

**Regular Meeting of the Allegheny County Water District Board of Directors
Tuesday February 8, 2022 Meeting was held in person at Station 2**

1. Call to Order & Establish a Quorum The meeting was called to order by President Mehrmann at 6:08 pm. Directors present: Tobyne Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer. CWO Bruce Coons; GM Rae Bell, and Secretary Amber Mehrmann was present and took minutes. Public present: Vicky Tenney and Kieran Mehrmann

2. Consent Calendar:

a.) A motion to approve the consent calendar was made with corrections to the minutes by Coral Spencer and Nancy Finney 2nd **Ayes: Tobyne Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0 Vacant: 1**

3. Information/Discussion Items

a) **Correspondence:** Was in the G.M.'s report.

b) **SRF Projects Update:** Rae Bell and Kip are going to have a meeting and any other updates are in writing in the packet.

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

CWO: Bruce reported that the total finished water produced in December was 281,090 gallons in and the average raw water flow Gallons per Minute were 63.75 gallons. The total finished water produced in January was 156,300 gallons and the average raw water flow Gallons per Minute were 80 gallons.

- Waiting on the lab results of the last test.

- Some customer leaks during the cold snap at the end of December/ beginning of January caused water supply issues on two days. All issues have been resolved. Extra water samples had to be taken to the lab because the system lost pressure. All special samples came back below the detectable limit. (good)

G.M.: Report provided in writing.

d) **Historical Church/Library Report:** none

e) **Park Report:** none

4. Unfinished Business

a) **Customer Accounts/Billings/Disconnects:** There are 7 accounts that are over 90 days. Rae Bell and Bruce Coons may go and speak with each customer directly about their delinquencies.

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

c) **Policies & Procedures and Ordinances:** None were prepared in time for the meeting

d) **Rate:** See G.M.s written report.

e) **Job Descriptions:** They still need to be reviewed with the attorney's suggestions and adopted.

5. New Business

a.) Adopt Resolution #113 to comply with AB 361 for remote meetings.

- Have to do a follow up in 30 days.
- Only hold remote meetings during state of emergency.
- The next meeting will be held remotely, by phone.

Motion made to approve adopting the resolution as presented was made by Nancy Finney and Robbin DeWeese 2nd **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0 Vacant 1**

b) A motion was made to accept the audit results for the fiscal year. The motion was made by Coral Spencer and Robbin DeWeese 2nd **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0 Vacant 1**

c) There was a motion made to approve the Audit Engagement letter for the fiscal year 2021-2022. The motion to approve this letter was made by Nancy Finney and Cora Spencer 2nd **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0 Vacant 1**

d) A review was done of the budget versus actual year-to-date for the first six months of the year. Nancy Finney said it looked like we came out pretty good. Rae Bell said it isn't bad, but with the tank issues the district should expect some overages in the labor category for the second half of the year.

e) Voted to appoint and keep current slate of officers for 2022: Tobyn Mehrmann President, Coral Spencer VP, and Amber Mehrmann Secretary. Coral made the motion and Nancy Finney 2nd **Ayes: Tobyn Mehrmann, Nancy Finney, Robbin DeWeese and Coral Spencer Nays: 0 Absent: 0 Abstain: 0 Vacant: 1**

6. Public Response Time: None

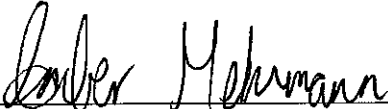
7. Next meeting Date, Items for next Agenda and Adjournment

Next meeting will take place March 8, 2022 at 6:00 P.M. by phone

There is still a Board Vacancy open to anyone who is registered to vote within the district's boundaries.

There being no further business before the Board, the meeting was adjourned at: 6:56 P.M.

Minutes respectfully submitted,



Amber Mehrmann, Secretary

Alleghany County Water District

P.O. Box 860, Alleghany, CA 95910 ~ alleghanywater@gmail.com ~ Phone 530-287-3204

~ Established March 8, 1939 ~

CERTIFICATE OF POSTING

I, ^{Rae Bell}~~Amber Mehrmann~~ certify that the following document was posted on behalf of Alleghany County Water District, Sierra County California:

Agenda and meeting packet Regular Meeting, Meeting Date 2/8/22

In the following location(s):

Alleghany Post Office Bulletin Board (packets put in box for the public) and On the door of the Alleghany Firehouse (meeting location) Station 2
Emailed to email list as well.

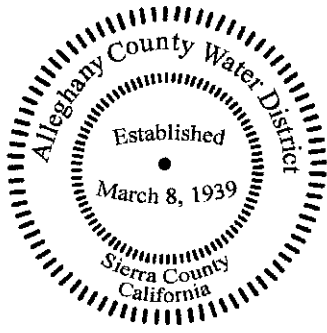
On 2/5/22 (date)

A copy of which is attached hereto and by reference made a part herof.

Signed under penalty of perjury: X

Rae Bell
Amber Mehrmann

deputy secretary



NOTICE

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

Date: Tuesday February 8, 2022 Time: 6:00 pm

Fire Station 2 – County Yard

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. Consent Calendar

- a) Approval of the agenda
- b) Reading and approval of the minutes for the regular meeting dated November 9, 2021
- c) Ratification of Treasury Report and bill payments for the months of November and December 2021.
(January 2022 is delayed and will be on next month's agenda)

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 –
- e) Park report –

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

- a) Customer Accounts/Billings/Disconnects: to be provided at meeting.
- b) Ordinances, Policies & Procedures and Bylaws: Nothing prepared in time for meeting
- c) Status of vacancy on the board
- d) Rate Study (see GM report).
- e) 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 #113 to comply with AB 361 for remote meetings
- b) Accept Audit results for fiscal year 20-21
- c) Approve Audit engagement letter for fiscal year 21-22
- d) Review budget vs year-to-date for six month period ended 12/31/2021
- e) Appoint Officers for 2022 (President and VP, Secretary contract expires 6/30/2022)

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, Items for next Agenda & Adjournment. Next meeting date: February 8, 2022 6:00 pm.

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.

Alleghany County Water District

Treasurer's Report

November 2021

MAIN ACCOUNT

Beginning Balance \$ 15,995.14

Deposits

Date	From:	For:	Amount
11/17	Customers & Sierra County	Water & Tax Revenue	\$ 2,569.48
11/17	Customers	Water	\$ 938.84
11/17	Customers	Water	\$ 360.00
11/17	Tri-Counties Bank	Advice of Difference to \$2,569.48 deposit	\$ 2,000.00
Deposits Total			\$ 5,868.32

Expenditures

Ck #	Date	To:	For:	Amount
5687	11/4	Bruce Coons	WDO October Bill - Gross \$381.46	\$ 318.81
5688	11/4	Edda Snyder	Bookkeeper October Bill - Gross \$175	\$ 161.62
5689	11/4	Edward Snyder	WDA October Bill - Gross \$154	\$ 142.22
EFT	11/8	PG&E	Pumphouse	\$ 203.07
EFT	11/8	PG&E	Tank Site	\$ 12.43
Expenditures Total				\$ 838.15

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

Ending Main Account Balance \$ 21,025.31
 Less Reserve Fund \$ (15,500.00)
 Plus Undeposited Funds \$ 1,995.00
 Available Funds \$ 7,520.31

NON-ENTERPRISE ACCOUNT (Historical Church & Park)

Beginning Balance \$ 8,703.99

Deposits

Date	From:	For:	Amount
Deposits Total			\$ -

Expenditures

Ck #	Date	To:	For:	Amount
EFT	11/9	PG&E	Historical Church	\$ 10.40
Expenditures Total				\$ 10.40

Report Prepared by Edda Snyder
 Verified against Bank Statement

Ending Non-enterprise Account Balance \$ 8,693.59

x _____
 Print

Historical Church Balance	\$	6,464.23
Park Balance	\$	2,229.36
Balance	\$	8,693.59

Ram Spring Improvement Project ~ State Revolving Fund (SRF) Project
Report for ACWD BOD Meeting Date: 2/8/2022 Prepared by GM Rae Bell
Changes since last report are highlighted.

This project is related to the planning project approved for funding in 2015 and completed in 2020. The planning documents (plans and estimates) are approximately 90% complete. The remaining planning work will be the first phase of this project after the application process is completed.

There are four application packets that must be completed to apply for funding: General, Financial, Technical and Environmental.

- The General application packet with all attachments was submitted on 4/25/2020
- The Financial application packet with all attachments was submitted on 5/5/2020. Several attachments were recently updated and have been resubmitted. ~~Engineer Kip Lybarger is working on an updated budget figure (total cost) for the entire project.~~ The updated budget figure is \$649,638. A copy of the updated estimate is included in this month's meeting packet.
- The Technical Packet is almost done. The three remaining attachments must be done by Kip. Kip and I are meeting with the Road Dept. on the 10th to discuss the project and make sure that we are aware of the exact location of a subdrain that was installed in the 1980s near the pumphouse.
- The Completed Environmental packet was reviewed by the State and was submitted in October 2021. There are still some environmental permits in the works. This is the final item being covered by the environmental portion of the Technical Assistance Request.

Technical, Managerial and Financial (TMF) Analysis & Tune-up

- The Emergency Response Plan was finished as approved by the ACWD board in November 2020. The binder is at the pumphouse. Changes from October 2021 have been incorporated.
- The job descriptions were sent to the HR attorney for review and need to be finalized by the ACWD board.
- The Operations and Maintenance (O&M) manual is done.
- Rate Analysis: Done SEE GM REPORT

Environmental and Technical Packets Technical Assistance Request

Is scheduled to be completed by the end of March 2022.

Disclaimer "Funding for these projects has been provided in full or in part through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use."

ACWD General Manager (GM) Report February 2022

Prepared by Rae Bell Arbogast

Correspondence (since last meeting)

Incoming: Letter of “no significant findings” regarding the Fiscal Year 20/21 audit from Boden Klein & Sneesby

Outgoing: Standard “representation” letters sent to Boden Klein & Sneesby CPAs, Special Districts Financial Transactions report filed by the auditors, cover letter signed by the GM and submitted electronically, Notice to all customers included in the January bills about the water supply problem, notice to all customers included in the February bills about payment plans and financial assistance availability (this was REQUIRED by the State water board)

- **SRF PROJECT AUDIT** The State is conducting a routine audit of both the Planning Project and the Water Tank Construction Project. They provided a HUGE list of documents that I am supposed to produce by the 14th. I did explain to them that I am a volunteer. If there is a silver lining, it is that it is happening now and not 10 years from now. We are required to retain the project documentation for 40 years!
- **WATER TANK LEAKS** The Technical Assistance Request was approved and we had the “kick off” meeting on Jan 20th. A workplan with dollar figures is in the works. I guess they are waiting for an estimate for the tank inspection. Thompson tank (the subcontractor who built the tank) sent somebody on Jan 12th and he came back on the 14th to collect more samples of the tank material. I followed-up last week and they said that the tank manufacturer had sent the samples to a lab and they should have the lab results within two weeks.
- **RATE ANALYSIS** The ACWD Board needs to decide what can be done to increase revenues and/or decrease expenses. Once again, the district is just scraping by with little to no money available for reserve funds. There are some reserves now, but if something doesn't change, we should expect those funds to begin to diminish in the near future.

The State is considering sending a representative to Allegheny to discuss the recent rate analysis and legal issues with the board. As has been explained before: State Law (prop 218) dictates that ALL customers must be charged the same rate per gallon unless there is a way to show that it costs a different amount to supply water to specific customers. The only rate structure that I am aware of that accomplished this, is a flat rate PLUS a per gallon rate. Again, I am not saying that I personally prefer this, I am only sharing information. (Don't shoot the messenger)

However, something came up this month that made me realize another reason why that type of rate structure might be better: a customer recently asked if the water district was going to issue a credit for the days when there was a lapse in water service. Considering that we are talking about a total of less than 4 hours without water (and not that long for all customers), even if we did try to “pro-rate” a credit, it would be miniscule. BUT if there was a longer period without water, customers might have a legitimate argument for a credit. This would not be the case with a rate structure that charges a flat rate that does not include gallons plus a per gallon rate. (The customer would not be charged for gallons they did not use) This could become very important considering that the district's expenses are HIGHER not LOWER when there is a leak or other problem. Decreasing district income by issuing a credit to customers would further exacerbate the cost of the problem. Most utility companies do charge a minimum flat rate plus a usage rate. (phone & power)

Alleghany County Water District

RESOLUTION NUMBER 113

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALLEGHANY COUNTY WATER DISTRICT PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY THE GOVERNOR OF CALIFORNIA AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE Pliocene Ridge CSD Board for the period February 8, 2022 through March 10, 2022 pursuant to Brown Act provisions.

WHEREAS,

1. The ALLEGHANY COUNTY WATER DISTRICT “the district” is committed to preserving and nurturing public access and participation in meetings of the Board of Directors;
2. All meetings of District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District’s legislative bodies conduct their business;
3. The Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;
4. A required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558;
5. Proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-caused disasters;
6. It is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and
7. Such conditions now exist in the District, specifically, a state of emergency due to the COVID Pandemic as declared by the Governor on March 4, 2020 that has not been lifted.
8. Continued local rates of transmission of the virus and variants are causing a surge of cases making in person meetings risky to the health of attendees.
9. As a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of the district MAY conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and
10. All remote meetings are accessible by telephone to the Board and General Public with notice posted within the time-frame required by the Brown Act.

Alleghany County Water District

NOW, THEREFORE, THE BOARD OF DIRECTORS OF ALLEGHANY COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the District, and the County Health Department and Board of Supervisors are recommending that in person meetings be held only as necessary with masks and physical distancing in place.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The District is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) March 10, 2022 or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Pliocene Ridge CSD may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED & ADOPTED by the Board of Directors of Alleghany County Water District on the 8th day of February, 2022 by the following vote:

Ayes: -

Nays: -

Abstain: -

Absent: -

Tobyn Mehrmann, President

ATTEST:

Signature: _____
By: Amber Mehrmann
Secretary
Alleghany County Water District

Half-way through
fiscal year.
10:18 AM

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 through December 2021

02/05/22
Accrual Basis

	Jul - Dec 21	Budget	\$ Over Budget	% of ...
Ordinary Income/Expense				
Income				
4000 · Operating Income				
4100 · Metered Water Sales	10,946.99	25,920.00	-14,973.01	42.2%
4200 · Property Tax Revenue	2,080.00	4,300.00	-2,220.00	48.4%
4800 · Customer Fees	147.22	500.00	-352.78	29.4%
Total 4000 · Operating Income	13,174.21	30,720.00	-17,545.79	42.9%
5000 · Other Income Water Operation				
5200 · Miscellaneous Income	202.97	2,175.00	-1,972.03	9.3%
5300 · Hist. Church Admin	0.00	240.00	-240.00	0.0%
Total 5000 · Other Income Water Operation	202.97	2,415.00	-2,212.03	8.4%
Total Income	13,377.18	33,135.00	-19,757.82	40.4%
Gross Profit	13,377.18	33,135.00	-19,757.82	40.4%
Expense				
5999 · Staff expense summary account				
6000 · Payroll Expenses	4,529.31	12,000.00	-7,470.69	37.7%
6001 · Payroll tax expense	230.63			
6061 · Secretary	120.00	500.00	-380.00	24.0%
Total 5999 · Staff expense summary account	4,879.94	12,500.00	-7,620.06	39.0%
6100 · Professional Services				
6120 · Independant Auditor	0.00	2,950.00	-2,950.00	0.0%
Total 6100 · Professional Services	0.00	2,950.00	-2,950.00	0.0%
6200 · Utilities				
6210 · Telephone	258.56	528.00	-269.44	49.0%
6220 · PG & E	1,121.23	2,500.00	-1,378.77	44.8%
6230 · Propane	72.00	600.00	-528.00	12.0%
Total 6200 · Utilities	1,451.79	3,628.00	-2,176.21	40.0%
6300 · Water Operation				
6301 · Mileage	624.96	1,000.00	-375.04	62.5%
6302 · Water Tests	1,250.00	1,310.00	-60.00	95.4%
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	663.49	1,000.00	-336.51	66.3%
6305 · Fees & Licenses	320.00	565.00	-245.00	56.6%
Total 6300 · Water Operation	2,891.75	6,105.00	-3,213.25	47.4%
6500 · Office Expense				
6550 · Computer	300.00	971.00	-671.00	30.9%
6555 · Office Supplies	0.00	100.00	-100.00	0.0%
6560 · Postage	132.25	300.00	-167.75	44.1%
Total 6500 · Office Expense	432.25	1,371.00	-938.75	31.5%
6700 · Insurance	4,655.53			
7000 · Other Operating Expenses				
7011 · Rent Expense	0.00	72.00	-72.00	0.0%
7020 · Dues and Subscriptions	200.00	409.00	-209.00	48.9%
7030 · Penalties	158.84			
7070 · Interest Expense	48.31			
7000 · Other Operating Expenses - Other	0.00	5,600.00	-5,600.00	0.0%
Total 7000 · Other Operating Expenses	407.15	6,081.00	-5,673.85	6.7%

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

	Jul - Dec 21	Budget	\$ Over Budget	% of ...
Total Expense	14,718.41	32,635.00	-17,916.59	45.1%
Net Ordinary Income	-1,341.23	500.00	-1,841.23	-268.2%
Other Income/Expense				
Other Income				
8000 · Hist. Church Income				
8010 · Hist Church Rental Income	1,500.00	1,500.00	0.00	100.0%
Total 8000 · Hist. Church Income	1,500.00	1,500.00	0.00	100.0%
Total Other Income	1,500.00	1,500.00	0.00	100.0%
Other Expense				
9000 · Hist. Church Expenses				
9010 · Hist. Church Insurance	0.00	250.00	-250.00	0.0%
9012 · Hist Church Administration Fee	0.00	240.00	-240.00	0.0%
9015 · Utilities Hist. Church	60.83	100.00	-39.17	60.8%
Total 9000 · Hist. Church Expenses	60.83	590.00	-529.17	10.3%
9100 · Park Expenses				
9122 · Park Supplies and Maintenance				
9123 · Weedeating Park	0.00	150.00	-150.00	0.0%
Total 9122 · Park Supplies and Maintenance	0.00	150.00	-150.00	0.0%
9125 · Solid Waste Fee Park	96.49	92.00	4.49	104.9%
Total 9100 · Park Expenses	96.49	242.00	-145.51	39.9%
Total Other Expense	157.32	832.00	-674.68	18.9%
Net Other Income	1,342.68	668.00	674.68	201.0%
Net Income	1.45	1,168.00	-1,166.55	0.1%

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

11:08 AM
02/05/22
Accrual Basis

Alleghany County Water District
Balance Sheet
As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
1110 · Main - tri counties checking	20,305.03
1112 · Non-enterprise checking	8,683.08
1113 · CASH	110.00
Total Checking/Savings	29,098.11
Other Current Assets	
1401 · Payroll Asset	40.00
Total Other Current Assets	40.00
Total Current Assets	29,138.11
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	1,263,145.46
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	2,606.69
Total Accounts Payable	2,606.69
Other Current Liabilities	
2200 · Prepaid Customer Accounts	1,343.42
2401 · Payroll Liabilities	625.07
Total Other Current Liabilities	1,968.49
Total Current Liabilities	4,575.18
Total Liabilities	4,575.18
Equity	
3200 · Retained Earnings	176,483.24
3210 · Investment in Fixed Assets	1,103,456.78
3230 · Opening Balance Equity	-21,371.19
Net Income	1.45
Total Equity	1,258,570.28

Alleghany County Water District
Balance Sheet
As of December 31, 2021

	Dec 31, 21
TOTAL LIABILITIES & EQUITY	<u>1,263,145.46</u>

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



3005 Douglas Blvd., Ste. 115
Roseville, CA 95661
(916) 774-1040
(916) 774-1177 Fax

January 31, 2022

Board of Directors
Alleghany County Water District
P.O. Box 860
Alleghany, CA 95910-0860

Dear Board of Directors:

We are pleased to confirm our understanding of the services we are to provide for Alleghany County Water District (ACWD) for the year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities and the disclosures, which collectively comprise the basic financial statements of Alleghany County Water District (ACWD) as of and for the year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAS) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement ACWD's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to ACWD's RSI in accordance with GAAS. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles (GAAP) and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Budgetary Comparison Schedule

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether the financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of ACWD's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also prepare the financial statements of ACWD in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to

refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting ACWD involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that ACWD complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information

You agree to assume all management responsibilities for financial statement preparation services and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Audit Administration, Fees, and Other

As part of our engagement, we will also prepare the annual state controller's report for your District and the GCC (Government Compensation in California) report for the year ended June 30, 2022.

The fees for the above professional services will not exceed \$2,950.00 (TWO THOUSAND NINE HUNDRED FIFTY DOLLARS). The fee is based on our regular hourly rates as set forth below:

<u>Classification</u>	<u>Hourly Rates</u>
Principal Certified Public Accountant	\$195.00
Senior Accountant	150.00
Clerical & Typing	75.00

Any additional service that you may require from time to time will also be provided at the above hourly rates. The above fees do not include the cost of any materials which may be purchased by us on your behalf or any reasonable or necessary traveling expenses including mileage from our office to any of your operating offices at the prevailing rate approved by the Internal Revenue Service.

Reporting

We will issue a written report upon completion of our audit of ACWD's financial statements. Our report will be addressed to Board of Directors of ACWD. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

If the foregoing arrangements are satisfactory, please indicate your acceptance by signing this letter in the space below and returning it to our office. A duplicate copy is enclosed for your records. Should you desire a change in any of the provisions of this agreement, please contact our office at your earliest possible convenience. This agreement will remain in effect until revisions, thereof, are submitted by us or is cancelled by you in writing. We appreciate the opportunity to serve you.

Very truly yours,



BODEN KLEIN & SNEESBY
A Professional Corporation

APPROVED:

Signature/Title

Date