Operation and Maintenance Material

Irrigation- Maintenance Expense

Provides funding for repairs and maintenance associated with the District's irrigation system. Based on three year average.

Irrigation- Installation Expense

Provides funding for installation expenses associated with the District's irrigation system.

Treated- Maintenance Expense

Provides funding for repairs and maintenance associated with the District's treated system. Based on three year average.

Treated- Installation Expense

Provides funding for installation expenses associated with the District's treated system.

16. Mileage Reimbursement

Provides funding for mileage reimbursement to District employees who use their personal vehicle for District business.

17. Travel, Meetings and Training

Provides funding for meetings and conferences associated with job assignments or related to the conduct of District business. Also provides funds for training materials, programs and fees to attend training sessions for staff to keep current with new laws, technologies and methods of carrying out the mission of the District.

18. Safety Equipment

Provides funding for worksite safety and personal protective equipment.

19. DHS Water System Fee

Provides funding for the State Department of Health Services Drinking Water Program permit.

20. Vehicle/Mobile Equipment M&O: based on expected fuel cost and \$3,000 of repairs.

Provides funding for the maintenance and operation of the District's vehicles and mobile equipment including fuel purchases. Reduced by \$6,200 due to expected reduction in maintenance to truck due to new trucks.

21. RentalsOffice Rental

Provides funding for the District office space rental located at 16717 Placer Hills Rd. Meadow Vista.

Field equipment rental

Provides funding for field equipment rentals.

Portable Toilet

Provides funding for the rental, maintenance and cleaning of the portable toilet located at the District's maintenance yard.

22. Bank Charges

Provides funding for service charges associated with the District's bank accounts Increased due to online bill pay available to customers.

23. Administration Fees

Provides funding for miscellaneous administrative fees including LAFCO.

FUNDING OF CONTINGENCIES & RESERVES: PAGE 7- this category accounts for expenditures designated for contingencies and reserves. **See additional information on page 1.**

1) **Treated Water Connections**-typically from connection fees.

2) **Irrigation Rate Shift Fund**-from charges for irrigation water service.

3) **Vehicle/Mobile Equipment Reserve**- This item is to fund replacement of vehicles, backhoe, etc. Was \$6,350 in FY 2019, will not be funded to offset new truck loan.

4) **Rate and connection fee study**-used to replenish rate stabilization fund over a five year period. Rate stabilization fund was used to fund study in FY 2019 and may carry over to FY2020.

CAPITAL FUNDING SOURCE: PAGE 8 See additional information on page 1.

2) **Designated for Future Occurrences Reserve:** fund truck loan payment from reserves. Reserve is set to have \$65,350 after FY 2019 for vehicle replacement.

3) **Treated Capital Facilities Fund:** \$10,000 for materials and outside labor in helping install treated mainline meters and replacement of existing pressure regulating valves.

CAPITAL FUNDING EXPENDITURES: PAGE 8

e) **Purchase three irrigation pressure relief valves-** this should help protect the irrigation system should the Irrigation Pressure Regulating Valves fail.

**MHCWD
MEMO**

**05/20/21
BOARD MEETING AGENDA
ITEM VI-B**

TO: MHCWD BOARD OF DIRECTORS

FROM: Jason Tiffany

RE: DISCUSSION AND ACTION RE: AGED RECEIVABLES

Below is the aged receivables report for 2020. To compare “apples” to “apples” I ran the report with only positive balances over \$50. I used \$50 because I did not send out late notices to customers that owed \$50 or less prior to COVID.

Aged Receivables	0-60 days	61-120 days	121-180 days	181-240 days	plus 240 days	total
2/27/2020	\$1,077.14					\$1,077.14
number of customers	8	0	0	0	0	8
4/28/2020	\$7,621.87	\$68.68				\$7,690.55
number of customers	41	3		0	0	41
6/28/2020	\$6,465.00		\$716.62			\$7,181.62
number of customers	32	0	6	0	0	32
8/27/2020	\$7,975.86	\$725.81	\$0.00	\$383.99	\$0.00	\$9,085.66
number of customers	39	5	0	3	0	39
10/28/2020	\$966.35	\$12,491.85	\$0.00	\$579.76	\$383.99	\$14,421.95
number of customers	4	42	0	3	3	46
12/27/2020	\$59.59	\$9,333.10	\$1,107.78	\$178.45	\$328.30	\$11,007.22
number of customers	1	40	6	1	1	41
2/24/2021	\$8,961.04	\$1,304.71	\$335.73	\$0.00	\$0.00	\$10,601.48
number of customers	41	8	2	0	0	42
4/29/2021	\$11,994.52	\$59.59	\$544.01	\$176.67	\$0.00	\$12,824.79
number of customers	50	1	2	1	0	50

MIDWAY HEIGHTS COUNTY WATER DISTRICT
FUNDS SUMMARY

APRIL 2021

REGULAR BOARD MEETING
MAY 2021

OPERATING FUNDS:

Placer County-MHCWD Investment Trust Fund (32005):

Balance as of: (03/31/21) **\$615,574.86**

*(Includes: Department of Water Resources Loan Fund, Treated Water Capital Facilities Fund, Designated for Emergency Fund, Designated For Future Occurrences Fund, Current Fiscal Year Operation Fund, Rate Stabilization Fund, Undesignated Reserve Fund.)

Wells Fargo Bank:

Adjusted Bank Statement Balance (04/30/21–Reconciled to Checking Account #1670 General) ** **\$51,189.31**

Adjusted Bank Statement Balance (04/30/21–Reconciled to Checking Account #9798 Rate Payer) ** **\$21,085.50**

CALIFORNIA BANK & Trust:

Adjusted Bank Statement Balance (04/30/21– Reconciled Money Market Account #6809 Tank Loan) ** **\$35,619.27**

**See the attached Reconciliation Summary and Check Register for detail.

LOAN BALANCES

STATE REVOLVING FUND (0.33 MG tank and improvements, 2014, 20 year loan)

Balance (12/31/20) **\$632,559.97**

WEST AMERICA BANK (loan for three new service trucks, 2018, five year loan)

Balance (12/31/20) **\$77,552.88**

APPROVAL OF ACCOUNT TRANSFERS & BILLS PAID FOR THE MONTH APRIL 2021

Treasurer of the Board-Jim Mehl

Midway Heights CWD
Reconciliation Summary
10005 · Cash in Checking-1670, Period Ending 04/30/2021

	<u>Apr 30, 21</u>
Beginning Balance	62,427.43
Cleared Transactions	
Checks and Payments - 31 items	-42,058.58
Deposits and Credits - 15 items	32,009.34
Total Cleared Transactions	<u>-10,049.24</u>
Cleared Balance	<u><u>52,378.19</u></u>
Uncleared Transactions	
Checks and Payments - 3 items	-1,188.88
Total Uncleared Transactions	<u>-1,188.88</u>
Register Balance as of 04/30/2021	<u><u>51,189.31</u></u>
New Transactions	
Checks and Payments - 8 items	-11,241.33
Deposits and Credits - 4 items	22,369.07
Total New Transactions	<u>11,127.74</u>
Ending Balance	<u><u>62,317.05</u></u>

Midway Heights CWD
Reconciliation Detail
 10005 · Cash in Checking-1670, Period Ending 04/30/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						62,427.43
Cleared Transactions						
Checks and Payments - 31 items						
Bill Pmt -Check	03/11/2021	8714	Sauers Engineeri...	X	-1,155.00	-1,155.00
Bill Pmt -Check	04/01/2021	EFT	Paychex, Inc.	X	-3,288.51	-4,443.51
Bill Pmt -Check	04/05/2021	8723	MHCWD	X	-5,044.38	-9,487.89
Bill Pmt -Check	04/05/2021	8725	Omega Commerc...	X	-651.00	-10,138.89
Bill Pmt -Check	04/05/2021	8720	Beam Security Sy...	X	-561.67	-10,700.56
Bill Pmt -Check	04/05/2021	8721	Dawson Oil Comp...	X	-552.72	-11,253.28
Bill Pmt -Check	04/05/2021	8727	US Bank	X	-466.78	-11,720.06
Bill Pmt -Check	04/05/2021	8724	New Direction Ser...	X	-380.72	-12,100.78
Bill Pmt -Check	04/05/2021	8719	AT & T	X	-312.65	-12,413.43
Bill Pmt -Check	04/05/2021	8726	PG&E	X	-281.05	-12,694.48
Bill Pmt -Check	04/05/2021	8722	Frontier Communi...	X	-107.56	-12,802.04
Bill Pmt -Check	04/06/2021	8730	Cranmer Analytic...	X	-750.00	-13,552.04
Bill Pmt -Check	04/06/2021	8729	Verizon Wireless	X	-152.37	-13,704.41
Bill Pmt -Check	04/06/2021	8728	AT&T U-verse	X	-42.80	-13,747.21
Bill Pmt -Check	04/07/2021	EFT	CalPERS Health ...	X	-3,812.47	-17,559.68
Bill Pmt -Check	04/07/2021	EFT	CalPERS Retire P...	X	-2,632.70	-20,192.38
Bill Pmt -Check	04/07/2021	EFT	CalPERS 457 Pro...	X	-700.00	-20,892.38
Bill Pmt -Check	04/07/2021	EFT	CalPERS Retire P...	X	-685.45	-21,577.83
Bill Pmt -Check	04/07/2021	EFT	CalPERS Retire P...	X	-609.55	-22,187.38
Bill Pmt -Check	04/07/2021	EFT	CalPERS Retire P...	X	-85.34	-22,272.72
Bill Pmt -Check	04/12/2021	EFT	Paychex, Inc.	X	-295.43	-22,568.15
Bill Pmt -Check	04/12/2021	EFT	Wells Fargo	X	-191.65	-22,759.80
Bill Pmt -Check	04/22/2021	8741	Weimar Water Co...	X	-9,770.21	-32,530.01
Bill Pmt -Check	04/22/2021	8735	Inland Potable Se...	X	-4,193.00	-36,723.01
Bill Pmt -Check	04/22/2021	8731	ACWA Joint Pow...	X	-2,253.27	-38,976.28
Bill Pmt -Check	04/22/2021	8737	PCWA	X	-1,858.37	-40,834.65
Bill Pmt -Check	04/22/2021	8738	PG&E	X	-468.50	-41,303.15
Bill Pmt -Check	04/22/2021	8732	Bartkiewicz, Kroni...	X	-465.00	-41,768.15
Bill Pmt -Check	04/22/2021	8733	Cooks Portable T...	X	-140.43	-41,908.58
Bill Pmt -Check	04/22/2021	8734	Cranmer Analytic...	X	-90.00	-41,998.58
Bill Pmt -Check	04/22/2021	8740	Tel-Com	X	-60.00	-42,058.58
Total Checks and Payments					-42,058.58	-42,058.58
Deposits and Credits - 15 items						
Bill Pmt -Check	03/11/2021	8713	PG&E	X	0.00	0.00
Deposit	04/01/2021			X	270.48	270.48
Deposit	04/05/2021			X	222.98	493.46
Deposit	04/05/2021			X	276.76	770.22
Deposit	04/05/2021			X	10,695.63	11,465.85
Deposit	04/06/2021			X	286.09	11,751.94
Deposit	04/07/2021			X	211.76	11,963.70
Deposit	04/07/2021			X	8,972.78	20,936.48
Deposit	04/12/2021			X	714.36	21,650.84
Deposit	04/13/2021			X	280.36	21,931.20
Deposit	04/14/2021			X	164.56	22,095.76
Deposit	04/15/2021			X	225.29	22,321.05
Deposit	04/19/2021			X	8,004.99	30,326.04
Deposit	04/21/2021			X	295.59	30,621.63
Deposit	04/28/2021			X	1,387.71	32,009.34
Total Deposits and Credits					32,009.34	32,009.34
Total Cleared Transactions					-10,049.24	-10,049.24
Cleared Balance					-10,049.24	52,378.19

Midway Heights CWD Reconciliation Detail

10005 · Cash in Checking-1670, Period Ending 04/30/2021

Type	Date	Num	Name	Clr	Amount	Balance
Uncleared Transactions						
Checks and Payments - 3 items						
Bill Pmt -Check	01/05/2021	1344	Langlands, Tracy		-207.88	-207.88
Bill Pmt -Check	04/22/2021	8736	Omega Commerc...		-651.00	-858.88
Bill Pmt -Check	04/22/2021	8739	Sauers Engineeri...		-330.00	-1,188.88
Total Checks and Payments					-1,188.88	-1,188.88
Total Uncleared Transactions					-1,188.88	-1,188.88
Register Balance as of 04/30/2021					-11,238.12	51,189.31
New Transactions						
Checks and Payments - 8 items						
Bill Pmt -Check	05/06/2021	8747	MHCWD		-5,044.38	-5,044.38
Bill Pmt -Check	05/06/2021	8749	US Bank		-4,306.80	-9,351.18
Bill Pmt -Check	05/06/2021	8745	Ferguson Waterw...		-804.36	-10,155.54
Bill Pmt -Check	05/06/2021	8744	Dawson Oil Comp...		-567.92	-10,723.46
Bill Pmt -Check	05/06/2021	8748	PG&E		-229.67	-10,953.13
Bill Pmt -Check	05/06/2021	8742	Cooks Portable T...		-140.38	-11,093.51
Bill Pmt -Check	05/06/2021	8746	Frontier Communi...		-107.82	-11,201.33
Bill Pmt -Check	05/06/2021	8743	Cranmer Analytic...		-40.00	-11,241.33
Total Checks and Payments					-11,241.33	-11,241.33
Deposits and Credits - 4 items						
Deposit	05/04/2021				2,796.42	2,796.42
Deposit	05/10/2021				280.33	3,076.75
Deposit	05/10/2021				11,129.18	14,205.93
Deposit	05/11/2021				8,163.14	22,369.07
Total Deposits and Credits					22,369.07	22,369.07
Total New Transactions					11,127.74	11,127.74
Ending Balance					-110.38	62,317.05

Midway Heights CWD
Reconciliation Summary
10007 · Rate Payer Increase-Check-9798, Period Ending 04/30/2021

	<u>Apr 30, 21</u>
Beginning Balance	16,040.96
Cleared Transactions	
Deposits and Credits - 2 items	<u>5,044.54</u>
Total Cleared Transactions	<u>5,044.54</u>
Cleared Balance	<u>21,085.50</u>
Register Balance as of 04/30/2021	21,085.50
New Transactions	
Deposits and Credits - 1 item	<u>5,044.38</u>
Total New Transactions	<u>5,044.38</u>
Ending Balance	<u>26,129.88</u>

Midway Heights CWD Reconciliation Detail

10007 · Rate Payer Increase-Check-9798, Period Ending 04/30/2021

Type	Date	Num	Name	Cir	Amount	Balance
Beginning Balance						16,040.96
Cleared Transactions						
Deposits and Credits - 2 items						
Bill	04/01/2021	April ...	MHCWD	X	5,044.38	5,044.38
Deposit	04/30/2021			X	0.16	5,044.54
Total Deposits and Credits					5,044.54	5,044.54
Total Cleared Transactions					5,044.54	5,044.54
Cleared Balance					5,044.54	21,085.50
Register Balance as of 04/30/2021					5,044.54	21,085.50
New Transactions						
Deposits and Credits - 1 item						
Bill	05/03/2021	May ...	MHCWD		5,044.38	5,044.38
Total Deposits and Credits					5,044.38	5,044.38
Total New Transactions					5,044.38	5,044.38
Ending Balance					10,088.92	26,129.88

Midway Heights CWD
Reconciliation Summary
10009 · Cal Bank and Trust-6809, Period Ending 04/30/2021

	<u>Apr 30, 21</u>
Beginning Balance	35,618.68
Cleared Transactions	
Deposits and Credits - 1 item	<u>0.59</u>
Total Cleared Transactions	<u>0.59</u>
Cleared Balance	<u>35,619.27</u>
Register Balance as of 04/30/2021	35,619.27
Ending Balance	35,619.27

Midway Heights CWD Reconciliation Detail

10009 - Cal Bank and Trust-6809, Period Ending 04/30/2021

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						35,618.68
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	04/30/2021			X	0.59	0.59
Total Deposits and Credits					0.59	0.59
Total Cleared Transactions					0.59	0.59
Cleared Balance					0.59	35,619.27
Register Balance as of 04/30/2021					0.59	35,619.27
Ending Balance					0.59	35,619.27