

## Regular Meeting of the Alleghany County Water District Board of Directors

Tuesday September 12, 2023. Location: by telephone conference and at the Alleghany Firehouse 105 Plaza Court.

**1. Call to Order & Establish a Quorum** The meeting was called to order by Director Nancy Finney at 6:13 P.M.

Directors present: Robbin DeWeese, Nancy Finney; and Brianne Price. Directors Absent: Tobyn Mehrmann and Coral Spencer. Secretary Amber Mehrmann was also absent due to illness. Also Present: Chief Water Operator Bruce Coons, General Manager Rae Bell Arbogast who took the minutes and Public: Vicky Tenney

### **2. Consent Calendar:**

Motion was made to approve the consent calendar by Robbin DeWeese and Brianne Price 2<sup>nd</sup>. **Ayes: Brianne Price, Robbin DeWeese and Nancy Finney Noes: none Absent: Tobyn Mehrmann and Coral Spencer Abstain: none**

### **3. Information/Discussion Items**

**a) Correspondence:** signed library lease sent to County

**b) SRF Project Update:** Still waiting for the agreement from the State.

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**c) Board/Staff Reports: CWO and GM Reports** Bruce Coons reported that the total finished water production for August was 302,810 gallons. It is high because of having to drain the tank for the inspection. Average raw water flow at the Ram Spring is 130 gpm. very good for this time of year. All routine water samples came back absent (good). Additional tests that have to be done next month are perchlorate and nitrate. The mixed radium sample will go to the lab in December. (A sample is taken each quarter, then they are all mixed into one sample).

It was explained that after the tank was refilled after the inspection by Coleman Engineering and Thompsom tank, they decided that we need to take a second look. SO they requested that we drain the tank AGAIN! We told them that we need time to use the water. They are scheduled to come back on Sept. 26<sup>th</sup>. This is to make sure that everyone is on the same page about what does and does not need to be replaced in the tank. Thompson tank is saying that the side panels are OK to repair rather than replace, but they will replace the entire bottom of the tank and repair all bad spots.

G.M.: Nothing to report not already on agenda.

**d) Historical Church/Library Report:** Robbin reported that they have a Blood Pressure Cuff at the library if anyone wants to have their BP checked.

**e) Park Report:** Rae Bell commented that the Park needs to be weedwacked. She is looking into finding a person to do it. Bruce stated that the fountain still is not fixed. Needs to order a part for it and thinks that the installation of a pressure regulator at the park would help.

### **4. Unfinished Business**

**a) Customer Accounts/Billings/Disconnects:** Seven accounts are overdue. Staff will be reaching out to customers more aggressively this month.

**b) Policies & Procedures & Ordinances:** Rae Bell shared information on a webinar about internal accounting controls that she attended put on by the Calif. Rural Water Assoc. The current accounting policy was included in the packets for board review.

**c). Status of Insurance change :** Rae Bell reported that she contacted the worker's compensation carrier about cancelling mid-term if the district decides to switch carriers. They said that it would not be a problem and gave her instructions how to do that. She also explained that the other good thing about Golden State RMA (the other carrier being considered) is that they are tuned into the use of volunteers and the district will be able to pass a resolution to insure volunteers which would help with things like trying to get the weed eating done each year.

**d). Adopt CWO Job Description:** Bruce provided a list of items to be included in his monthly salary. Rae Bell will incorporate this into the other description in time for the October meeting.

## **5. New Business**

**a). Final budget adoption:** Tabled because the 10-day notice was not posted in time.

**b). Covid relief money for the library,** It was explained that there had been some confusion on the County-end about ACWD's intended use of the money. Rae Bell had spoken to Judy Belkhe and she confirmed that the ACWD board is responsible for making sure that the money is used for its intended purpose. It is clear that normal accounting procedures need to be used for spending this money and gift cards do not fall under that category. The librarian can have the bookkeeper make purchases for her or be reimbursed upon presentation of a receipt.

**c.) Quickbooks reimbursement.** It was explained that the software currently owned by the GM and used by ACWD at no charge will not longer be supported. The cheapest option will be an annual subscription that costs around \$589 per year. If this cost is split 5-way between all entities using the software then the cost per year will be about \$118 each. The GM is requesting that ACWD pay 1/5 of the cost. A motion was made by Robbin DeWeese to approve the reimbursement and Nancy Finney 2<sup>nd</sup>. **Ayes: Brianne Price, Robbin DeWeese and Nancy Finney Noes: 0 Absent: Tobyn Mehrmann and Coral Spencer Abstain: 0**

**6) Public Response Time:** Vicky Tenney commented that the pump house still had not been weekwhacked. It was explained that Distribution Operator Edward Snyder had cut it twice this summer. It will be looked at again. She also mentioned the Bucket Club property.

## **7) Next meeting date, items for next agenda and adjournment:**

Next meeting will be on October 10, 2023; at 6:00 P.M.

**Agenda items:** Adopt Final Budget

There being no further business the meeting was adjourned at 6:40 P.M.

Respectfully Submitted:

  
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Rae Bell Arbogast, Deputy Secretary



# NOTICE

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

Date: Tuesday Sept. 12, 2023 Time: 6:00 pm

Location: Alleghany Firehouse 105 Plaza Court with conference call option

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) Approval of agenda
- b) Reading and approval of the minutes for the regular meeting dated August 8, 2023.
- c) Ratification of Treasury Report and bill payments for August 2023 Note correction to library fund.

### 3. Information/Discussion Items:

- a) Correspondence –
- b) SRF Projects Update – Still waiting for funding agreement from State.
- c) Board/Staff Reports – Chief Water Operator (CWO) & General Manager (GM)
- d) Historical Church/Library report –
- e) Park report

### 4. Unfinished Business (Discussion & Possible Action Items):

- a) Customer Accounts/Billings/Disconnects: 5 accounts are over 90 days and 2 are over 60. Will be sending out payment plan options this month. May have to shut a few off if they don't pay.
- b) Ordinances, Policies & Procedures and Bylaws: Notes from internal control webinar included in packets. Suggest looking it over as a group and if any of the suggestions seem good, they could be incorporated into the existing accounting policy to be voted on next month. Copy of current policy in packets.
- c) Status of proposed insurance carrier change. – To be revisited in January keeping as a placeholder. Talked to State Fund about how to cancel plan early if needed (renews next August) no penalty.
- d) Adopt CWO Job Description

### 5. New Business (Discussion & Possible Action Items):

- a) Final Budget adoption, postponed to October because public notice was not posted 10-days in advance as required.
- b) Covid relief money for the Library, discuss procedures for using it.
- c) Quickbooks is going to an annual subscription. To-date Rae Bell has provided the software to the district at no charge (except for the payroll subscription which is split 3-ways). Consider splitting cost of software 5-ways with all of Rae Bell's bookkeeping clients.

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 October 10, 2023. Agenda items:

### 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.

**Key takeaways from RCAC accounting controls two-hour webinar**  
**Held on August 15, 2023**

When I signed up, I was concerned that this workshop would not address tiny districts where it is not always possible to separate duties. Separation of duties is one of the main tools for internal control. Happily, they did discuss smaller districts and things that we can do.

Many of the things that they suggested ACWD already has: Accounting Policies & Procedures, Record Retention Policy, External Audit, the Bookkeeper is NOT a signer on bank account.

They did stress that just having the Policies is not enough. They must be looked at regularly and adhered to. Usually, the General Manager is the person responsible for verifying compliance with district policies.

Fostering an environment that encourages accountability and integrity is important. This is accomplished by clearly stating performance expectations in Policies, Job Descriptions, Bylaws and other district documents. They stressed the importance of employee performance reviews (something we are lacking).

With tiny districts where it is difficult to separate duties because of limited staff, the board is a good resource. While you don't want the board to "micro-manage" things, individual board members (or trusted volunteers) can be asked to handle a specific task, such as getting the mail, opening it and distributing it. This is a way to have a separate set of eyes looking at the bills and other mail.

Water utilities are most vulnerable to embezzlement in the area of cash customer payments. They suggested having a triplicate sales ticket book for cash receipts. The original is given to the customer, second copy goes with cash for deposit and the third copy stays in the book. This way all ticket numbers are accounted for and can be audited by referring to the book at any time.

Along this same vein they suggested that the billing program be audited against the accounting program by a person other than the bookkeeper periodically and that credits posted to accounts be reviewed as well.

They recommended outsourcing Payroll as a means of internal control and to ensure compliance with sick-leave rules etc. This might not be a bad idea. I have been a little nervous about some of the payroll compliance issues that change regularly.

Cross-training the accounting tasks so that at least two people know how to do everything is important for both practical reasons and for internal control.

They also suggested that the billing clerk should not handle customer complaints, because it can create a conflict for them.

Another area that they discussed is accounts payable. They recommended a procedure for adding vendors to the accounting program. (Vendor verification) We have so few vendors, that I don't think we need this. Everyone sees all the checks that are written on the Treasury report.

The Monthly Treasury report is (in my opinion) our best tool **if** the board members take the time to look at it each month. The board is responsible for verifying that beginning balances match the previous month's ending balances and that all check numbers are accounted for.

To-date the GM has been signing off on the Treasurer's report, but I think it would be better to have a board member do this since I am directly involved with overseeing the bookkeeper.

I sent a copy of the ACWD treasury report to RCAC as an idea to share with other small districts. One thing that is very good about it is that it doesn't require an accounting background to understand. This is our own "innovation" that goes back to a handwritten sheet that Donna Hauck used for the fire department and that has been refined over the years. It does have its limitations and having other controls in place is important.



Allegheny County Water District

Treasury Report

August 2023

MAIN CHECKING ACCOUNT

Beginning Balance \$ 3,625.42

Deposits

Table with columns: Date, From, For, Amount. Deposits Total \$ -

Expenditures

Table with columns: Ck #, Date, To, For, Amount. Expenditures/Transfers Total \$ 1,727.53

RESERVE FUND SAVINGS ACCOUNT table with rows: Contingency Fund, Equip. Maint. Fund, Interest earned, TOTAL

Expenditures/Transfers Total \$ 1,727.53

Ending Main Account Balance \$ 1,897.89

Plus Undeposited Funds \$ 4,226.40

Operating Funds at month-end \$ 6,124.29

NON-ENTERPRISE ACCOUNT (Historical Church, Library & Park)

Beginning Balance \$ 10,255.68

Deposits

Table with columns: Date, From, For, Amount. Deposits Total \$ -

Expenditures

Table with columns: Ck #, Date, To, For, Amount. Expenditures Total \$ -

NOTE: Library rent was put in the wrong fund back in March and nobody caught it. The annual rent for the historical church of \$1,500 is supposed to go into the historical church building fund. CORRECTED THIS MONTH.

Report Prepared by Edda Snyder

Verified against Bank Statement

Ending Non-enterprise Account Balance \$ 10,255.68

x \_\_\_\_\_

Print

Summary table: Historical Church Balance \$ 6,887.00, Library Balance \$ 1,353.64, Park Balance \$ 2,015.04, Balance \$ 10,255.68

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

## **Policy #100 District Finances**

ACWD shall deposit all funds in an FDIC insured banking institution. The bookkeeper shall maintain a schedule per attachment A of this policy (unless there are extenuating circumstances).

### **Procedure 100.1 Check-writing & bill payment procedures**

The annual budget adoption by the Board of Directors provides the authorization for management to pay all routine bills.

The district bookkeeper is responsible for paying the bills in a timely manner but shall not be a signor on any of the district's bank accounts. A minimum of two district directors and the General Manager shall be signors on the bank accounts.

The General Manager shall verify that all expenditures are within the scope of the adopted budget and shall oversee the bill payment process. All bill payments will be ratified on a monthly basis with board approval of the monthly treasurer's report per Procedure 1.3.

Checks written over the amount of \$1,000 shall require two signatures.

All bill payments must be matched to an invoice or hand-written receipt. The bookkeeper shall write the check number and date of payment on each invoice at the time of payment or staple the check stub to the invoice.

### **Procedure 100.2 Accounts Receivable**

The bookkeeper shall follow the instructions in the bookkeeping manual and Customer Service Policy #4 regarding customer billings and collections. The bookkeeper must work closely with the meter reader to make sure that the meter readings are entered in the billing program as soon as possible each month. It is the bookkeeper's responsibility to notify the meter reader if any readings need to be re-checked. This also needs to be done as soon as possible.

### **Procedure 100.3 Treasurer's Report & Claims**

A treasurer's report which shows beginning and ending balances as well as all deposits and expenditures for each bank account shall be prepared for board approval at the regular meeting. All check numbers must be accounted for. A break-down of the historical church/park account shall be included showing how much money is allocated to the Historical Church and how much is allocated to the Park. This report must also include a summary of the contingency fund balance per Policy #5. The report shall be prepared on a monthly basis to coincide with the bank statements **and must be provided to the Secretary a minimum of 72 hours prior the next board meeting.**

### **Procedure 100.4 Bank reconciliation**

All bank accounts shall be reconciled against a statement from the bank by the bookkeeper on a monthly basis. Copies of the bank reconciliation shall be kept in the district's accounting files with a copy of the corresponding treasurer's report attached and initialed by the General Manager. Copies of images of all checks shall be obtained from the bank and kept with the bank reconciliations.

#### Procedure 100.5 documentation

All financial back-up documents shall be filed by month. Documents include: invoices for each check written, deposit copies, monthly billing reports and bank reconciliations. All files must be retained per Generally Accepted Accounting Procedures.

#### Procedure 100.6 Purchasing

Purchases within the scope of the district's adopted budget and for the purpose of maintaining operations may be made by either the General Manager, Chief Water Operator, Bookkeeper or authorized designee.

Expenditures utilizing contract labor AND/OR that are for construction projects shall conform with Policy #600 "Construction Works".

#### Procedure 100.7 Emergency expenditures

Unexpected purchases and/or labor that are necessary to keep the water system operational AND that cause a specific expense category to exceed the adopted budget should be approved by the General Manager or in the absence of the General Manager by the Chief Water Operator or designee. The expense shall be brought before the Board at the next regular meeting for ratification as-well-as, identification of how the expense shall be covered (for example: budget re-allocation or the use of existing funds).



Assigned to	Description	Due frequency
Bookkeeper	10 day notices per policy, & memo to CWO	15th Monthly
Bookkeeper	Bank Recs and Treasurer reports	2nd or 3rd Monthly
Bookkeeper	Customer billing	2nd or 3rd Monthly
Bookkeeper	Enter and pay bills	Near the 1st Monthly
Bookkeeper	Enter and pay bills	15th Monthly
Bookkeeper	Enter meter readings	1st Monthly
Bookkeeper	Find out IRS mileage rate	January Annually
Bookkeeper	Online bill pay PG&E 3 accounts	15th Monthly
Bookkeeper/GM	Provide all documents to auditors for audit	July Annual