

**Regular Meeting of the Alleghany County Water District Board of Directors  
Tuesday July 12, 2022 Meeting was held over phone and at Fire Station 1.**

**1. Call to Order & Establish a Quorum** The meeting was called to order by President Mehrmann at 6:09 pm. Directors present: Tobyne Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer. CWO Bruce Coons and AWO Edward Snyder; GM Rae Bell, and Secretary Amber Mehrmann was present and took minutes. Public present: Vicky Tenney

**2. Consent Calendar:**

Motion was made to approve the consent calendar by Robbin DeWeese and Coral Spencer 2<sup>nd</sup>.  
**.Ayes: Tobyne Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0  
Absent: 0 Abstain: 0**

**3. Information/Discussion Items**

**a) Correspondence:** Included in writing on the GM report.

**b) SRF Projects Update:** The Audit that was conducted is in the G.M.'s report.  
~ The hiring of an engineer is all that is holding up the funding agreement.

**c) Board/Staff Reports: CWO and GM Report:**

CWO: Edward reported that the total finished water produced in June was 393,710 gallons and the average raw water flow Gallons per Minute were 62 gallons.

~Bruce has been out of commission due to some health issues, so Edward has been filling his shoes and taking care of the tanks.

~Edward said the tank got patched, but he wasn't overly impressed with the patch job that was done. The workers left loose bolts, and trash in the tank when they were done. Edda came and helped Edward finish cleaning out and sterilizing the tank before he filled it.

~Edward also stated that he was very thankful for Ned lending him a generator to help clean out the tank, as the power was out.

~The tank was filled on the 10<sup>th</sup> of July and the water tests all came back negative.

~ The smaller tanks will have to be monitored closely to make sure the water levels don't get, too, low.

~The SCADA system is working as well as it ever has. Rae Bell is trying to find a new SCADA vendor as Aqua Sierra has not provided satisfactory service and is having a high employee turnover.

~The state Division of Drinking Water inspector, Nick, came and did his annual inspection. He did not find any violations. He was consulted again about putting the big tank into service temporarily and he said that everything is looking good.

~A really serious house leak almost drained the tank in June, but was fixed quickly.

G.M.: Rae Bell's report is in writing. She also wanted to thank Edward and Edda for getting the tank up and running. She authorized Edda to be paid a minimum hourly wage for helping Edward.

**d) Historical Church/Library Report:** Nothing to report.

e) **Park Report:** Ned got the rope up on the flag pole and Bruce was able to put up the flag.

#### **4. Unfinished Business**

a) **Customer Accounts/Billings/Disconnects:** There is one delinquent customer that Rae Bell is working on getting financial assistance for. She forgot to ask Edda about other delinquent accounts before the meeting.

b) **There is still a position vacant on the board.**

c) **Ordinances:**

~Policy #102

~If this policy is adopted, it would mean prioritizing the operation fund. It says that this fund would maintain a minimum balance of \$3500 at all times.

~In order to keep this balance there may have to be money pulled out of the Contingency fund.

~It was posed that at the next meeting we should vote to allow Edda, the treasurer, to be able to move money from the contingency fund to the Operation fund in order to uphold the \$3500 balance required.

~It would also separate the church and library funds, but still keep one bank account.

Rae Bell reported that Policy 601 was not ready. She needed more time to work on it.

~After further discussion a motion was made to table both draft policies.

Nancy Finney made the motion and Coral Spencer 2<sup>nd</sup> **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0**

d) **Adopt the preliminary Budget:** Coral Spencer made the motion to adopt the preliminary budget as presented and Nancy Finney 2<sup>nd</sup> **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0**

e) **Job Descriptions:** There is nothing new to report.

#### **5. New Business**

a.) **Renew Amber Mehrmann's contract for services.** Nancy Finney made the motion and Coral Spencer 2<sup>nd</sup> **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0**

Renew Rae Bell as G.M. Rae Bell requested that there be some changes made to her contract. She would like a flat rate \$200 a year payment added for filling out mandatory reports. Due to the amount of time it takes to do all of this paperwork, the board deemed this a fair request.

Coral Spencer made the motion and Robbin DeWeese 2<sup>nd</sup> **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0**

b) There was another request to raise Edda Snyder's (bookkeeper) salary by \$25, raising her wage to \$200 per month. Robbin DeWeese made the motion and Coral Spencer 2<sup>nd</sup> **Ayes:**

**Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0**

c) Resolution #117 was asked to be adopted, which would consolidate elections with Sierra County. Coral Spencer made the motion and Nancy Finney 2nds. **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0**

d) Ordinance #37 was presented to confirm the new water rates. Coral Spencer made the motion and Nancy Finney 2<sup>nd</sup> **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0**

~The rate change will be reflected on next month's bills.

e) No committee was appointed since Policy 601 was not adopted.

f) The library lease of the historical church is up. A motion was made by Nancy Finney to have Tobyn sign the lease Coral Spencer 2<sup>nd</sup> **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0**

**6. Public Response Time:** None

**7. Next meeting Date, Items for next Agenda and Adjournment**

Next meeting will take place August 9, 2022 at 6:00 P.M. at Station 2

There is still a Board Vacancy open to anyone who is registered to vote.

There being no further business before the Board, the meeting was adjourned at: 7:06 P.M.

Minutes respectfully submitted,

  
\_\_\_\_\_  
Amber Mehrmann, Secretary



# NOTICE

## OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF ALLEGHANY COUNTY WATER DISTRICT

**Date: Tuesday July 12, 2022 Time: 6:00 pm**

**Location: Fire Station 1, 105 Plaza Court, Alleghany and by conference call. Dial-in number (US): (978) 990-5144 Access code: 6919768#**

**All meeting documents available online: [alleghanywater.org](http://alleghanywater.org)**

**Send an email to: [alleghanywater@gmail.com](mailto:alleghanywater@gmail.com) for meeting notices.**

This agenda has been prepared and posted at least 72 hours prior to the regular meeting of the Board of Directors in accordance with the Ralph M. Brown Act. Agenda items are numbered for identification purposes only and will not necessarily be considered in the indicated order. Details and supporting materials concerning agenda items are available for public reference in the box at the Post Office at the time of agenda posting or on the district's website: [alleghanywater.org](http://alleghanywater.org)

1. Call to Order & Establish a Quorum
2. Consent Calendar
  - a) Approve agenda
  - b) Reading and approval of the minutes for the regular meeting dated May 10, 2022
  - c) Ratification of Treasury Report and bill payments for May and June 2022.
3. Information/Discussion Items:
  - a) Correspondence –
  - b) SRF Projects Update –
  - c) Board/Staff Reports – Chief Water Operator (CWO) & General Manager (GM)
  - d) Historical Church/Library report – Status of heater purchase -
  - e) Park report – The new rope is on the flag pole. Thank you Ned!
4. Unfinished Business (Discussion & Possible Action Items):
  - a) Customer Accounts/Billings/Disconnects:
  - b) Ordinances, Policies & Procedures and Bylaws: Revisions to Policy #102 Reserve Funds as corrected on May 10<sup>th</sup>. Adopt Policy #601 for procurement of professional services.
  - c) Status of vacancy on the board,
  - d) Job Descriptions (we paid the attorney to review them but have not followed through with considering the recommendations)
  - e) Adopt Preliminary Budget – first draft presented in May.
5. New Business (Discussion & Possible Action Items):
  - a) Renew Secretary and General Manager's contracts. See GM report.
  - b) Consider adding \$25 per month the Bookkeeper's pay, bringing her up to \$200 per month.
  - c) Resolution #117 to consolidate election with Sierra County
  - d) Ordinance # 37 new rates
  - e) Appoint Engineering selection committee per Policy #601
  - f) Renew library lease of historical church

**6. Public Response Time:** The public may be heard before or during the consideration of any agenda item to be considered by the board, subject to reasonable time limitations for each speaker. Members of the public may address matters under the jurisdiction of the Board of Directors, and not on the posted agenda, provided that no action shall be taken by the board unless the matter is deemed urgent by a 2/3 vote. Per the district's bylaws: complaints about board members or district staff are to be submitted in writing (not to be aired at meetings).

Next regular meeting date August 9, 2022.

### 7. Adjournment.

Upon request, Agendas will be made available in alternative formats to accommodate persons with disabilities. Please make your request to District Secretary, P.O. Box 860, Alleghany CA 95910 specifying your disability and the format in which you would like to receive this Agenda and future Agendas as well.

ACWD July 12, 2022 MEETING PACKET ~ PLEASE NOTE THE FOLLOWING:

- We are going to try an experiment this month and include a conference call by speaker phone with the in person meeting. Board members: somebody at the firehouse needs to dial into the conference call for the remote attendees to be able to participate. If there is a power outage this option will not be available. Board members are requested to attend in person if at all possible.
- All of the documents from the cancelled June meeting (except for the agenda) should be brought to the July meeting.
- The draft new Policy # 601 will be made available by Monday 11<sup>th</sup> if all goes as planned. It is being reviewed by our SWRCB DFA Representative. It is 13 pages long with the indexes, so hard copies will be made available upon request. Please send an email to [alleghanywater@gmail.com](mailto:alleghanywater@gmail.com) if you would like a hard copy so that we can print the appropriate quantity.

# Allegheny County Water District

Treasurer's Report

May 2022

## MAIN ACCOUNT

Beginning Balance \$ 14,778.48

### Deposits

Date	From:	For:	Amount
5/4	Customers	Water	\$ 2,903.15
5/4	Customers	Water	\$ 1,948.55
<b>Deposits Total</b>			<b>\$ 4,851.70</b>

### Expenditures

Ck #	Date	To:	For:	Amount
EFT	5/4	PG&E	Pumphouse	\$ 206.63
EFT	5/4	PG&E	Tank Site	\$ 12.43
1132	5/4	Amber Mehrmann	Secretary April Bill	\$ 75.00
5708	5/5	Bruce Coons	WDO April Bill - Gross \$430.41	\$ 364.02
5709	5/5	Edda Snyder	Bookkeeper April Bill - Gross \$175	\$ 161.61
5710	5/5	Edward Snyder	WDA April Bill - Gross \$368	\$ 339.84
5711	5/5	AT&T		\$ 41.51
5712	5/5	B&C	Supplies and Maintenance	\$ 23.11
5713	5/5	Cranmer Engineering	Water Tests	\$ 90.00
5714	5/10	Sierra County Recorder	Proposition 218 mailing list for public notice	\$ 25.00
5715	5/10	Softline Data	Billing Program Yearly Subscription	\$ 445.00
1133	5/13	Rae Bell Arbogast	Deputy Secretary 5/13/22	\$ 37.50
1134	5/17	Postmaster	1 Roll Stamps	\$ 58.00
1135	5/23	Bruce Coons	WDO May Mileage Only Advance	\$ 93.60
<b>Expenditures Total</b>				<b>\$ 1,973.25</b>

RESERVE FUND WATER OPERATION	
Contingency Fund	\$ 14,500.00
Equip. Maint. Fund	\$ 1,000.00
<b>TOTAL</b>	<b>\$ 15,500.00</b>

Ending Main Account Balance	\$ 17,656.93
Less Reserve Fund	\$ (15,500.00)
Plus Undeposited Funds	\$ 608.00
<b>Available Funds</b>	<b>\$ 2,764.93</b>

## NON-ENTERPRISE ACCOUNT (Historical Church & Park)

Beginning Balance \$ 10,055.82

### Deposits

Date	From:	For:	Amount
<b>Deposits Total</b>			<b>\$ -</b>

### Expenditures

Ck #	Date	To:	For:	Amount
EFT	5/4	PG&E	Historical Church	\$ 9.53
<b>Expenditures Total</b>				<b>\$ 9.53</b>

Report Prepared by Edda Snyder

Verified against Bank Statement

Ending Non-enterprise Account Balance \$ 10,046.29

x \_\_\_\_\_  
Print

Historical Church Balance	\$ 7,924.26
Park Balance	\$ 2,122.03
<b>Balance</b>	<b>\$ 10,046.29</b>

# Allegheny County Water District

Treasury Report

June 2022

## MAIN ACCOUNT

Beginning Balance \$ 17,656.93

### Deposits

Date	From:	For:	Amount
6/1	Customers	Water	\$ 520.00
6/1	Customers	Water	\$ 440.40
<b>Deposits Total</b>			<b>\$ 960.40</b>

### Expenditures

Ck #	Date	To:	For:	Amount
5716	6/6	VOID		
5717	6/6	Edda Snyder	Bookkeeper May Bill - Gross \$175	Net \$ 161.61
5718	6/6	Edward Snyder	WDA May Bill - Gross \$330	Net \$ 304.76
5719	6/6	AT&T		\$ 41.53
5720	6/6	Boden, Klein & Sneesby	Audit Fees	\$ 950.00
5721	6/6	Cranmer	Water Tests	\$ 100.00
6/8	1136	Bruce Coons	WDO May Bill - Gross \$450	Net \$ 375.57
6/22	EFT	PG&E	Pumphouse	\$ 367.05
6/22	EFT	PG&E	Tank Site	\$ 7.76
<b>Expenditures Total</b>			<b>\$ 2,308.28</b>	

RESERVE FUND WATER OPERATION	
Contingency Fund	\$ 14,500.00
Equip. Maint. Fund	\$ 1,000.00
<b>TOTAL</b>	<b>\$ 15,500.00</b>

Ending Main Account Balance	\$ 16,309.05
Less Reserve Fund	\$ (15,500.00)
Plus Undeposited Funds	\$ 2,764.00
<b>Available Funds</b>	<b>\$ 3,573.05</b>

## NON-ENTERPRISE ACCOUNT (Historical Church & Park)

Beginning Balance \$ 10,046.29

### Deposits

Date	From:	For:	Amount
<b>Deposits Total</b>			<b>\$ -</b>

### Expenditures

Ck #	Date	To:	For:	Amount
EFT		PG&E	Church	\$ 1.81
<b>Expenditures Total</b>			<b>\$ 1.81</b>	

Report Prepared by Edda Snyder

Verified against Bank Statement

Ending Non-enterprise Account Balance \$ 10,044.48

x  
Print

Historical Church Balance	\$ 7,922.45
Park Balance	\$ 2,122.03
<b>Balance</b>	<b>\$ 10,044.48</b>

# *ACWD General Manager (GM) Report June & July 2022*

Prepared by Rae Bell Arbogast

**Note: The regular June 14<sup>th</sup> Board meeting was cancelled due to the lack of a quorum, all business was carried forward to the July 12<sup>th</sup> regular meeting date. All meeting documents from the June Meeting packet except for the agenda should be brought to the July meeting.**

## Correspondence

Incoming: Election consolidation paperwork from Sierra County, Conflict of interest code verification documents from Sierra County, confidential draft audit report from the State Dept. of Finance for the two SRF projects, final audit report from the State Dept. of finance

Outgoing: On May 13<sup>th</sup> the Proposition 218 notices were mailed to all customers and property owners with active customer accounts. Letter of intent to participate in the multi-jurisdictional hazard mitigation plan sent to Sierra County OES, July 1<sup>st</sup> official response to the audit report listed above was submitted, customer update included in July 5<sup>th</sup> water bills

## GM REPORT

- **RATE CHANGE**, only one protest letter out of 27 needed to kill the rate change proposal was received for the June 28<sup>th</sup> public hearing. This in effect “ratifies” the rate change resolution #116 adopted in May. The corresponding Ordinance update is included on the July agenda.
- **WATER TANK PROBLEM**, See customer update mailed on July 5<sup>th</sup> a copy is posted on this months (July 12<sup>th</sup>) meeting page as well. An additional update will be provided at the meeting.
- **State Dept of Finance Audit of SRF Planning Project Agreement # D15-02031 (Water sources and water tank planning) and Construction Project Agreement # D17-02013 (water tank construction)** The audit that began in February was finally completed on June 10<sup>th</sup>. The final 13 page report has been posted on the district’s website [www.alleghanywater.org/2022-07-12-board-meeting](http://www.alleghanywater.org/2022-07-12-board-meeting) Hard copies are available upon request. The pages with the audit findings and ACWD’s response are included in the meeting packets.
- **State disaster relief for big December/Jan snowstorm** As previously reported we were notified that we might be able to apply for disaster relief. I came up with just under \$1,000 in expenses related to the storm which was about half labor and half propane for the generator. New paperwork with a procedure was distributed by OES in June with an August 1<sup>st</sup> due date. Upon further inquiry I was told that ACWD does not qualify because we didn’t meet the minimum threshold of \$3,300 in expenses! (I wasted about 3 hours of volunteer time on this)
- ACWD’s application to participate in the State’s Low Income Utility Assistance program was accepted. Customers should be able to sign up via the website <https://www.csd.ca.gov/waterbill> or by calling 866-675-6623



## Notes on specific agenda items

**Agenda item 5 a) Renewal of contracts:** The proposal for renewal of the two contracts is to keep the Secretary's contract "as is".

I am requesting one change to the GM contract. As noted on the budget documents, \$200 was added to line item # 6020 Secretary/GM Contracts specifically to pay the GM for completing three mandatory annual reports: the Annual EAR report, the consumer confidence report and the water rights report. Of the three reports the annual report takes the longest and the water rights report is quickest.

One option is to offer a flat rate for each report as follows: \$125 for the EAR report, \$50 for the consumer confidence report and \$25 for the water rights report.

The other option would be to offer \$25 per hour (GM current rate for state funded projects) preparing the reports. (if they don't change the EAR report it gets faster to fill out every year, but year-before-last they made major changes. This year it took me 5 hours to complete the report). Either way, I think it will be close to \$200, the hourly option might fluctuate from year-to-year.

As a reminder:

The Secretary's contract currently has the following compensation language:

### Compensation

District agrees to compensate Contractor at the rate of \$30 per meeting plus another \$15 for each half hour (or \$7.50 per quarter hour) over 1 hour not to exceed \$60 per meeting. This rate shall be reviewed upon renewal of said contract.

The General Manager's contract reads as follows:

### A. Compensation

1. Time that can be allocated to the State Funded Projects shall be billed to the district at a rate of \$25 per hour and will subsequently be billed directly to the State Funded Projects for reimbursement.

2. Deputy Secretary Duties shall be billed to the District at a rate of \$30 per meeting plus \$15 for each half hour over 1 hour (rounded by the quarter hour) and capped at \$60 per meeting.

**Agenda item 5 b) Consider adding \$25 per month to the Bookkeeper's pay** – This was essentially promised to her two years ago and has been built into the budget. This will put the bookkeeper at \$200 per month.

### **Bookkeeper's Job Summary**

- Accounts Receivable Clerk/Customer Service – prepares monthly billings to water customers, receives payments, responds to customer inquiries
- Accounts Payable Clerk – Pays monthly bills in a timely fashion
- Reconciles bank accounts monthly and prepares monthly treasurer's report
- Processes Payroll including all required tax filings
- Performs all duties listed above in compliance with district Policies & Procedures



Copy of:  
Summary and response only

**Alleghany County Water District**

Proposition 1 Bond Program  
Agreements D15-02031 and D17-02013

## CONCLUSION

Based on the procedures performed and evidence gathered, we obtained reasonable assurance the claimed expenditures, excluding any SWRCB adjustments, complied with the agreements' requirements. However, we identified an area where the District could improve its administration management practices, as noted in Finding 1. Additionally, the District did not complete all the project deliverables required in the agreements, as described in Finding 2.

## FINDINGS AND RECOMMENDATIONS

### Finding 1: Improvement Needed for Professional Services Procurement

The District contracted with two professional services firms to provide construction management and/or engineering services for the projects; however, the District did not provide evidence that the selection was based on demonstrated competence and qualifications, as required. The District stated the engineering firm providing construction management and engineering services was selected by soliciting and obtaining recommendations from surrounding districts, and reviewing the recommended firms' resumes and credentials. The District was not aware of the legal requirements relating to the procurement of professional services. The District's review of only one candidate's qualifications omitted the evaluation of other potential candidates. Further, the engineering firm hired to perform hydrogeology and geotechnical studies was selected through an informal bid process. And while the District stated the evaluation to support the candidate selection was performed, including the review of resumes and discussing potential candidate qualifications, the evaluation was not documented as the District was managing other priorities. Additionally, the District does not have documented policies or procedures for the procurement of professional services.

California Government Code section 4526 requires local agency heads to select private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms for professional services on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required.

Contract administrative state laws exist to protect the public from misuse or waste of public funds, provide qualified service organizations with a fair opportunity, stimulate competition, and help prevent favoritism, fraud, and abuse in selecting firms for service. Additionally, securing professional services without confirmation of competence and qualifications increases the risk that bond funds may not be expended in the most prudent and economical manner, which may impact the quality and/or completion of the project deliverables.

**Recommendations:**

- A. Develop and implement policies and procedures to solicit, evaluate, and select candidates for professional services based on demonstrated competence and professional qualifications.
- B. Maintain documentation to support the selection of a particular candidate.

**Finding 2: Incomplete Planning Project Deliverables**

For Agreement D15-02031, the District did not fully complete the Planning, Specification, and Cost Estimates and the CEQA/NEPA Compliance deliverables by March 31, 2021, as required. Specifically, the final construction drawings and specifications, and estimated construction costs were not completed. Further, while the project was eligible for CEQA exemption status, the District did not file the required CEQA Notice of Exemption until September 20, 2021, nearly six months after the deadline. Nevertheless, SWRCB accepted the project as complete based on the depletion of Agreement funds, the understanding that the incomplete deliverables were to be funded through other sources, and the District's submission of the March 2, 2021 Project Completion Report which identified the incomplete deliverables. SWRCB stated the deliverables modifications were agreed upon by both parties; however, SWRCB and the District did not provide written documentation memorializing the agreement. Without written documentation to support approved agreement term modifications, the agreement may not be legally enforceable.

Agreement section 2.10 (c) (1), states prompt notification of any substantial change in the scope of work must be provided and no substantial change in scope of work will be undertaken until written notice of the proposed change has been provided to SWRCB and written approval received. Further, the Agreement's Amendment 4, Attachment A states all milestones must be achieved with relevant deliverables approved by SWRCB and the final invoice submitted prior to March 31, 2021.

**Recommendation:**

- A. Ensure all Agreement requirements are met and scope of work changes and approvals are documented.



**Alleghany County Water District**  
P.O. Box 860, Alleghany CA 95910  
530-287-3204 alleghanywater.org alleghanywater@gmail.com

July 1, 2022

Kylie L. Ottman, CPA Assistant Chief  
California Dept. of Finance  
Office of State Audits and Evaluations  
915 L Street, 6<sup>th</sup> Floor  
Sacramento, CA 95814

Response to the findings of Audit report No: 22-3940-036

Dear Ms. Ottman,

This letter is ACWD's formal response to the audit report referenced above. ACWD takes its responsibilities seriously and is pleased that its financial accounting and administrative record keeping was found to be substantially in compliance with the terms of both funding agreements.

Regarding finding number one: ACWD is in the process of drafting a policy and procedure for procurement of professional services for future use. The audit finding is informing the development and adoption of this policy and procedure.

Regarding finding number two: The failure to modify agreement D15-02031 to reflect the fact that the environmental work had to be shuttled to other programs for completion was an oversight on the part of both ACWD and the Dept. of Financial Assistance.

In hindsight, the scope of agreement D15-02031 was too broad for completion within the given budget constraints for planning projects. As of today, the environmental work is still in the process of being completed through Technical Assistance offered by the State Dept. of Financial Assistance's SAFER program.

ACWD is grateful for the assistance that it has and continues to receive via these State sponsored programs. Without such assistance it is unlikely that the district would be able to provide safe and affordable drinking water to the community of Alleghany.

ACWD appreciates the professionalism displayed by you and the other team members: Crystal Venneman and Yeng Xiong throughout the audit. We also appreciate your patience and understanding regarding the fact that our district does not have full-time office staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Rae Bell Arbogast".

Rae Bell Arbogast  
General Manager

**ORDINANCE NO. 37**

**AN ORDINANCE AMENDING ORDINANCE NO. 3  
ENTITLED "AN ORDINANCE ESTABLISHING RATES,  
RULES AND REGULATIONS FOR WATER SERVICE  
BY THE ALLEGHANY COUNTY WATER DISTRICT"**

BE IT ORDAINED by the Board of Directors of the Alleghany County Water District, Sierra County, California as follows:

**Section 1. Section 1601 of Article 16 of Ordinance No. 3, cited in the title, passed and adopted by said Board on August 4, 1977, be, and it is hereby amended to read as follows:**

1601. Rates for water service are hereby established as follows:

Monthly flat rate per service: \$44.00 includes up to 8,000 gallons of water.  
Usage over 8,000 gallons shall be billed at a rate of \$4.00 per thousand gallons (.004 per gallon).

The above rates went into effect on 7/1/2022 per ACWD Board Resolution #116 adopted on May 10, 2022 with the corresponding Proposition 218 procedure completed on June 28, 2022.

**Additionally**, the future rate changes listed below were adopted per Resolution #116 and are hereby incorporated into this Ordinance.

Effective 7/1/23 the monthly flat rate shall change to \$44.75

Effective 7/1/24 the monthly flat shall change to \$45.50

Effective 7/1/25 the monthly flat rate shall change to \$46.25

**Section 5.** All ordinances and parts of ordinances inconsistent herewith are hereby repealed.

I hereby certify that the foregoing is a full, true, and correct copy of Ordinance number 37 duly passed and adopted by the Board of Directors of the Alleghany County Water District, Sierra County, California, at the Regular Meeting held on the 12th day of June, 2022 by the following vote:

AYES, and in favor thereof, Directors: NOES, Directors: ABSENT, Directors: VACANT, 1

ATTEST:

\_\_\_\_\_  
Amber Mehrmann , Secretary

\_\_\_\_\_  
Tobyn Mehrmann, President

**ACWD Special Community Meeting  
June 28, 2022**

**Pertaining to the raising of the water rate.**

**Board Present:** Tobyn Mehrmann, Nancy Finney, and Coral Spencer  
**Absent:** Robbin DeWeese

Also present was Secretary Amber Mehrmann, and GM Rae Bell

There wasn't any members of the community present. The board did receive several protests to the raising of water rates in writing. Members of the public who protested were Becky Wilkerson, Earnest Finney and Wayne Babros.

The main reasons of protest being that the large tank was out of commission and also the fact that many in our community are on fixed incomes. Since this meeting the main tank has been patched and filled. It should be in use soon, the CWO is just waiting on the water test results to switch to the large tank again.

	Prelim FY 22-23	PRELIMINARY BUDGET NOTES
<b>Income</b>		
<b>4000 · Operating Income</b>		
4100 · Water Sales	28,684	53 customers at \$44 per month flat rate, added \$700 in overages to balance the budget. That figure is unknown.
4200 · Property Tax Revenue	4,300	
4800 · Customer Fees	200	
<b>Total 4000 · Operating Income</b>	<b>33,184</b>	
<b>5000 · Other Operating Income</b>		
5110 · Surplus equip. sales		
5100 · Donations District		
5300 · Hist. Church Admin. Fee	240	
5300 · Grant Funding		
<b>Total 5000 · Other Income</b>	<b>240</b>	
<b>Total Income</b>	<b>33,424</b>	
<b>Expense</b>		
<b>6000 · Payroll Expense</b>		
<b>Total 6000 · Water Operation</b>	<b>12,000</b>	
6020 · Secretary/GM Contracts	700	
<b>Total Staff Expense</b>	<b>12,700</b>	
<b>6100 · Professional Services</b>		
6110 · Engineering		
6120 · Auditor Fee	2,950	
6130 · Legal Fees		
<b>Total 6100 · Professional Services</b>	<b>2,950</b>	
6160 · SRF Projects		These expenses are offset by grant funds (but not always in the same time period)
<b>6200 · Utilities</b>		
6210 · Telephone	528	two phone lines one for SCADA system
		PG&E recently raised the rates, this figure is probably low, but usually if it is higher it means water overage income.
6220 · PG & E	2,500	
6230 · Propane	600	
<b>Total 6200 · Utilities</b>	<b>3,628</b>	





	Prelim FY 22-23	PRELIMINARY BUDGET NOTES
6255 · Depreciation expense		We do not budget for depreciation expense due to our low-income status
6300 · Water Operation		
6301 · Mileage	1,500	
6302 · Water Tests	854	12 @ \$56 + 1 @ \$120 + 1 @ \$30 + 1 @ 32 we got a 3 year waiver for chlorine by-products.
6303 · System Repair & Maint.	2,000	This is very minimal as you can see by the history. As explained before, often repair expense shows up in the payroll expense rather than this line-item. But a single major repair will push this line over budget.
6304 · Chemicals	1,000	
6305 · Fees & Licenses	700	mandatory fees paid for licenses, water rights etc.
<b>Total 6300 · Water Operation</b>	<b>6,054</b>	
6500 · Office Expense		
6550 · Computer	971	\$300 website, \$217 payroll software, \$454 billing software
6555 · Office Supplies	125	
6560 · Postage	295	
<b>Total 6500 · Office Expense</b>	<b>1,391</b>	
6700 · Insurance	5,700	
7000 · Other operating expenses		
7011 · Rent Expense	72	propane tank rental
7020 · Dues & Subscriptions	429	Two memberships: Calif. Rural Water Association \$229 & Calif. Special District Association \$200
7030 · Penalties		
7040 · Bank Service Charges		
7050 · Misc. Expense		
7070 · Interest Expense		
<b>Total 7000 · Other operating expenses</b>	<b>501</b>	
<b>Total Expense</b>	<b>32,924</b>	
<b>QB Net Ordinary Income</b>	<b>500</b>	This line, matches Quickbooks "net ordinary income"
<b>Transfer to tank inspection/ equip</b>	<b>\$ 500.00</b>	We should have the tank inspected a minimum of once very 5 years by an outside firm. Quote provided by CSI = \$2,100 added \$400 to be safe. \$2,500 divided by 5 years = \$500 per year.
<b>Transfer to Reserves</b>		We need to build up the equipment repair & replacement fund for things besides the tank inspections.
<b>USDA LOAN PRINCIPLE PMNT.</b>		With current tank situation (out of commission) it is likely that we will be able to postpone first inspection allowing this fund to build up more.
<b>Water Operation "bottom line"</b>	<b>0</b>	



		Prelim FY 22-23	PRELIMINARY BUDGET NOTES
<b>NON-ENTERPRISE (this section is u</b>			The account numbers in Church/Park section are out of order because they have been re-arranged to show the hist. church and park separately. Quickbooks cannot do this for us because we only have two broad categories to work with: "ordinary" and "other" income/expense which have been modified to show our "Enterprise" and "Non-Enterprise" results separately.
<b>8000 · Hist. Church Income</b>			
8010 · Hist. Church Rental		1,500	
<b>8020 · Hist. Church Fundraisers</b>			
8021 · Concert Income			
8022 · Bricks/books			
<b>Total 8020 · Hist. Church Fundraiser</b>		0	
<b>8030 · Donations Hist. Church</b>			
<b>Total 8000 · Hist. Church Income</b>		1,500	
<b>9000 · Hist. Church Expenses</b>			
9010 · Insurance Hist. Church		250	This is subtracted from the insurance bill above.
9012 · Hist. Church Admin & Bank F		240	This is transferred to the main account each year, to help cover overhead (admin) costs.
9015 · Utilities Hist. Church		200	
9020 · Repairs & Maint. Hist. Church			
9022 · Supplies & Small Equip. Hist.		1,500	guestimate for heater to be taken from existing Historical Church Funds
9022 · Hist. Church Computer Exper			
<b>9030 · Hist. Church Fundraiser Exp.</b>			
9031 · Concert Expense			
9032 · Brick Expense			
9030 · Hist. Church Fundraiser Ex			
<b>Total 9030 · Hist. Church Fundraiser</b>		0	
<b>Total 9000 · Hist. Church Expenses</b>		2,190	
<b>Net Historical Church income less e</b>		-690	Income less expenses hist. church only. Shortage (net loss) to come from existing funds.



	Prelim FY 22-23	PRELIMINARY BUDGET NOTES
<b>8100 · Park Income</b>		
8110 · Park Fundraisers		
8120 · Donations Park		
<b>Total 8100 · Park Income</b>	<b>0</b>	
<b>9100 · Park Expenses</b>		
9120 · Park Improvements		
9122 · Park Supplies and Maintenance	150	Dean has been mowing for free, but we will keep this in the budget.
9125 · Solid Waste Fee Park	92	
9130 · Park Event Expense		
<b>Total 9100 · Park Expenses</b>	<b>242</b>	
<b>Net Park Income less expense</b>	<b>-242</b>	Existing Park Funds will be used to cover the projected deficit.
<b>Total Non-Enterprise Income</b>	<b>1,500</b>	This matches Quickbooks for Hist. Church & Park combined.
<b>Total Non-Enterprise Expense</b>	<b>2,432</b>	This matches Quickbooks for Hist. Church & Park combined.
<b>QB Net Other Income</b>	<b>-932</b>	Non-enterprise net change. (QB "other") on income statement.
<b>QB Net Income</b>	<b>-432</b>	<b>NET CHANGE ON QUICKBOOKS P&amp;L (\$932 to come out of non-enterprise less \$500 gain to be put in the equipment repair fund (enterprise section of budget)</b>



Preliminary budget

Prepared for meeting date 6/14/2022

Go to <https://www.alleghanywater.org/2022-06-14-board-meeting> for budget detail.

	16 -17 Actual	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Actual	Prelim FY 22-23
<b>Income</b>						
Water Sales & Fees	\$ 31,562	\$ 27,437	\$ 29,468	\$ 28,605	\$ 28,553	\$ 28,884
Tax Revenue	\$ 5,091	\$ 5,096	\$ 4,572	\$ 4,423	\$ 4,263	\$ 4,300
Other income	\$ 275,140	\$ 68,139	\$ 784,955	\$ 194,504	\$ 240	\$ 240
<b>Total Income</b>	<b>\$ 311,793</b>	<b>\$ 100,672</b>	<b>\$ 818,995</b>	<b>\$ 227,532</b>	<b>\$ 33,056</b>	<b>\$ 33,424</b>
<b>Expenses</b>						
Staffing	\$ 7,896	\$ 7,509	\$ 9,029	\$ 20,252	\$ 13,297	\$ 12,700
Professional fees	\$ 2,000	\$ 2,500	\$ 2,800	\$ 2,920	\$ 3,750	\$ 2,950
SRF Projects	\$ 238,403	\$ 500	\$ 17,739	\$ -	\$ 2,038	\$ -
Utilities	\$ 4,966	\$ 2,845	\$ 3,275	\$ 3,363	\$ 3,144	\$ 3,628
Depreciation	\$ 16,667	\$ 16,831	\$ 20,701	\$ 30,184	\$ 31,468	\$ -
Water Operation	\$ 9,901	\$ 6,481	\$ 6,683	\$ 7,173	\$ 5,990	\$ 6,054
Office Expense	\$ 818	\$ 807	\$ 853	\$ 1,373	\$ 1,194	\$ 1,391
Insurance	\$ 3,854	\$ 4,356	\$ 4,437	\$ 5,401	\$ 5,576	\$ 5,700
Other expenses	\$ 876	\$ 431	\$ 484	\$ 575	\$ 562	\$ 501
<b>Total Expenses</b>	<b>\$ 285,380</b>	<b>\$ 42,260</b>	<b>\$ 66,001</b>	<b>\$ 71,241</b>	<b>\$ 67,019</b>	<b>\$ 32,924</b>
Main ent. QB Net Change	\$ 26,413	\$ 58,412	\$ 752,994	\$ 156,292	\$ (33,963)	\$ 500
TRANSFER (to) or from reserve funds for budget column only.						\$ (500)
ENTERPRISE (WATER OPERATION) NET CHANGE						\$ -
<b>NON-enterprise activities</b>						
Historical Church Income	\$ 4,301	\$ 3,812	\$ 2,087	\$ 2,080	\$ 1,500	\$ 1,500
Historical Church Expense	\$ 1,664	\$ 2,487	\$ 626	\$ 957	\$ 626	\$ 2,190
<b>Historical Church NET</b>	<b>\$ 2,637</b>	<b>\$ 1,325</b>	<b>\$ 1,461</b>	<b>\$ 1,123</b>	<b>\$ 874</b>	<b>\$ (690)</b>
Park Income	\$ -	\$ 2,135	\$ 50	\$ 117	\$ 1,600	\$ -
Park Expense	\$ 393	\$ 3,024	\$ 465	\$ 204	\$ 180	\$ 242
<b>Park Net</b>	<b>\$ (393)</b>	<b>\$ (889)</b>	<b>\$ (415)</b>	<b>\$ (87)</b>	<b>\$ 1,420</b>	<b>\$ (242)</b>
Quickbooks net profit	\$ 28,657	\$ 58,848	\$ 754,040	\$ 157,327	\$ (31,669)	\$ (432)
<b>DOES NOT INCLUDE FUND TRANSFERS</b>						
<i>Park and Church to be balanced using existing funds.</i>						
Historical data is audited and includes SRF Project income & expense. The "net change" does not represent "cash"						
"net profit" includes changes to the value of assets other than cash.						
The budget column however, is primarily "cash based" with the net gain or loss being moved into our out of existing funds.						
Note: The budget column uses a combination of balance sheet & income statement figures.						
The Budget is a managerial document and is not required to follow GAAP.						



# Allegheny County Water District

Treasurer's Report

May 2022

## MAIN ACCOUNT

Beginning Balance \$ 14,778.48

### Deposits

Date	From:	For:	Amount
5/4	Customers	Water	\$ 2,903.15
5/4	Customers	Water	\$ 1,948.55
<b>Deposits Total</b>			<b>\$ 4,851.70</b>

### Expenditures

Ck #	Date	To:	For:	Amount
EFT	5/4	PG&E	Pumphouse	\$ 206.63
EFT	5/4	PG&E	Tank Site	\$ 12.43
1132	5/4	Amber Mehrmann	Secretary April Bill (regular meeting and special meeting)	\$ 75.00
5711	5/5	AT&T	Telephone	\$ 41.51
5712	5/5	B&C	Supplies and Maintenance	\$ 23.11
5713	5/5	Cranmer Engineering	Water Tests	\$ 90.00
5708	5/5	Bruce Coons	WDO April Bill - Gross \$430.41	net \$ 364.02
5709	5/5	Edda Snyder	Bookkeeper April Bill - Gross \$175	net \$ 161.61
5710	5/5	Edward Snyder	WDA April Bill - Gross \$368	net \$ 339.84
5714	5/10	Sierra County Recorder	Proposition 218 mailing list for public notice	\$ 25.00
5715	5/10	Softline Data	UBMax (Billing Program) Yearly Subscription	\$ 445.00
1133	5/13	Rae Bell Arbogast	Deputy Secretary Minutes for 5/13/22	\$ 37.50
1134	5/17	Postmaster	1 Roll Stamps	\$ 58.00
1135	5/23	Bruce Coons	WDO May Mileage Only	\$ 93.60
<b>Expenditures Total</b>			<b>\$ 1,973.25</b>	

RESERVE FUND WATER OPERATION	
Contingency Fund	\$ 14,500.00
Equip. Maint. Fund	\$ 1,000.00
<b>TOTAL</b>	<b>\$ 15,500.00</b>

Ending Main Account Balance \$ 17,656.93  
 Less Reserve Fund \$ (15,500.00)  
 Plus Undeposited Funds \$ 608.00  
 Available Funds \$ 2,764.93

## NON-ENTERPRISE ACCOUNT (Historical Church & Park)

Beginning Balance \$ 10,055.82

### Deposits

Date	From:	For:	Amount
<b>Deposits Total</b>			<b>\$ -</b>

### Expenditures

Ck #	Date	To:	For:	Amount
EFT	5/4	PG&E	Church	\$ 9.53
<b>Expenditures Total</b>			<b>\$ 9.53</b>	

Report Prepared by Edda Snyder  
 Verified against Bank Statement

Ending Non-enterprise Account Balance \$ 10,046.29

x  
 Print

Historical Church Balance	\$ 7,924.26
Park Balance	\$ 2,122.03
<b>Balance</b>	<b>\$ 10,046.29</b>

## Allegheny County Water District (ACWD) Policies & Procedures

### Policy # 102 Contingency Reserve Funds

#### Definitions:

Contingency Fund: Often referred to as a “rainy day” fund. This fund is used to cover unexpected expenses or income shortfalls.

General Fund: These are unencumbered funds, also referred to as “operating funds” and are maintained in the district’s checking account.

Enterprise Fund: The main “enterprise” of the district is water service. All monies (income, expenses and capital expenditures) related to the water operation are tracked in the “Enterprise” section of the chart of accounts and budget worksheets.

Non-enterprise Fund: Funds that are not directly tied to the provision of water services. Currently the Historical Church, Park and Library are tracked under this category on both the chart of accounts and budget worksheets.

Operating Funds These are unencumbered funds, also referred to as the “General Fund” and are maintained in the district’s checking account.

Equipment repair and maintenance Fund: This fund is used specifically for repairs and maintenance of existing equipment.

Equipment replacement Fund: This fund (to be developed later) is specifically for the replacement of existing equipment or the purchase of new equipment. (Capital expenditures).

Historical Church Fund: This “non-enterprise” fund is used to track income and expenses related to the historical church building.

Library Fund: This “non-enterprise” fund is used to track income and expenses related to the operation of the Library NOT tied directly to the rental and maintenance of the historical church building.

Park Fund: This “non-enterprise” fund is used to track income and expenses related to the operation of the Arthur Joe Hauck memorial park.

Note: All funds not defined as “non-enterprise” above are main enterprise funds.

#### **Policy:**

The purpose of Reserve Funds is to ensure financial stability while enabling long-term planning. Reserve funds are also used as a tool to allocate specific revenue sources to their intended purpose.

ACWD Policy #102 DRAFT CHANGES Additions and deletions presented 5 10 2022 for consideration and adoption on June 14, 2022

**Procedure 102.1: Tracking & Reporting** The contingency Reserve funds shall be tracked on a spreadsheet incorporated with the annual final budget worksheets prepared annually. The contingency Reserve fund balances shall be incorporated into the monthly treasurer's report.

### **Procedure 102.2: Enterprise reserve funds ~ additions and withdrawals**

**Additions.** After the books are closed out at the end. During the final budget process for of each fiscal year, the general manager or designee shall prepare a summary of the previous year's cash-flow results, including a calculation of the general fund balance needed to cover ongoing operating expenses.

Based on these calculations the cash flow summary, district staff shall make a recommendation will be made regarding how much money can should be moved into the contingency reserve funds per this policy. The board shall decide by motion the amount (if any) to be moved to the contingency reserve funds for the previous fiscal year just ended.

**Withdrawals** from the Contingency reserve funds require board approval unless there is an emergency that must be addressed immediately. ~~in which case~~

**In the event of an emergency,** the Chief water operator or designee is authorized to make emergency expenditures. The person authorizing the expenditure shall provide the General Manager or Bookkeeper with the expected cost. Emergency withdrawals NOT approved by the board in advance shall be brought before the board for ratification at the next board meeting.

### **Contingency Fund Procedure 102.3:**

It is the Policy of ACWD to set aside contingency funds in an amount equal to approximately 3 to 6 months of average cash-based operating expenses for the purpose of covering unexpected expenses or loss of revenue.

Additions and withdrawals shall be carried out as outlined in Procedure 102.2

### **Procedure 102.4: Operating Fund**

Per the Recommendation made by the California Rural Water Association as part of the financial analysis completed in October of 2021. The district shall strive to maintain Operating Funds in the amount of \$3,500 in the main checking account.

These funds shall be accumulated based on actual financial results and shall be prioritized over transfers to the other reserve funds.

### **Procedure 102.5: Equipment Repair and Maintenance Fund**

The district shall strive to maintain funds in this account sufficient to cover routine water storage tank inspections as recommended in the Operations and Maintenance Manual for the 150,000 gallon water tank as well as, funds to cover unexpected repairs and maintenance.

### **Procedure 102.6: Historical Church Fund**

This purpose of this non-enterprise fund is to separate the financial results of operating and administering the Historical Church from other operations of the district. Accumulated funds shall be used for the purpose of making improvements to or maintaining the historical church building located at 100 Hope Lane in Allegheny and owned by ACWD.

*Additions* Rental Income for the building along with any other fundraising proceeds or donations specifically for the historical church shall be deposited into this fund.

*Withdrawals* from this fund may be incorporated into the annual budget or authorized by a motion of the board of directors.

### **Procedure 102.7: Library Fund**

This purpose of this non-enterprise fund is to separate money intended for the Library from other district funds.

*Additions* All fundraising proceeds, grants or donations specifically for the Library shall be deposited into this fund. Retroactive to July 1, 2021.

*Withdrawals* from this fund may be incorporated into the annual budget or authorized by a motion of the board of directors. The librarian shall be responsible for making recommendations regarding the use of this fund.

### **Procedure 102.8: Park Fund**

This purpose of this non-enterprise fund is to separate the financial results of operating and administering the Arthur Joe Hauck Memorial Park from other operations of the district. Accumulated funds shall be used for the purpose of making improvements to or maintaining the Arthur Joe Hauck Memorial Park, owned by Sierra County and Leased by ACWD.

*Additions* Rental Income for the Park along with any other fundraising proceeds, grants or donations specifically for the park shall be deposited into this fund.

*Withdrawals* from this fund may be incorporated into the annual budget or authorized by a motion of the board of directors.



**Procedure 102.9: Bank Accounts**

Funds shall be deposited into three bank accounts as follows:

The main checking account shall be used for “Operating Funds”.

The “non-enterprise” checking account shall be used for all non-enterprise fund balances.

A savings account shall be established for all Enterprise Reserve Funds.