

**Regular Meeting of the Alleghany County Water District Board of Directors
AND Public Hearing
Tuesday May 10, 2022 at Alleghany Fire Station 2 ~514 Miners St.**

1. Call to Order & Establish a Quorum The meeting was called to order by President Mehrmann at 6:09 pm. Directors present: Tobyn Mehrmann, Robbin DeWeese and Coral Spencer. Director Nancy Finney had informed staff that she could not make it due to illness. Secretary Amber Mehrmann was on vacation. Also present: CWO Bruce Coons and GM Rae Bell Arbogast, who took the minutes. Public present: None

2. Approve Agenda:

A motion was made to approve the agenda with two corrections. **Motion made by Coral Spencer 2nd by Robbin DeWeese Ayes: Tobyn Mehrmann, Robbin DeWeese and Coral Spencer Nays: 0 Absent: Nancy Finney Abstain: 0 Vacant 1**

3. Public Hearing to discuss proposed rate change:

The public hearing was opened at 6:10 p.m. No public was in attendance. Rae Bell reported that the Public Hearing notice was mailed with the water bills on May 3rd and posted in three Public Places in Alleghany on April 27th. She also reported that she had gotten positive feedback on the proposed rate change from five customers and no objections.

The public hearing was closed at 6:13 p.m.

4. Consent Calendar:

Approval of minutes and treasury report: A motion was made to approve the consent calendar with one correction to the April 12th minutes. **Motion made by Robbin DeWeese 2nd by Coral Spencer. Ayes: Tobyn Mehrmann, Robbin DeWeese and Coral Spencer Nays: 0 Absent: Nancy Finney Abstain: 0 Vacant 1**

5. Information/Discussion Items

a) Correspondence: Incoming: Blank Statement of Facts form and cover letter from Sierra County Clerk-Recorder. Outgoing: Consumer Confidence Report (CCR) submitted to the State, CCR notice of availability sent to all customers along with Public Hearing Notice and water tank situation update, annual water rights report for Cumberland Spring submitted.

b) SRF Projects Update: The budget for the Technical Assistance Agreement between the State Department of Finance and California Rural Community Corporation for the environmental work for the Ram Spring Project was increased to \$46,316 adding funds to cover the permit fees. As reported at the Special Meeting on April 26th, the Ram Spring Project Application was FINALLY completed on April 22nd (took 2 years to get it done).

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

CWO: Bruce Coons reported that the total finished water produced in April was 109,010 gallons and the average raw water flow was 63.5 Gallons Per Minute (GPM)

The Volatile Organic Compounds (VOCs) test is due this month. It was explained that this test checks for petroleum by-products and is required once every six years. The waiver for the Chlorine by-products submitted by the GM last year was approved. This will save around \$460 over the next two years. Nitrite is also due in August.

GM: Rae Bell reported that she has not heard back regarding the Technical Assistance with the tank inspection since the previous week. The plan had been approved by the State. She will follow up again.

The Consumer Confidence Report for 2021 was done as was the Water Rights report for the Cumberland Spring.

d) Historical Church/Library Report: Robbin stated that Library Members can get a plaque to place in a vehicle window for free parking at State Parks.

Rae Bell reported no progress on the heater.

e) Park Report: The fountain has not been fixed yet.

6. Unfinished Business

a) Customer Accounts/Billings/Disconnects: No shut-off notices were issued in April. The one customer who was on a payment plan defaulted. A medical issue is involved so the account has not been shut-off. Rae Bell has signed ACWD up for the new Low Income Household Water Assistance Program (LIHWAP). It is a Federal fund being administered by the State. Hopefully this can be used to help some ACWD customers including the one who defaulted on the payment plan as mentioned above. The program should be starting any time and ends in August of 2023. The allocation is up to \$2,000 per customer and it will be disbursed on a “first come first serve basis”. Unfortunately, it does not include any funding for administration which means that the GM will be doing this work on a volunteer basis.

b) Ordinances, Policies & Procedures and Bylaws: A draft copy of a revision to Policy # 102 was handed out at the meeting. A few corrections were made. This will be considered for adoption in June. It was noted that the “operations fund” addition is based on the recommendation made in the rate analysis conducted by the California Rural Water Association and funded by the State Department of Finance.

c) Vacancy on the Board: Nothing new to report.

d) Job Descriptions: Nothing new to report.

7. New Business

a.) Adopt resolution #116 to Start the Proposition 218 Process

b.) Preliminary Budget first presentation to be considered for June adoption

The two “new business” items were discussed in tandem, because of the direct relationship between the budget and the need to raise the rates. Budget worksheets were provided by the GM. It was noted that even with the proposed new rates plugged into the budget worksheet, there was not enough income to cover the projected expenses. It was noted that the Chlorine by-product test waiver granted that day would shave \$232 off expenses. A few other places to shave off expenses were identified creating confidence that with the new rates plugged in, including a small amount for water use overage income, the GM could get the preliminary budget to balance for June adoption.

All in attendance agreed that it would be prudent to include an additional future increase of at least \$2.00 on the flat rate to avoid having to repeat the Proposition 218 process in the next year or two. After discussion, it was decided that a 75 cent per year increase over three more years should be affordable for the customers and this would add another \$2.25 to the flat rate by the year 2025.

It was noted that for the higher gallon water users, the proposed rates would still be considerably less than the recommendation made in the State Funded rate analysis. Looking at 10,000 gallons of water use the cost will be as follows: year one 2022 \$52 ~ 2023 \$52.75 ~ 2024 \$52.50 and 2025 \$54.25 versus a range starting at \$69 and ending at \$73.89 per the State funded rate recommendation.

Compared to the State funded recommendation, the proposal as developed by ACWD spreads the cost of the increase more evenly among all customers and the 8,000 gallons included in the flat rate is not changed. The board is hopeful that this will be sufficient to keep the contingency fund "whole" and build up the equipment repair and maintenance fund without the need for a bigger rate increase after the four years is up.

A motion to adopt Resolution 116 with the addition of a 75 cent per year increase to the flat rate over a period of three years was made by Coral Spencer 2nd by Robbin DeWeese. Ayes: Tobyn Mehrmann, Robbin DeWeese and Coral Spencer Nays: 0 Absent: Nancy Finney Abstain: 0 Vacant 1

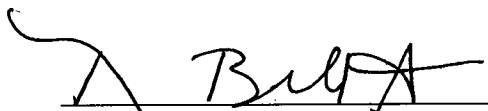
6. Public Response Time: None

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

Next meeting will take place June 14, 2022 at 6pm at Station 1 in Alleghany. A public hearing as part of the Proposition 218 procedure is scheduled for June 28th assuming the mailing is done at least 45 days in advance which is by May 14th.

There being no further business before the Board, the meeting was adjourned at: 7:14 pm.

Respectfully submitted by:



Rae Bell Arbogast, Deputy Secretary



NOTICE

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

Date: Tuesday May 10, 2022 Time: 6:00 pm

Location: Fire Station 2, 514 Miners Street, Alleghany

All meeting documents available online: alleghanywater.org

Send an email to: 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

1. Call to Order & Establish a Quorum
2. Approve agenda
3. Public Hearing to discuss rate change proposal
4. Consent Calendar
 - a) Reading and approval of the minutes for the regular meeting dated April 12, 2022 and the special meeting dated April 26, 2022.
 - b) Ratification of Treasury Report and bill payments for April 2022.
3. Information/Discussion Items:
 - a) Correspondence – provided in writing
 - 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 –
4. Unfinished Business (Discussion & Possible Action Items):
 - a) Customer Accounts/Billings/Disconnects: No notices issued in April. Person on payment plan has defaulted. We are giving them a few more days.....
 - b) Ordinances, Policies & Procedures and Bylaws: Revisions to Policy 102 "Contingency Fund" name to be changed to "Reserve Funds" need to add a mechanism for tracking Library Funds separately from the Historical Church Funds and look at reserve fund recommendations in CRWA financial analysis. Draft document to be provided by the meeting date.
 - 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)
5. New Business (Discussion & Possible Action Items):
 - a) Adopt resolution # 116 to Start the Proposition 218 Process.
 - b) Preliminary budget for June adoption
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).
7. Next meeting date June 14, 2022, Items for next Agenda: Contract renewals, preliminary budget adoption ~
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.

Allegheny County Water District

Treasurer's Report

April 2022

MAIN ACCOUNT

Beginning Balance \$ 17,779.48

Deposits

Date	From:	For:	Amount
4/4	Customers	Water	\$ 3,350.20
4/4	Insurance	Refund	\$ 101.00
Deposits Total			\$ 3,451.20

Expenditures

Ck #	Date	To:	For:	Amount
5702	4/1	Bruce Coons	WDO March Bill - Gross \$385.41	\$ 314.90
5703	4/1	Edda Snyder	Bookkeeper March Bill - Gross \$175	\$ 161.61
5704	4/1	Edward Snyder	WDA March Bill - Gross \$271	\$ 250.27
5705	4/15	VOID		
5706	4/15	CRWRMA	Insurance	\$ 5,175.00
5707	4/21	United States Treasury	Federal Payroll Taxes	\$ 427.48
EFT	4/21	EDD	CA Payroll Taxes	\$ 122.94
Expenditures Total				\$ 6,452.20

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

Ending Main Account Balance \$ 14,778.48
 Less Reserve Fund \$ (15,500.00)
 Plus Undeposited Funds \$ 4,951.70
 Available Funds \$ 4,230.18

NON-ENTERPRISE ACCOUNT (Historical Church & Park)

Beginning Balance \$ 10,055.82

Deposits

Date	From:	For:	Amount
Deposits Total			\$ -

Expenditures

Ck #	Date	To:	For:	Amount
Expenditures Total				\$ -

Report Prepared by Edda Snyder
 Verified against Bank Statement

Ending Non-enterprise Account Balance \$ 10,055.82

x _____
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Historical Church Balance	\$ 7,933.79
Park Balance	\$ 2,122.03
Balance	\$ 10,055.82

Alleghany 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.

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.

	16 -17 Actual	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Actual	Prelim FY 22-23
Income						
Water Sales & Fees	\$ 31,562	\$ 27,437	\$ 29,468	\$ 28,605	\$ 28,553	\$ 25,640
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
Total Income	\$ 311,793	\$ 100,672	\$ 818,995	\$ 227,532	\$ 33,056	\$ 30,180
Expenses						
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	\$ 6,286
Office Expense	\$ 818	\$ 807	\$ 853	\$ 1,373	\$ 1,194	\$ 1,396
Insurance	\$ 3,854	\$ 4,356	\$ 4,437	\$ 5,401	\$ 5,576	\$ 5,700
Other expenses	\$ 876	\$ 431	\$ 484	\$ 575	\$ 562	\$ 501
Total Expenses	\$ 285,380	\$ 42,260	\$ 66,001	\$ 71,241	\$ 67,019	\$ 33,161
Main ent. QB Net Change	\$ 26,413	\$ 58,412	\$ 752,994	\$ 156,292	\$ (33,963)	\$ (2,981)
TRANSFER to or from reserve funds for budget column only.						\$ (500)
ENTERPRISE (WATER OPERATION) NET CHANGE						\$ (3,481)
NON-enterprise activities						
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	\$ 2190
Historical Church NET	\$ 2,637	\$ 1,325	\$ 1,461	\$ 1,123	\$ 874	\$ (690)
Park Income	\$ -	\$ 2,135	\$ 50	\$ 117	\$ 1,600	\$ -
Park Expense	\$ 393	\$ 3,024	\$ 465	\$ 204	\$ 180	\$ 242
Park Net	\$ (393)	\$ (889)	\$ (415)	\$ (87)	\$ 1,420	\$ (242)
Quickbooks net profit	\$ 28,657	\$ 58,848	\$ 754,040	\$ 157,327	\$ (31,669)	\$ (3,913)
DOES NOT INCLUDE FUND TRANSFERS						
Park and Church to be balanced using existing funds.						
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.						



		Prelim FY 22-23	PRELIMINARY BUDGET NOTES
Income			
4000 - Operating Income			
4100 - Water Sales	25,440		This is based on \$40 per month flat rate x 53 accounts, no overages added because it is "unkown" 2021 overages would add another \$1,300 to this figure. If the rates are increased to \$44 the flat rate budget figure will be \$ \$27,984 or \$2,544 more.
4200 - Property Tax Revenue	4,300		I am curious to see if the recent activity at the 16 to 1 mine will have a positive effect on property values.
4800 - Customer Fees	200		
Total 4000 - Operating Income	29,940		
5000 - Other Operating Income			
5110 - Surplus equip. sales			
5100 - Donations District			
5300 - Hist. Church Admin. Fee	240		
5300 - Grant Funding			
Total 5000 - Other Income	240		
Total Income	30,180		
Expense			
6000 - Payroll Expense			
Total 6000 - Water Operation	12,000		Payroll looking a little lower for FY 21/22 but we had to raise Edward's pay recently to comply with minimum wage laws and Edda is due for \$25 more per month to be considered in June. That would bring her up to \$200 per month. Added \$200 per year for preparing 3 mandatory annual reports to be requested with Rae Bell's contract renewal in June. GM currently is ALL volunteer except for grant funded time or deputy secretary duties.
6020 - Secretary/GM Contracts	700		
Total Staff Expense	12,700		
6100 - Professional Services			
6110 - Engineering			
6120 - Auditor Fee	2,950		The auditor only charged \$2,000 for FY 20/21 but once the SRF project starts up it will be higher
6130 - Legal Fees			
Total 6100 - Professional Services	2,950		
6160 - SRF Projects			These expenses are offset by grant funds (but not always in the same time period)
6200 - Utilities			
6210 - Telephone	528		two phone lines one for SCADA system
6220 - PG & E	2,500		PG&E recently raised the rates, this figure is probably low, but usually if it is higher it means water overage income.
6230 - Propane	600		
Total 6200 - Utilities	3,628		



	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	1,086	12 @ \$56 + 1 @ \$120 + 1 @ \$30 + 1 @ 32 + 1 @ \$232, the expensive one is for chlorine by-products and we requested a waiver on August 2, 2021. I included it, but also sent a follow-up email to the State.
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.
Total 6300 · Water Operation	6,286	
6500 · Office Expense		
6550 · Computer	971	\$300 website, \$217 payroll software, \$454 billing software
6555 · Office Supplies	125	
6560 · Postage	300	
Total 6500 · Office Expense	1,396	
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		
Total 7000 · Other operating expenses	501	
Total Expense	33,161	
QB Net Ordinary Income	-2,981	This line, matches Quickbooks "net ordinary income"
Transfer to tank inspection/ equip	500	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.
Transfer to Reserves		We need to build up the equipment repair & replacement fund for things besides the tank inspections.
USDA LOAN PRINCIPLE PMNT.		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.
Water Operation "bottom line"	(3,481)	WE WILL BALANCE THIS IN TIME FOR JUNE ADOPTION. We will have to assume some overage income AND that the rates are increased plus shave off in a few areas to get this to balance. This shows WHY we need to raise the rates better than anything!
	937	Shortfall is lowered to \$937 if we assume the \$44 flat rate.



		Prelim FY 22-23	PRELIMINARY BUDGET NOTES
NON-ENTERPRISE (this section is u			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 seperately.
8000 · Hist. Church Income			
8010 · Hist. Church Rental		1,500	
8020 · Hist. Church Fundraisers			
8021 · Concert Income			
8022 · Bricks/books			
Total 8020 · Hist. Church Fundraiser		0	
8030 · Donations Hist. Church			
Total 8000 · Hist. Church Income		1,500	
9000 · Hist. Church Expenses			
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 Expen			
9030 · Hist. Church Fundraiser Exp.			
9031 · Concert Expense			
9032 · Brick Expense			
9030 · Hist. Church Fundraiser E>			
Total 9030 · Hist. Church Fundraiser		0	
Total 9000 · Hist. Church Expenses		2,190	
Net Historical Church income less e		-690	Income less expenses hist. church only. Shortage (net loss) to come from existing funds.



	Prelim FY 22-23	PRELIMINARY BUDGET NOTES
8100 · Park Income		
8110 · Park Fundraisers		
8120 · Donations Park		
Total 8100 · Park Income	0	
9100 · Park Expenses		
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		
Total 9100 · Park Expenses	242	
Net Park income less expense	-242	Existing Park Funds will be used to cover the projected deficit.
Total Non-Enterprise Income	1,500	This matches Quickbooks for Hist. Church & Park combined.
Total Non-Enterprise Expense	2,432	This matches Quickbooks for Hist. Church & Park combined.
QB Net Other Income	-932	This matches Quickbooks Net change for BOTH Hist. Church & Park
QB Net Income	-3,913	NET CHANGE ON QUICKBOOKS P&L
	-932	non-enterprise shortage to be taken from existing funds.
	-4,413	BUDGET NET =Non-enterprise loss of \$932 plus the loss of \$3,481 for enterprise (water operation)
		Note: budget uses a combo of balance sheet & income statement figures.
		The Budget is a managerial document and is not required to follow GAAP.



**Alleghany County Water District
 Profit & Loss Budget vs. Actual
 July 2021 through April 2022**

*83% through
 current fiscal year*

	Jul '21 - ...	Budget	\$ Over B...	% of ...
Ordinary Income/Expense				
Income				
4000 · Operating Income				
4100 · Metered Water Sales	22,502.85	25,920.00	-3,417.15	86.8%
4200 · Property Tax Revenue	3,866.98	4,300.00	-433.02	89.9%
4800 · Customer Fees	435.39	500.00	-64.61	87.1%
Total 4000 · Operating Income	26,805.22	30,720.00	-3,914.78	87.3%
5000 · Other Income Water Operation				
5200 · Miscellaneous Income	202.97	2,175.00	-1,972.03	9.3%
5300 · Hist. Church Admin	240.00	240.00	0.00	100.0%
Total 5000 · Other Income Water Operation	442.97	2,415.00	-1,972.03	18.3%
Total Income	27,248.19	33,135.00	-5,886.81	82.2%
Gross Profit	27,248.19	33,135.00	-5,886.81	82.2%
Expense				
5999 · Staff expense summary account				
6000 · Payroll Expenses	8,221.53	12,000.00	-3,778.47	68.5%
6001 · Payroll tax expense	343.66			
6061 · Secretary	210.00	500.00	-290.00	42.0%
Total 5999 · Staff expense summary account	8,775.19	12,500.00	-3,724.81	70.2%
6100 · Professional Services				
6120 · Independant Auditor	2,000.00	2,950.00	-950.00	67.8%
Total 6100 · Professional Services	2,000.00	2,950.00	-950.00	67.8%
6170 · SRF Spring Project Expenses				
6170A · Spring Project Administration	1,081.25			
Total 6170 · SRF Spring Project Expenses	1,081.25			
6200 · Utilities				
6210 · Telephone	425.27	528.00	-102.73	80.5%
6220 · PG & E	1,992.14	2,500.00	-507.86	79.7%
6230 · Propane	529.86	600.00	-70.14	88.3%
Total 6200 · Utilities	2,947.27	3,628.00	-680.73	81.2%
6300 · Water Operation				
6301 · Mileage	1,007.46	1,000.00	7.46	100.7%
6302 · Water Tests	1,520.00	1,310.00	210.00	116.0%
6303 · System Repair & Maintenance				
6352 · Supplies & small tools	33.30			
6303 · System Repair & Maintenance - O...	0.00	2,230.00	-2,230.00	0.0%
Total 6303 · System Repair & Maintenance	33.30	2,230.00	-2,196.70	1.5%
6304 · Chemicals	730.13	1,000.00	-269.87	73.0%
6305 · Fees & Licenses	620.20	565.00	55.20	109.8%
Total 6300 · Water Operation	3,911.09	6,105.00	-2,193.91	64.1%
6500 · Office Expense				
6550 · Computer	911.67	971.00	-59.33	93.9%
6555 · Office Supplies	141.69	100.00	41.69	141.7%
6560 · Postage	190.25	300.00	-109.75	63.4%
Total 6500 · Office Expense	1,243.61	1,371.00	-127.39	90.7%
6700 · Insurance	5,699.28	5,600.00	99.28	101.8%
7000 · Other Operating Expenses				
7011 · Rent Expense	0.00	72.00	-72.00	0.0%
7020 · Dues and Subscriptions	429.00	409.00	20.00	104.9%
7030 · Penalties	158.84			
7050 · Misc. Expense	8.35			

This interim financial report is for managerial purposes only. It may not include certain routine accruals and adjustments.

**Allegheny County Water District
 Profit & Loss Budget vs. Actual
 July 2021 through April 2022**

	<u>Jul '21 - ...</u>	<u>Budget</u>	<u>\$ Over B...</u>	<u>% of ...</u>
7070 · Interest Expense	48.31			
Total 7000 · Other Operating Expenses	644.50	481.00	163.50	134.0%
Total Expense	26,302.19	32,635.00	-6,332.81	80.6%
Net Ordinary Income	946.00	500.00	446.00	189.2%
Other Income/Expense				
Other Income				
8000 · Hist. Church Income				
8010 · Hist Church Rental Income	1,500.00	1,500.00	0.00	100.0%
8000 · Hist. Church Income - Other	2,000.00			
Total 8000 · Hist. Church Income	3,500.00	1,500.00	2,000.00	233.3%
Total Other Income	3,500.00	1,500.00	2,000.00	233.3%
Other Expense				
9000 · Hist. Church Expenses				
9010 · Hist. Church Insurance	250.00	250.00	0.00	100.0%
9012 · Hist Church Administration Fee	240.00	240.00	0.00	100.0%
9015 · Utilities Hist. Church	90.76	100.00	-9.24	90.8%
Total 9000 · Hist. Church Expenses	580.76	590.00	-9.24	98.4%
9100 · Park Expenses				
9122 · Park Supplies and Maintenance				
9123 · Weedeating Park	0.00	150.00	-150.00	0.0%
9122 · Park Supplies and Maintenance - O...	10.84			
Total 9122 · Park Supplies and Maintenance	10.84	150.00	-139.16	7.2%
9125 · Solid Waste Fee Park	96.49	92.00	4.49	104.9%
Total 9100 · Park Expenses	107.33	242.00	-134.67	44.4%
9910 · Suspense Account	-101.55			
Total Other Expense	586.54	832.00	-245.46	70.5%
Net Other Income	2,913.46	668.00	2,245.46	436.1%
Net Income	3,859.46	1,168.00	2,691.46	330.4%

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 managerial purposes only.
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 accruals and adjustments.**

Allegheny County Water District

Balance Sheet

As of April 30, 2022

Apr 30, 22

ASSETS	
Current Assets	
Checking/Savings	
1110 · Main - tri counties checking	14,778.48
1112 · Non-enterprise checking	10,055.82
1113 · CASH	100.00
Total Checking/Savings	24,934.30
Other Current Assets	
1220 · Undeposited Funds	4,851.70
1300 · Pre-Paid Expenses	3,881.25
1401 · Payroll Asset	-127.56
Total Other Current Assets	8,605.39
Total Current Assets	33,539.69
Fixed Assets	
1500 · Fixed Assets	
1505 · Land	101,000.00
1510 · Buildings	21,743.50
1515 · Water System	
1515b · Water Tank	927,905.75
1515c · Ram Spring Renovation	61,567.09
1515 · Water System - Other	518,000.00
Total 1515 · Water System	1,507,472.84
1520 · Equipment	1,579.14
1550 · Construction in Progress	
1550a · Construction in Progress Sp...	153,273.87
Total 1550 · Construction in Progress	153,273.87
Total 1500 · Fixed Assets	1,785,069.35
1600 · Accumulated Depreciation	
1605 · Acc. Depreciation Buildings	-12,031.00
1610 · Accumulated Depreciation Syst...	-539,031.00
Total 1600 · Accumulated Depreciation	-551,062.00
Total Fixed Assets	1,234,007.35
TOTAL ASSETS	1,267,547.04
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	3,718.37
Total Accounts Payable	3,718.37
Other Current Liabilities	
2200 · Prepaid Customer Accounts	1,343.42
2401 · Payroll Liabilities	146.96
Total Other Current Liabilities	1,490.38
Total Current Liabilities	5,208.75
Total Liabilities	5,208.75
Equity	
3200 · Retained Earnings	176,393.24
3210 · Investment in Fixed Assets	1,103,456.78
3230 · Opening Balance Equity	-21,371.19
Net Income	3,859.46
Total Equity	1,262,338.29
TOTAL LIABILITIES & EQUITY	1,267,547.04

- Bruce coons water
payment adjusted
5/5/22

← Mostly Rae Bell
for grant work to
be paid by state
ind

This interim financial report is for
 managerial purposes only.
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Alleghany County Water District

RESOLUTION NUMBER 116

A RESOLUTION TO START THE PROPOSITION 218 PROCESS FOR A RATE CHANGE

WHEREAS,

1. Alleghany County Water District (ACWD) is a public agency in Sierra County, California that provides water to the community of Alleghany for both domestic use and fire prevention.
 2. The services offered by ACWD are essential to the existence of the town and the well-being of its residents.
 3. The Board of Directors of ACWD has a fiscal duty to ensure the long-term financial stability of the district while also ensuring that rates are affordable.
 4. The Board of Directors and Staff of ACWD have concluded that a rate increase is necessary.
 5. The Proposition 218 process provides the community of Alleghany with the opportunity to reject the proposed rate change.
 6. The proposed new rates are \$44 _____ per month to include 8,000 gallons of water. Usage over 8,000 gallons shall be billed at a rate of \$4.00 _____ per thousand gallons.
-
7. Provided the rates are not opposed by 50% + 1 customer, the new rates will go into effect on July 1, 2022 to be reflected on the August 1, 2022 billing.

THEREFORE, BE IT RESOLVED by the Alleghany County Water District Board of Directors that the rate change as outlined above is approved for the purpose of starting the Proposition 218 process.

BE IT FURTHER RESOLVED THAT that, the General Manager is instructed to begin the Proposition 218 process utilizing the draft Prop. 218 notice as approved by the Board of Directors at the May 10th meeting, to be mailed by May 13th.

BE IT FURTHER RESOLVED THAT provided the rate change above passes the Proposition 218 process, the district ordinances will be updated to reflect this change at the next regular board meeting AFTER the June 28th Public Hearing, to take effect retroactively to July 1, 2022.

PASSED & ADOPTED by the Board of Directors of Alleghany County Water District on the 10th day of May 2022 by the following vote:

Ayes: Nays: Abstain: Absent:

_____ **DRAFT**

	16 -17 Actual	17-18 Actual	18-19 Actual	19-20 Actual	20-21 Actual	Prelim FY 22-23
Income						
Water Sales & Fees	\$ 31,562	\$ 27,437	\$ 29,468	\$ 28,605	\$ 28,553	\$ 25,640
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
Total Income	\$ 311,793	\$ 100,672	\$ 818,995	\$ 227,532	\$ 33,056	\$ 30,180
Expenses						
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	\$ 6,286
Office Expense	\$ 818	\$ 807	\$ 853	\$ 1,373	\$ 1,194	\$ 1,396
Insurance	\$ 3,854	\$ 4,356	\$ 4,437	\$ 5,401	\$ 5,576	\$ 5,700
Other expenses	\$ 876	\$ 431	\$ 484	\$ 575	\$ 562	\$ 501
Total Expenses	\$ 285,380	\$ 42,260	\$ 66,001	\$ 71,241	\$ 67,019	\$ 33,161
Main ent. Net Change	\$ 26,413	\$ 58,412	\$ 752,994	\$ 156,292	\$ (33,963)	\$ (2,981)
NON-enterprise activities						
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	\$ 2190
Historical Church NET	\$ 2,637	\$ 1,325	\$ 1,461	\$ 1,123	\$ 874	\$ (690)
Park Income	\$ -	\$ 2,135	\$ 50	\$ 117	\$ 1,600	\$ -
Park Expense	\$ 393	\$ 3,024	\$ 465	\$ 204	\$ 180	\$ 242
Park Net	\$ (393)	\$ (889)	\$ (415)	\$ (87)	\$ 1,420	\$ (242)
Quickbooks net profit	\$ 28,657	\$ 58,848	\$ 754,040	\$ 157,327	\$ (31,669)	\$ (3,913)
				Amount to contingency fund		
				Amount to equipment maint. Fund	\$	(500)
				FY 21/22 budget net change	\$	(4,413)
<p>Historical data is audited and includes SRF Project income & expense. The "net change" does not represent "cash" it represents changes in financial position includes changes to the value of assets other than cash, such as the new water tank & money owed to others and from others. The budget column however, is primarily "cash based" with the net gain or loss being moved into our out of existing funds.</p>						
<p>Note: The budget column uses a combination of balance sheet & income statement figures.</p>						
<p>The Budget is a managerial document and is not required to follow GAAP.</p>						



May 13, 2022

DRAFT

Notice of Public Hearing on Proposed Water Rate Increase

Date: June 28, 2022

Time: 6:00 PM Location: Alleghany Firehouse, 105 Plaza Court

The Alleghany County Water District (ACWD) Board of Directors wishes to notify you of a Public Hearing on June 28, 2022 at 6:00 p.m. at the Alleghany Firehouse to discuss a proposed water service rate increase that, if approved, will commence on July 1, 2022 (with the August 1, 2022 billing).

Background and Reasons for Proposed Increase

- Water rates have not been raised in over 5 years. During this time operating expenses have increased while the number of active accounts has decreased from 57 to 53.
- The four closed accounts represent \$1,920.00 less in district income per year.
- Inflation is on the rise, and ACWD expects most operating expenses to continue to increase. This rate change is needed for long-term financial stability and to cover short-term expenses.
- For the fiscal year ending 6/30/2021 (most recently audited year) the district showed a loss and was not able to transfer money into the equipment repair and maintenance fund as planned (a transfer from the contingency fund was used to keep up with the savings goal).
- The district is taking a proactive approach to financial planning, to hopefully avoid a situation like 2016 when there was no money set-aside for emergencies, equipment repair & replacement or budget shortfalls.
- The State Department of Finance (DFA) has invested over 1.5 million dollars into ACWD since 2015 with an \$850,000 application currently being considered. The state cannot continue to invest money into ACWD's infrastructure without assurance that the district is financially solvent and able to properly maintain the equipment being funded by the State.
- Note that the rates as proposed in this notice are not sufficient to cover the long-term replacement of all existing equipment and infrastructure as required by the State. (Commonly referred to as depreciation expense or capital replacement.) Due to affordability concerns an exception to this requirement is made by the State for financially "Severely Disadvantaged Communities".

New Rate Proposal:

Monthly flat rate per service \$44.00 includes up to 8,000 gallons of water.

Usage over 8,000 gallons to be billed at \$4.00 per thousand gallons (.004 per gallon).

Based on the current number of customers (53) and actual water overages for 2021, it is estimated that this increase will result in additional annual income of \$2,994 for the district.

Late Fees:

Remain unchanged at a 10% one-time charge for balances over 30 days past due.

Water bill assistance available to customers

Please be aware that Alleghany County Water District (ACWD) does offer payment plans if you get behind on your water bill.

Additionally, the State is rolling out the Low-Income Household Water Assistance Program (LIHWAP), administered through the California Department of Community Services and Development (CSD), and is scheduled to begin this month. ACWD has applied to participate in this program. For more information on LIHWAP and to learn more about the eligibility requirements, visit their website at: www.csd.ca.gov/waterbill.

Sierra County Social Services also may have resources for utility bill assistance as well.

How to Protest the Proposed New Rates

The Board will accept public comments at the Public Hearing. Written protests may be submitted before or at this Public Hearing. Written Protests may be:

1. **Mailed** to Alleghany County Water District P.O. Box 860, Alleghany, California 95910; or
2. **Personally submitted** at the Board meeting at 105 Plaza Court, Alleghany, California, prior to the close of the Public Hearing

Protests submitted by fax or email will not be accepted.

To be valid, protests must be in writing, state opposition to the proposed rate increase, and include the property owner's or customer's printed name and address, as well as the parcel number or address of the property served. Protests must be signed by the property owner or by the customer directly responsible for payment of the fees subject to the proposed increase. If the party signing the protest is not shown as the parcel owner as per the last equalized assessment roll of Sierra County, or, in ACWD's records as the responsible ratepayer, the protest must contain, or be accompanied by, written evidence that such party is the owner or responsible ratepayer. Only one protest will be counted per parcel.

While oral comments at the public hearing are welcome, those comments will not qualify as a valid written protest.

If, at the close of the public hearing, written protests against the proposed rate adjustment are not submitted by a majority (50% + 1) of the property owners or customers of record within the District, the Board of Directors will be authorized to adopt these rates.

Extensive back-up documentation regarding this proposed rate change can be found on the district's website www.alleghanywater.org

**Click on Board Meetings: the following meeting dates provide relevant information
4/12/2022, 4/26/2022 and 5/10/2022**

To request hard copies leave a message at 530-287-3204

DISTRICT CONTACT INFORMATION

email: alleghanywater@gmail.com

Phone: 530-287-3204

ACWD PO Box 860, Alleghany, CA 95910.