



The regular meeting of the Board of Directors of the Alleghany Water District was held on August 11, 2015 at the Firehouse in Alleghany.

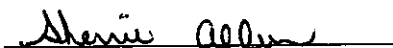
1. Meeting called to Order: @ 5:40 p.m.
2. Roll Call: All Board members were present: President - Rae Bell Arbogast, Vice President – Sherrie Allen, Directors: Robbin Deweese, Madeleine Hamb and Larry Vierra. Also present: Water Treatment Operator Bruce Coons, Leslie D. Baker III (Solitary applicant for Secretary/Clerk of the Board position), as well as twelve members of the Public.
3. Consent item: Reading and approval of the minutes for the regular meeting held June 9th 2015: minutes not available.
Reading and approval of the minutes for the regular meeting held July 2nd 2015 were approved as read. The minutes of the special meeting held July 10th 2015 were also approved as read.
4. Correspondence:
 - a. Note from Gregory Coons requesting that his water service be shut off.
 - b. Gmail from Referral Rewards – Softline- Data- (UBmax): Rae Bell referred Camptonville and Downieville Water Districts to preview webinar.
 - c. Robert W. Johnson: Certified Public Accountant who offered a quote for Auditing and accounting duties.
 - d. State Water Resources Control Board: Clarification of curtailment order (not an order at all)
 - e. Dated July 12th, 2015 ACWD Memo to Sierra County Auditor Van Maddox and Supervisor Lee Adams sent with preliminary budget as adopted July 10th, 2015.
 - f. Dated July 12th, 2015: ACWD Memo to Board Directors: Larry & Madeleine in regard to corrected copy of preliminary budget.
 - g. Dated July 12th, 2015: ACWD Memo to Ernest Finney: Copy of preliminary budget.
 - h. Dated July 24th, 2015 From: Sierra County Clerk Recorder's Office to Alleghany County Water District re Library Rental Agreement for signature.
5. Reports:
 - a. Water Test Results: July: Treated water: Absent, raw water: present. August: Treated and Raw Absent
 - b. Approval of Treasurer's Report: Motion made by Madeleine 2nd by Larry ayes unanimous. Other financial documents provided at the meeting included: Un-audited financial statements for fiscal year 14/15, Library-Park account breakdown.
 - c. President's Report: All required documentation has been sent to the Auditor's Office and the audit is in progress.
State Revolving Fund Application revised dollar figure is \$299,075.00. Final packets were submitted on July 30th.
Sierra County has taken no action to do approved work at the Cumberland spring. Rae Bell has followed up multiple times with no results.
Requested Action Item: California Special Districts Association (CSDA) 2016 Legislative Proposal Submission Form: Suggested Code section 30541 deleting the word Secretary
A motion to approve and submit 2016 Legislative Proposal Submission Form, made by Larry, Robbin seconds, ayes unanimous.

is to be given when the minutes are typed and submitted before the next regular monthly Board Meeting.

- b. Customer Accounts/Billings/Disconnects: 1 voluntary disconnect otherwise current.
 - c. Policies and Procedures-Policy # 2 revision outside help. Tabled until next meeting.
 - d. By-laws: Tabled until next meeting.
 - e. Banking Institution Change: Resolution # 93 to open new accounts at Tri-Counties Bank. Motion to approve made by Robbin, Madeleine seconds, ayes unanimous
 - f. Resolution # 94 to close accounts at Bank of America. Motion to approve made by Robbin, Larry seconds, ayes unanimous
8. New Business: (Discussion & Possible Action Items):
- a. Worker's Compensation Bid: NINC Insurance Services (Water Works class code 7520)
Rates: Water works \$ 9.58 per \$ 100.00 paid: estimated @ \$ 465.97
Clerical \$.99 per \$ 100.00 paid: estimated @ \$ 178.20
State tax & Fees apply /deposit is required. Estimated annual expense \$1,400.00. . Larry made a motion to accept the Worker's Compensation Insurance Bid as presented and bind insurance, Robbin second, ayes unanimous.
 - b. A second rate analysis was completed by the California Rural Water Association on August 8th: The first rate analysis done in May was rejected because it recommended a base rate of \$60 for all services with no gallons included. The reason for the high figure was that it included capital replacement costs. The new rate analysis does not include capital replacement costs and the new recommended base rate is \$40 per service. Water Boards must justify their rates for service and all rate changes & fees fall under proposition 218 which requires public notice and a public hearing before changes can be made. It was decided by all present to hold an informal Public Meeting prior to the formal Public Hearing under Prop. 218 and invite Dan DeMoss (the rate Analyst) to explain the justifications for their recommendation. The idea is to come to a general consensus as to what rates should be proposed in the official public hearing notice. The official hearing must be held a minimum of 45 days after the Public Notice goes out.
 - c. New Action Item Presented: (In the spirit of transparency) Vice President Sherrie Allen made a motion that all future action items must be presented to the Board in writing, reviewed before motions are entertained or action taken and that this motion be incorporated into the Board's By-laws/Policies & Procedures (to which it is appropriate). Larry second the motion, ayes unanimous.
9. Consent Item: Allowance of Claims: Madeleine motioned to approve, Robbin 2nd ayes unanimous.
10. Next Regular Meeting Date is September 8th @ 5:30 p.m.

Items for next Agenda: Finalize Budget, Policies & Procedures (Policy # 2) & By-laws

Meeting Adjourned at 7:45 p.m.

Humbly submitted by Sherrie Allen: 

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

Tuesday August 11, 2015 at 5:30 pm
Alleghany Firehouse 105 Plaza Ct. Alleghany

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 by calling 530-287-3204 or email: alleghanywater@gmail.com

1. Call to Order
2. Roll call
3. Consent item: Reading and approval of the minutes for the regular meeting held on June 9, 2015.
Reading and approval of the minutes for the regular meeting held July 2, 2015.
Reading and approval of the minutes for the special meeting held July 10, 2015.
4. Correspondence
5. Reports:
 - a) Water Test Results
 - b) Treasury Report
 - c) President's Report
 - d) Water Treatment Operator Report
 - e) Library Report
 - f) Park Report
6. **Public Response Time** The public may be heard on an item 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 on any item not appearing on the agenda. The Board cannot take action on any unscheduled items unless it is declared by a vote of at least two-third (2/3) of the Board that there is an urgent need to take immediate action, and the need for action came to the attention of the District after the agenda was posted.
7. **Unfinished Business (Discussion & Possible Action Items):**
 - a) Secretary Position Posting
 - b) Customer Accounts/Billings/Disconnects
 - c) Policies and Procedures ~ Policy # 2 revision outside help.
 - d) By-laws
 - e) Banking Institution Change
8. **New Business (Discussion & Possible Action Items):**
 - a) Worker's Compensation Insurance Bid
 - b) Rate Analysis completed by CRWA, all rate changes and fees fall under prop. 218
9. Consent Item: Allowance of Claims
10. Next meeting date, Items for next agenda & Adjournment



EDUARDO G. BROWN JR.
GOVERNOR



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

July 15, 2015

ALLEGHANY COUNTY WATER DISTRICT
PO BOX H
ALLEGHANY, CA 95910

PARTIAL RESCISSION OF APRIL, MAY AND JUNE 2015 CURTAILMENT NOTICES AND CLARIFICATION OF STATE WATER BOARD POSITION RE: NOTICES OF UNAVAILABILITY OF WATER FOR THOSE DIVERTING WATER IN THE SACRAMENTO RIVER WATERSHED, SAN JOAQUIN RIVER WATERSHED AND DELTA, AND SCOTT RIVER

The State Water Resources Control Board (State Water Board) issued two letters earlier this year (January 23, 2015 and April 2, 2015) advising persons of the drought and the resulting lack of surface water availability. These letters were issued to facilitate planning for diversions during critical water supply shortages.

In addition to the planning letters, the State Water Board staff has issued notices to specific water diverters alerting categories of users that information available to the State Water Board staff indicates there is insufficient water available to divert under the priority of their water rights. These notices were issued as follows:

Sacramento River and Delta

- o May 1, 2015: All post-1914 rights (concurrent with term 91 curtailment); and
- o June 12, 2015: All appropriative water rights with a priority date between 1903 and 1914.

San Joaquin River

- o April 23, 2015: All post-1914 appropriative rights; and
- o June 12, 2015: All appropriative water rights with a priority date between 1903 and 1914.

Additional San Joaquin River Sub-watersheds

- o June 26, 2015: Appropriative rights in the Upper San Joaquin watershed with a priority date senior to 1903;
- o June 26, 2015: Appropriative rights in the Merced watershed with a priority date between 1858 and 1902; and
- o June 26, 2015: Four appropriative rights in the Tuolumne River watershed.

Scott River

- o April 23, 2015: All Decreed Surplus Class Rights, Post-1914 rights, and Priority class 2 water rights in Schedule D4.

You received one of the above notices because information available to the State Water Board, of which you may not be aware, indicates there is insufficient water to divert under the priority of your right. The notice was provided to ensure that diverters: (a) are aware of the severity of the situation; (b) have reliable information regarding the amount of water available for their diversion; and (c) have information on whether water that may appear to be available instead is only available to serve senior rights (expressed in the notices as priority of rights).

The purpose of this notice is to rescind the "curtailment" portions of the unavailability notices you received. To the extent that any of the notices described above contain language that may be construed as an order requiring you to stop diversions under your affected water right, that language is hereby rescinded. Similarly, any language that may be construed as requiring affected water right holders to submit curtailment certification forms is hereby rescinded.

FELISA MARTELLO, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, Ca 95812-0100 | www.waterboards.ca.gov

Please note that information available to the State Water Board continues to indicate that there is insufficient water available for the categories of junior water users identified in the State Water Board's prior correspondence, identified above. If you believe you received this notice in error, or have information that you want to provide in response to this notice, or have information you believe the State Water Board staff should otherwise consider, you may submit that information via email to: SWRCB-Drought-Availability@waterboards.ca.gov

Diversion is always subject to water availability limitations, and diversions under your affected water right may be subject to enforcement should the State Water Board find such diversions are or were unauthorized. The State Water Board is continuing its drought-year inspections to determine whether diverters are using water to which they are not entitled.

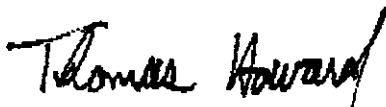
Diversion when there is no available water under the priority of your right is an unauthorized diversion and use and is subject to enforcement by the State Water Board. Those who are found to be diverting water beyond what is legally available to them may be subject to administrative penalties, cease and desist orders, or prosecution in court. If the State Water Board finds following an adjudicative proceeding that a person or entity has diverted or used water unlawfully, the State Water Board may assess penalties of up to \$1,000 per day of violation and \$2,500 for each acre-foot diverted or used in excess of a valid water right. (See Water Code, §§ 1052, 1055.) Additionally, if the State Water Board issues a Cease and Desist Order against an unauthorized diversion, violation of any such order can result in penalties of up to \$10,000 per day. (See Water Code, §§ 1831, 1845.) Any State Water Board enforcement action will be based upon the availability of water and be consistent with the reasonable and beneficial use requirement contained in article X, section 2 of the California Constitution. This notice does not establish or impose any new compliance responsibilities. Non-compliance with this notice shall not constitute a basis for the State Water Board's initiation of any enforcement action.

Consistent with the partial rescission of the prior notices, you are not required to complete and file the Curtailment Certification Form (Form) attached to the prior notices. The prior notices stated that there are no exceptions to curtailment, but provided opportunity for persons to inform the State Water Board, through the Form, whether they were under directives issued by the Division of Drinking Water or local health or drinking water regulation to provide continued water service to meet minimum health and safety standards. Although you are not required to complete the Form, you can voluntarily advise the State Water Board of directives regarding your domestic water system operation to facilitate the State Water Board's response to the drought conditions.

The State Water Board also encourages water right holders to assist in the prevention of unlawful diversion of water and in discouraging any waste or unreasonable use of water. To assist the State Water Board, you may file a complaint at: http://www.dtsc.ca.gov/database/CalEPA_Complaint/index.cfm.

We recognize the burden and loss that California's historic drought is causing, and want to assure that others do not illegally benefit from your compliance with the Water Code.

Sincerely,



Thomas Howard
Executive Director



SIERRA COUNTY TRANSMITTAL

DATE: July 24, 2015

TO: Alleghany County Water District
Attn: Rae Bell Arbogast
PO Box 860
Alleghany, CA 95910

FROM: Sierra County Clerk-Recorder's Office
Michelle Burr, Chief Deputy Clerk-Recorder
P.O. Drawer D
Sierra County, CA 95936

Ph: (530) 289-3295
Email: mburr@sierracounty.ca.gov

ITEM: Agreement for Library Rental

Enclosed please find Agreement 2015-081 approved by the Sierra County Board of Supervisors on July 21, 2015. Please obtain necessary signatures and return the original in the enclosed self-addressed stamped envelope to the Clerk-Recorder's Office for finalization. Certified copies will be available upon request.


Thank You.

Michelle Burr

Baker
101 Main
Allegheny
8/03/11

Dear Allegheny County Water District,

I am interested in the job titled "Board Secretary." I have better than basic word processing skills and am willing to be trained for the job; in high school I was a part of student council and have some understanding about the job. As I live in Allegheny as well, I feel eligible for the job, and since the meetings are monthly I am sure that I will be able to attend them, I wish to apply for the job.

Sincerely,
Leslie D. Baker 
Date: 8/03/15

Library-Park Bank Tracking

LIBRARY START				PARK START				TOTAL
Date	Income	Expenses	Balance	Date	Income	Expenses	Balance	
July	\$ 68.50	\$ 909.66	\$ 8,251.32	July	\$ 73.00		\$ 2,439.73	\$ 10,691.05
August	\$ 1,500.00		\$ 9,751.32	August		\$ 153.60	\$ 2,286.13	\$ 12,037.45
September			\$ 9,751.32	September			\$ 2,286.13	\$ 12,037.45
October			\$ 9,751.32	October			\$ 2,286.13	\$ 12,037.45
November			\$ 9,751.32	November			\$ 2,286.13	\$ 12,037.45
December			\$ 9,751.32	December			\$ 2,286.13	\$ 12,037.45
January			\$ 9,751.32	January			\$ 2,286.13	\$ 12,037.45
February			\$ 9,751.32	February			\$ 2,286.13	\$ 12,037.45
March			\$ 9,751.32	March			\$ 2,286.13	\$ 12,037.45
April			\$ 9,751.32	April				
May				May				
June				June				
LIBRARY BALANCE			\$ 9,751.32	PARK BALANCE			\$ 2,286.13	\$ 12,037.45

Register: 1130 - Library/Park Banking

From 06/09/2015 through 08/08/2015

Allegheny County Water District

8/8/2015 10:43 AM

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
06/16/2015			8000 · Library Income:8023 · F...	Deposit		X	100.00	11,459.21
07/03/2015	1052	B & C	2000 · Accounts Payable		393.58	X		11,065.63
07/08/2015	EF-T	PG&E	2000 · Accounts Payable		20.08	X		11,045.55
07/10/2015			12000 · Undeposited Funds	Deposit		X	126.50	11,172.05
07/10/2015			1110 · Main Checking	Library Insurance ex...	496.00	X		10,676.05
07/23/2015	JEFT	Jensen Fasteners	6350 · System Repair & Mainte...		302.55	X		10,373.50
07/24/2015			8100 · Park Income:8110 · Par...	Deposit		X	15.00	10,388.50
08/01/2015	1053	Sierra County Tax Collector	9100 · Park Expenses:9125 · S...		153.60			10,234.90
08/04/2015			8000 · Library Income:8010 · L...	Deposit			1,500.00	11,734.90
08/05/2015			1110 · Main Checking	Jensens' fastners char...			302.55	12,037.45

Alleghany County Water District

8/8/2015 10:42 AM

Register: 1110 · Main Checking

From 06/06/2015 through 08/08/2015

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
07/31/2015	5230	Bruce Coons	-split- WTO Contract Mileage Other Labor	meter box repair.	377.05 -250.00 -77.05 -50.00		7,947.86
08/01/2015	5231	AT & T	6200 · Utilities:6210 · Telephone		15.45		7,932.41
08/01/2015	5232	B & C	-split- Chemicals System Repair & Maintenance	shovel and wasp spray	49.71 -15.16 -34.55		7,882.70
08/01/2015	5233	CSDA	6450 · Permit Fees/Dues		110.00		7,772.70
08/04/2015			-split- Undeposited Funds Unmetered Water Sales Donations to ACWD	Deposit For CSDA membersh...		732.80 612.80 10.00 110.00	8,505.50
08/05/2015	5234	USI Insurance Services	6700 · Insurance		3,772.00		4,733.50
08/05/2015			1130 · Library/Park Banking	Jensens' fastners char...	302.55		4,430.95

Allegheny County Water District

8/8/2015 10:42 AM

Register: 1110 - Main Checking

From 06/06/2015 through 08/08/2015

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
07/03/2015	EFPT	PG&E	2000 · Accounts Payable		358.41	X		4,421.89
07/03/2015	5225	Donna Hauck	2000 · Accounts Payable		400.00	X		4,021.89
07/03/2015	5226	AT & T	2000 · Accounts Payable		15.23	X		4,006.66
07/06/2015			12000 · Undeposited Funds	Deposit		X	184.00	4,190.66
07/06/2015			12000 · Undeposited Funds	Deposit		X	1,341.18	5,531.84
07/06/2015	5227	Cramer Engineering	1300 · Pre-Paid Expenses		500.00	X		5,031.84
07/06/2015	5228	Postmaster	6500 · Office Expense:6560 · P...		49.00	X		4,982.84
07/10/2015			1130 · Library/Park Banking	Library Insurance ex...		X	496.00	5,478.84
07/15/2015			4000 · Operating Income:4100 ...	Deposit		X	586.60	6,065.44
07/24/2015			-split-	Deposit		X	2,560.86	8,626.30
			Undeposited Funds				566.52	
			Metered Water Sales				1,944.57	
			Late Fees				49.77	
07/24/2015	EFPT	PG&E	2000 · Accounts Payable		248.65	X		8,377.65
07/24/2015	EFPT	PG&E	2000 · Accounts Payable		40.09	X		8,337.56
07/27/2015	5229	Postmaster	6500 · Office Expense:6560 · P...		12.65	X		8,324.91

Allegheny County Water District

8/8/2015 10:42 AM

Register: 1110 - Main Checking

From 06/06/2015 through 08/08/2015

Sorted by: Date, Type, Number/Rel

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
06/08/2015	5223	AT & T	6200 · Utilities:6210 · Telephone		15.28 X		4,109.65
06/09/2015			-split- Undeposited Funds	Deposit	X	561.05	4,670.70
			Undeposited Funds			337.49	
			Undeposited Funds			223.56	
06/12/2015	5224	Postmaster	6500 · Office Expense:6560 · P...		49.00 X		4,621.70
06/16/2015			4000 · Operating Income:4100 ...	Deposit	X	361.00	4,982.70
06/24/2015			4000 · Operating Income:4100 ...	Deposit	X	100.00	5,082.70
06/30/2015		PG&E	2000 · Accounts Payable	QuickBooks generate...	X		5,082.70
06/30/2015	5018	Bruce Coons	-split- WTO Contract		367.40 X		4,715.30
			Mileage		-250.00		
			Other Labor		-87.40		
			Other Labor		-30.00		
06/30/2015	5019	Bruce Coons	-split- WTO Contract		175.00 X		4,540.30
			Mileage		-175.00		
			Other Labor				
06/30/2015	5020	Ed Snyder	6000 · Personnel:6040 · Other ...		60.00 X		4,480.30
07/03/2015		Gwiazda	1200 · Accounts Receivable		X	300.00	4,780.30

14-15 Budget Worksheet

Operating Income	14/15 Adopted	14/15 Actual	Notes
Water Sales	\$ 25,000.00	\$ 27,271.80	
Property Tax Revenue	\$ 5,500.00	\$ 4,820.20	
Donations		\$ 100.49	
Total operating income	\$ 30,500.00	\$ 32,192.49	
Operating Expenses			
Insurance	\$ 3,853.00	\$ 3,775.60	
Secretary Contract	\$ 4,800.00	\$ 4,800.00	
Mtr Reader Contract	\$ 200.00	\$ 555.00	trade for water, also added to revenue
WTO Contact	\$ 3,000.00	\$ 3,432.00	includes trade for water added to revenue
Labor	\$ 1,250.00	\$ 1,216.00	
Utilities	\$ 4,200.00	\$ 4,604.19	
Water Tests	\$ 800.00	\$ 1,642.00	
Office Supplies	\$ 950.00	\$ 1,142.24	
System Maint. & Repairs	\$ 1,700.00	\$ 4,653.17	
Permit Fees/Dues	\$ 1,000.00	\$ 807.78	
Mileage	\$ 1,000.00	\$ 1,122.34	
Chemicals	\$ 700.00	\$ 1,067.46	
Misc/Contingency	\$ 267.00	\$ 100.25	put bank fees and propane tank rental here
Loan Payment	\$ 6,780.00	\$ 6,780.00	
Total Operating Expenses	\$ 30,500.00	\$ 35,698.03	
Net Operating profit/loss	\$ -	\$ (3,505.54)	
Non Operating Income			
Library rental	\$ 1,500.00	\$ 1,500.00	
Historical Church Fundraisers		\$ 2,254.88	
Park Fundraisers		\$ 151.00	
Donations Library		\$ 256.91	
Donations Park		\$ 198.05	
Total "other income"	\$ 1,500.00	\$ 4,360.84	
Non Operating Expenses			
Insurance Historical Church	\$ 225.00	\$ 250.00	
Utilities Historical Church	\$ 150.00	\$ 191.49	
Repairs/Maint. Library	\$ 1,000.00	\$ 782.88	
H. Church Fundraiser Expense		\$ 1,369.70	Added computer expense here (website)
Bank Fees		\$ 28.00	
Supplies Library		\$ 25.90	
Solid Waste/Taxes H. Church	\$ 125.00	\$ -	
Park Fundraiser Expense			
Park improvements		\$ 227.31	
Park Supplies and Maint.		\$ 323.85	
Solid Waste Fee Park		\$ 124.72	
Park Event Expense		\$ 200.00	
Total "other expenses"	\$ 1,500.00	\$ 3,523.85	\$ -
Net Profit/Loss "other"	\$ -	\$ 836.99	
Total Profit/Loss	\$ -	\$ (2,668.55)	

Library-Park Bank Tracking

				Total Account Balance	
					\$ 11,459.21
LIBRARY START	\$ 9,092.48				
Date	Income	Expenses	Balance	Date	Income
July	\$ 68.50	\$ 909.66	\$ 8,251.32	July	\$ 73.00
August	\$ 1,500.00		\$ 9,751.32	August	
September			\$ 9,751.32	September	\$ 153.60
October			\$ 9,751.32	October	
November			\$ 9,751.32	November	
December			\$ 9,751.32	December	
January			\$ 9,751.32	January	
February			\$ 9,751.32	February	
March			\$ 9,751.32	March	
April			\$ 9,751.32	April	
May				May	
June				June	
LIBRARY BALANCE			\$ 9,751.32	PARK BALANCE	
					\$ 2,286.13
					\$ 12,037.45

UN-audited

9:46 AM

Alleghany County Water District

Balance Sheet

As of June 30, 2015

08/05/15

Accrual Basis

	Jun 30, 15
ASSETS	
Current Assets	
Checking/Savings	
1110 · Main Checking	4,480.30
1130 · Library/Park Banking	11,459.21
Total Checking/Savings	15,939.51
Accounts Receivable	
1200 · Accounts Receivable	966.52
Total Accounts Receivable	966.52
Other Current Assets	
12000 · Undeposited Funds	1,651.68
1300 · Pre-Paid Expenses	8.00
Total Other Current Assets	1,659.68
Total Current Assets	18,565.71
Fixed Assets	
1500 · Fixed Assets	
1505 · Land	101,000.00
1510 · Buildings	10,544.00
1515 · Water System	718,000.00
Total 1500 · Fixed Assets	829,544.00
1600 · Accumulated Depreciation	
1605 · Acc. Depreciation Buildings	-10,544.00
1610 · Accumulated Depreciation System	-551,333.00
Total 1600 · Accumulated Depreciation	-561,877.00
Total Fixed Assets	267,667.00
TOTAL ASSETS	286,232.71
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	1,476.04
Total Accounts Payable	1,476.04
Other Current Liabilities	
2400 · Current Portion Long Term Debt	5,937.00
Total Other Current Liabilities	5,937.00
Total Current Liabilities	7,413.04
Long Term Liabilities	
2910 · Loan USDA	15,393.92
2920 · Less Current Portion USDA Loan	-5,937.00
Total Long Term Liabilities	9,456.92
Total Liabilities	16,869.96
Equity	
3200 · Retained Earnings	9,001.99
3210 · Investment in Fixed Assets	267,667.00
3220 · Debt Financing Adjustment	16,733.50
3230 · Opening Balance Equity	-21,371.19
Net Income	-2,668.55
Total Equity	269,362.75
TOTAL LIABILITIES & EQUITY	286,232.71

un-audited

9:46 AM

Alleghany County Water District

Profit & Loss

08/05/15

July 2014 through June 2015

Accrual Basis

	<u>Jul '14 - Jun 15</u>
Ordinary Income/Expense	
Income	
4000 · Operating Income	
4100 · Water Sales	26,680.91
4130 · Reconnect fees	300.00
4200 · Property Tax Revenue	4,820.20
4800 · Late Fees	290.89
	<hr/>
Total 4000 · Operating Income	32,092.00
5000 · Other Income Water Operation	
5100 · Donations to ACWD	100.49
	<hr/>
Total 5000 · Other Income Water Operation	100.49
Total Income	<hr/> 32,192.49
Gross Profit	32,192.49
Expense	
6000 · Personnel	
6010 · WTO Contract	3,432.00
6020 · Secretary Contract	4,800.00
6030 · Meter Reader	555.00
6040 · Other Labor	1,216.00
	<hr/>
Total 6000 · Personnel	10,003.00
6200 · Utilities	
6210 · Telephone	190.17
6220 · PG & E	4,027.19
6230 · Propane	386.83
	<hr/>
Total 6200 · Utilities	4,604.19
6250 · Mileage	1,122.34
6340 · Water Tests	1,642.00
6350 · System Repair & Maintenance	4,653.17
6355 · Rent Expense	72.00
6400 · Chemicals	1,067.46
6440 · Solid Waste Fee	15.58
6450 · Permit Fees/Dues	792.20
6500 · Office Expense	
6550 · Computer	350.00
6555 · Office Supplies	352.73
6560 · Postage	411.51
6570 · Printing and Reproduction	28.00
	<hr/>
Total 6500 · Office Expense	1,142.24
6620 · Bank Service Charges	28.25
6700 · Insurance	3,775.60
7000 · Debt Service	
7010 · Principle Payments USDA Loan	5,817.49
7020 · Interest Payments USDA Loan	962.51
	<hr/>
Total 7000 · Debt Service	6,780.00
Total Expense	<hr/> 35,698.03
Net Ordinary Income	-3,505.54
Other Income/Expense	
Other Income	
8000 · Library Income	
8010 · Library Rental	1,500.00
8020 · Library Fundraisers	
8021 · Concert Income	2,086.38
	<hr/>

Alleghany County Water District

Profit & Loss

July 2014 through June 2015

08/05/15

Accrual Basis

	Jul '14 - Jun 15
Total 8020 · Library Fundraisers	2,086.38
8023 · F.O.L. & Booksale	168.50
8030 · Donations Historical Church	256.91
Total 8000 · Library Income	4,011.79
8100 · Park Income	
8110 · Park Fundraisers	151.00
8120 · Donations Park	198.05
Total 8100 · Park Income	349.05
Total Other Income	4,360.84
Other Expense	
9000 · Library Expenses	
9010 · Insurance Library	250.00
9011 · Bank Fees Library/Park Account	28.00
9015 · Utilities Library	191.49
9020 · Repairs & Maint. Library	782.88
9022 · Supplies & Small Equipment	25.90
9023 · Library computer expense	111.57
9030 · Library Fundraiser Exp.	
9031 · Concert Expense	1,258.13
Total 9030 · Library Fundraiser Exp.	1,258.13
Total 9000 · Library Expenses	2,647.97
9100 · Park Expenses	
9120 · Park Improvements	227.31
9122 · Park Supplies and Maintenance	323.85
9125 · Solid Waste Fee Park	124.72
9130 · Park Event Expense	200.00
9100 · Park Expenses - Other	0.00
Total 9100 · Park Expenses	875.88
Total Other Expense	3,523.85
Net Other Income	836.99
Net Income	-2,668.55



**California Special
Districts Association**
Districts Stronger Together

2016 Legislative Proposal Submission Form

CONTACT INFORMATION

Name: Rae Bell Arbogast Phone Number: 530-287-3223
Title: President Email: alleg hanywater@gmail.com
District: Alleghany County Water District

PROPOSAL BACKGROUND

Please provide as much detail as possible in response to the following questions. Attachments are welcome. Please submit this form and any attachments to nickc@csda.net by October 23, 2015.

What is the problem you are seeking to resolve or opportunity you are seeking to develop?

I am familiar with the fact that other types of special districts are permitted to have a board member serve as the Secretary. However the section of code that regulates county water districts, specifically section 30541 states that a director shall not be the secretary. For areas with a small population base such as ours any time that duties can be doubled up it is an advantage. It can make the difference between having a vacancy or not on the board.

How long has this issue existed? What have been the impacts to your district?

I do not know when the water code was written. Currently we have a board member who is willing to serve as secretary on a volunteer basis. However, because of the water code she would have to give up her position as director in order to assume the post of secretary. We have a difficult time keeping a full board, so prefer to keep her as a director. Our budget is only \$30,000 per year. As a very small district in a disadvantaged community we lack the "economics of scale" needed to be able to pay all of our staff. We rely heavily on volunteer help to keep the district going.

What is the legislative solution to this issue? Would this be an appropriate solution for all types of special districts?

Change code section 30541 deleting the word "Secretary". This section of code only applies to county water districts.

Are there any known supporters or opponents to this solution?

I do not know of any reason to oppose this since other types of special districts are permitted to have a board member also be the secretary. I know of no opposition. I have not canvassed to see what kind of support is out there (I am a volunteer myself!)

Will any direct or indirect costs result from the proposed solution?

In the case of our district this would save us the cost of paying a Secretary.

Are there any other considerations or comments you would like to share?

I realize that rural districts face different challenges than urban districts. I appreciate the opportunity to bring this to your attention.

THANK YOU FOR YOUR SUBMISSION!

**THIS FORM AND SUPPORTING MATERIALS SHOULD BE SUBMITTED BY OCTOBER 23, 2015 TO
NICKC@CSDA.NET**

Resolution No. 93

A RESOLUTION ESTABLISHING BANK ACCOUNTS AT TRI COUNTIES BANK

WHEREAS:

1. Alleghany County Water District must deposit all district monies in a banking institution with FDIC insurance and that meets the district's needs.
2. One such need of Alleghany County Water District is the option to mail deposits to a local branch.
3. Another such need is the option of having the bank signors come in on different days to sign signature cards.
4. The district also needs online banking that provides images of all cancelled checks.
5. The district needs a credit card for certain purchases.
6. Tri counties bank meets all of the needs listed above and can provide a credit card to the district.

THEREFORE BE IT RESOLVED THAT:

1. Alleghany County Water District Board of Directors authorizes the President of said Board to establish two bank accounts at tri county bank's Nevada City Branch, 305 Railroad Avenue.
2. The signors on both bank accounts shall be: Sherrie Allen, Rae Bell Arbogast, Madeleine Hamb, Robbin DeWeese and Larry Vieira.
3. The President is also authorized to open a credit card account in the name of Alleghany County Water District.

CERTIFICATION

The undersigned Clerk of the Board does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the Alleghany County Water District held on August 11, 2015 by the following vote:

AYE: Allen, Arbogast, DeWeese, Hamb, Vieira

NAY:

ABSENT:

ABSTAIN:

Signature: Leslie D. Baker 

By: Leslie D. Baker
Secretary/Clerk of the Board
Alleghany County Water District

Resolution No. 94

**A RESOLUTION AUTHORIZING THE PRESIDENT
TO CLOSE OUT THE BANK ACCOUNTS AT BANK OF AMERICA**

WHEREAS:

1. Alleghany County Water District wishes to conduct its banking with a bank that meets the needs of the district.
2. One such need of Alleghany County Water District is the ability to mail deposits to a local branch.
3. Another such need is the option of having the bank signors come in on different days to sign signature cards.
4. Bank of America does not meet the needs listed above.

THEREFORE BE IT RESOLVED THAT: the Alleghany County Water District Board of Directors authorizes the President of said Board to transfer the balance of both account number 0011 2363 0792 and account number 0011 2374 2341 to the new banking institution as established by resolution 93 as soon as possible.

CERTIFICATION

The undersigned Clerk of the Board does hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the Alleghany County Water District held on August 11, 2015 by the following vote:

AYE: Allen, Arbogast, DeWeese, Hamb, Vieira

NAY:

ABSENT:

ABSTAIN:

Signature: Leslie D. Baker

By: Leslie D. Baker
Secretary/Clerk of the Board
Alleghany County Water District

SUSP

SPECIALIZED UTILITY SERVICES PROGRAM



4131 Northgate Boulevard
Sacramento, CA 95834
toll-free: 800.833.0322
phone: 916.553.4900
fax: 916.553.4904
www.colhuralwater.org

Alleghany CWD Rate Review

Table of Contents

1. Introduction

2. Rate Review

- Section 1. Capital Replacement and Reserve Calculations
- Section 2. System Budget
- Section 3. Fixed Vs. Variable Expenses
- Section 4. Actual Calculated Rates

3. Rate Study Summary and Conclusions



1. Rate Review Introduction

I was asked by the District staff to take a look at the water rates, and to provide some information on where the system currently stands and what the future holds for the system.

Rates are always controversial and difficult to deal with from the perspective of the public versus the District. I have attended many public meetings, Prop 218 meetings, committee meetings, and staff meetings over the years and they all typically have the same set of issues:

- Public perception
- Regulatory requirements
- Rate amount or increment amounts
- Implementation plans
- Public information and education

In most cases, the individuals involved in the process consist of a mixture of District staff, public committee members, and board members. The issues are typically straight forward, but almost always get lost in the politics and personal concerns of all those involved, including the general public, and in this case, the District's customers.

When I look at the rates and rate structures in any situation, I will try and answer specific questions such as:

- Are they currently able to fund expenditures?
- Do they have appropriate reserves and CIP/CRP reserves?
- What kind of shape is the infrastructure in?
- Are they in regulatory compliance?
- Are they able to schedule needed projects as identified in a master plan?
- Do they have a master plan?

All of these issues create a picture of the system that will dictate the financial requirements of the enterprise accounts, be it water or sewer. So it is really up to the system where they want the rates to be. You have to do just a couple of things; pay the bills and be in compliance with regulatory requirements. Anything else is a choice made by the District staff.

In most cases, you also have certain financial criteria mandated by all of the different funding agencies within the State. So if you intend to seek public funding for infrastructure projects, the terms and conditions of receiving any loans or grants will apply to the District, and typically carry certain criteria for reserves of debt service and insurance requirements that will ultimately affect the cost of providing service to your customers.

There are also accepted standards and practices within municipal finance and operations that are considered good business; such as establishing reserves for equipment, funding preventative maintenance programs, funding normal system infrastructure maintenance, funding system depreciation, establishing and funding capital improvement plans (CIP), etc. There is a big difference between paying the bills and managing your District's infrastructure.

Based on my review of the District's operating budgets and financial information, I believe that overall the system is meeting financial obligations, but it is not setting enough money aside for reserves and needed projects to keep up with the system's maintenance needs.

The rate study as presented is divided into 4 sections as follows:

Section 1. Capital Replacement and Reserve Calculations

This section is used to calculate several items that are instrumental in determining the appropriate rates. We utilize this worksheet to determine the annual and monthly payments for any new loans or debt service, and to perform capital improvement calculations to ensure the funds are set aside and in place for both short term and long term needed improvements to the system. We also can calculate the value of your current infrastructure and determine the amount the system would like to set aside to fund capital improvements to the existing system.

In this case, we used existing water master information and amounts for the Capital Replacement section (CRP) and the Capital Improvement section (CIP). These numbers represent the approximate cost of the various improvement projects amortized over 5 years.

The totals in each area are then carried over to the next section.



Exhibit 1

**Capital Replacement Program
Reserve Calculation**

Exhibit 1

System Name: Alleghany CWD

Date: 5/20/2015

System Number:

Service Connections: 59

Qty	Component	Unit Cost	Installed Cost	Existing Reserve	Avg. Life Rem.	Annual Reserve	Mon. Res.	Res. Per Cust.
Capital Replacement Program								
1	Water Storage Tank	\$26,912	\$26,912	\$0	5	\$5,382.30	\$448.53	\$7.60
5850	6" water pipeline	\$9	\$50,837	\$0	5	\$10,167.30	\$847.28	\$14.36
2750	2" water pipeline	\$2	\$4,950	\$0	5	\$990.00	\$82.50	\$1.40
26	12" CMP Culvert and Conductor Pipe	\$16	\$416	\$0	5	\$83.20	\$6.93	\$0.12
4	6" Gate Valve Assembly	\$253	\$1,012	\$0	5	\$202.40	\$16.87	\$0.29
4	2" Gate Valve Assembly	\$168	\$672	\$0	5	\$134.40	\$11.20	\$0.19
2	Air Release Valve Assembly	\$337	\$674	\$0	5	\$134.80	\$11.23	\$0.19
9	Fire Hydrant Assembly	\$1,045	\$9,405	\$0	5	\$1,881.00	\$156.75	\$2.66
42	Single Service Assembly w/o meter	\$350	\$14,700	\$0	5	\$2,940.00	\$245.00	\$4.15
7	Double Service Assembly w/o meter	\$430	\$3,010	\$0	5	\$602.00	\$50.17	\$0.85
2	Single Service Assembly with meter	\$808	\$1,616	\$0	5	\$323.20	\$26.93	\$0.46
2	2" service w/o meter	\$500	\$1,000	\$0	5	\$200.00	\$16.67	\$0.28
1	treatment plant	\$173,000	\$173,000	\$0	20	\$8,650.00	\$720.83	\$12.22
Subtotal New Capital Replacement Program			\$288,203			\$31,690.60	\$2,640.88	\$44.76
New Project Program								
1			\$0	\$0	30	\$0.00	\$0.00	\$0.00
1			\$0	\$0	30	\$0.00	\$0.00	\$0.00
Subtotal New project Program			\$0	\$0		\$0.00	\$0.00	\$0.00
Total Capital Programs			\$288,203			\$31,690.60	\$2,640.88	\$44.76

Section 2. System Budget

This worksheet utilizes the system's current budget numbers, the CIP numbers from Section 1, and any reserves or set asides that the system desires for future improvements or additions to the system's infrastructure.

In Section 2, we determine the total amount of the desired revenue that the system needs to operate on a day to day basis, fund any infrastructure loans - meaning debt service and reserve requirements of the loans, and set aside reserve funds for needed improvements to the system over a given time.

This worksheet also provides a 5-year projection of budgeted expenses based on a 2% increase each year. The rate increase corresponds to the 2% inflation factor, and will go up each year effective July 1st. This will enable the District to keep the rates in tune with the rising cost of doing business, and eliminate that drastic increase that happens every 5 to 10 years when utility rates are not adjusted over a long period of time.



Exhibit 2

Budget							Exhibit 2
Allegheny CWD		Inflation Factor (%): 2.00%		Date: 5/20/2015		System Number: 0	
EXPENSES AND SOURCES OF FUNDS	2014	2015	2016	2017	2018		
OPERATIONS & MAINTENANCE EXPENSES							
Utilities	4,592.09	4,683.93	4,777.61	4,873.16	4,970.63		
Water Tests	866.00	883.32	900.99	919.01	937.39		
System Repairs & Maintenance	1,547.97	1,578.93	1,610.51	1,642.72	1,675.57		
Chemicals	642.11	654.95	668.05	681.41	695.04		
Total Operation and Maintenance Expenses:	7,648.17	7,801.13	7,957.16	8,116.30	8,278.63		
GENERAL & ADMINISTRATIVE EXPENSES							
Personnel	9,117.00	9,299.34	9,485.33	9,675.03	9,868.53		
Mileage	1,004.59	1,024.68	1,045.18	1,066.08	1,087.40		
Rent Expense	72.00	73.44	74.91	76.41	77.94		
Solid Waste Fee	77.94	79.50	81.09	82.71	84.36		
Permit Fees/Dues	649.00	661.98	675.22	688.72	702.50		
Office Expense	1,645.70	1,678.61	1,712.19	1,746.43	1,781.36		
Bank Service Charges	36.00	36.72	37.45	38.20	38.97		
Insurance	3,727.40	3,801.95	3,877.99	3,955.55	4,034.66		
Debt Service - USDA Loan (P&I)	6,780.00	6,780.00	6,780.00	6,780.00	6,780.00		
Capital Replacement Program	0.00	31,690.60	31,690.60	31,690.60	31,690.60		
New Project Program	0.00	0.00	0.00	0.00	0.00		
Total General and Administrative Expenses:	23,109.63	55,126.82	55,459.95	55,799.73	56,146.32		
TOTAL EXPENSES (Line 12+ Line 26):	30,757.80	62,927.96	63,417.10	63,916.03	64,424.94		
SOURCE OF FUNDS / REVENUES RECEIVED							
Cash Revenues (Water rates)	27,704.51	54,780.16	55,875.76	56,993.27	58,133.14		
Other Income	6,314.60	6,440.89	6,569.71	6,701.10	6,835.13		
Property Tax Revenue	4,982.28	5,081.93	5,183.56	5,287.24	5,392.98		
TOTAL REVENUE (Lines 31 through 33):	39,001.39	66,302.97	67,629.03	68,981.61	70,361.25		
NET LOSS OR GAIN:	8,243.59	3,375.02	4,211.93	5,065.58	5,936.30		
NET CASH FLOW (Contribution to Reserves)	8,243.59	35,065.62	35,902.53	36,756.18	37,626.90		

Total non-water rates revenue	\$11,296.88	\$11,522.82	\$11,753.27	\$11,988.34	\$12,228.11
-------------------------------	-------------	-------------	-------------	-------------	-------------

Section 3. Fixed Vs Variable Expenses

In Section 3, we utilize the total budgeted expenses for the system, including funded reserves and CIP numbers, to determine the fixed versus variable expenses.

A fixed expense, by accounting definitions, is an expense that is regularly reoccurring for all of your customers. In determining fixed expenses for the rate study, we looked at the expenses that all customers should share in, no matter what size meter or classification the customer may be within the current billing system.

A variable expense, by accounting definitions, is an expense that fluctuates for whatever reason and is not typically the same from month to month. In determining the variable expenses for the rate study, we look at expenses that are directly related to water use, such as power or treatment chemicals.

This worksheet allows us to assign a percentage of each expense being a fixed or variable expense, and then calculates the total percentage of fixed versus variable expenses.

In the case of Alleghany County Water District, we took all of budgeted items and broke them down and assigned them in the model as a fixed or variable cost. The end results came back with 75% of your budgeted costs as fixed and 25% of costs as variable.



Exhibit 3



Exhibit 3

Fixed Vs Variable Expenses

	Amount	% Fixed	\$ Fixed	\$ Variable
OPERATIONS & MAINTENANCE EXPENSES				
Utilities	\$4,683.93	50%	\$2,342	\$2,342
Water Tests	\$883.32	60%	\$530	\$353
System Repairs & Maintenance	\$1,578.93	50%	\$789	\$789
Chemicals	\$654.95	50%	\$327	\$327
Total Operation and Maintenance Expenses:	\$7,801.13		\$3,989	\$3,812
GENERAL & ADMINISTRATIVE EXPENSES				
Personnel	\$9,299.34	75%	\$6,975	\$2,325
Mileage	\$1,024.68	75%	\$769	\$256
Rent Expense	\$73.44	75%	\$55	\$18
Solid Waste Fee	\$79.50	75%	\$60	\$20
Permit Fees/Dues	\$661.98	75%	\$496	\$165
Office Expense	\$1,678.61	75%	\$1,259	\$420
Bank Service Charges	\$36.72	75%	\$28	\$9
Insurance	\$3,801.95	75%	\$2,851	\$950
Debt Service - USDA Loan (P&I)	\$6,780.00	80%	\$5,424	\$1,356
Capital Replacement Program	\$31,690.60	80%	\$25,352	\$6,338
New Project Program	\$0.00	80%	\$0	\$0
Total General and Administrative Expenses:	\$55,126.82		\$43,268.65	\$11,858.18
TOTALS				
Total All Expenses	\$62,927.96		\$47,257.55	\$15,670.41
Total Expense amount to be funded by rate revenue	\$51,405.14		\$41,496.14	\$9,909.00
Fixed-Variable as % of all Expenses			75.10%	24.90%

Assume this relationship between fix/var expenses remains the same over the next five years.

Section 4. Actual Calculated Rates

Base Rate Calculation

This section takes the total amount of the fixed costs and divides it by the number of customers. We will then calculate the monthly rate by dividing the total annual cost by 12 months. The monthly base rate that is established is for $\frac{5}{8}$ by $\frac{3}{4}$ inch residential meter size. We then calculate the base rate for larger meters based on the readily available amount of water that will flow through a 1 inch meter and larger increasing the base rate by the amount of water that is available based on the meter size. The goal is to represent all the meter sizes you have in your system. This is much more fair then using residential, business, or industrial classifications for customers.

In the case of Alleghany CWD, because we are already making significant adjustments to the existing rate structure, we decided to put in place a simplified version of the system's original base rate structure, and adjust the rate amounts.

Usage Rate Calculations

This section takes the variable amount from Section 3, and shows us the usage charge per 1,000/gallons of water. In this section, we utilize the water usage and production numbers to determine an appropriate average for each customer classification that the system has, and then that number is used to determine the price per 1,000/gallons. This then will calculate the amount of expected revenue from water sales based on the system's current usage numbers.

The District's water use information shows what is considered normal use, which is 100/gal per person per/day. However, given the size of the District, it may be that the usual water usage amounts don't apply. Also, normal use is almost always figured on a family of four and that may not be the standard household size in Alleghany.

Any time that you have a change in rates or rate structures, and in this case both, education of the District board and staff, as well as the public, is essential, and I would be glad to assist in any way that the District feels will help in that regard.



Exhibit 4.a

Total Rate Revenue (Base and Estimated Usage)	
Needed Total Revenue	\$51,405.14
Estimated Water Revenue with Below rates	\$53,706.04

Base Rates

Recommened Average Yearly Base Rate Per Customer	\$703.32
Recommened Average Monthly Base Rate Per Customer	\$58.61
Recommened Total Yearly Base Rate Revenue	\$41,496.14

Base Rate Calculation							
				2016	2017	2018	2019
Customer Class	# of Connections	Proposed Base Rate		2%	2%	2%	2%
Single Fmaily Residential	45.00	\$60.00		\$61.20	\$62.42	\$63.67	\$64.95
Multi-Family Residential	7.00	\$60.00		\$61.20	\$62.42	\$63.67	\$64.95
Commerical	6.00	\$60.00		\$61.20	\$62.42	\$63.67	\$64.95
	0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
	0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
	0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
	0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
	0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
	0.00	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00
		Average Total Monthly Base Rate Per Customer					
		\$60.00					
		Average Total Yearly Base Rate Per Customer					
		\$720.00	734.4	749.088	764.06976	779.3511552	
	Total # of Connections	Total Yearly Revenue from Base Rate					
	59.00	\$42,480.00	\$43,329.60	\$44,196.19	\$45,080.12	\$45,981.72	

Exhibit 4.b

Usage Rates

Recommeneded Yearly Usage Revenue	\$9,909,002
-----------------------------------	-------------

Usage Rate Calculation							
				2016	2017	2018	2019
Tier	Tier Cap Amount in gallons	Price per 1000/gallons	Example Monthly Usage Bill	2%	2%	2%	2%
1 (up to)	3,000	\$0.75	\$2.25	\$0.77	\$0.78	\$0.80	\$0.81
2	4,000	\$1.25	\$5.00	\$1.28	\$1.30	\$1.33	\$1.35
3	5,000	\$2.50	\$12.50	\$2.55	\$2.60	\$2.65	\$2.71
4 (and up)	5,001	\$5.00	\$25.01	\$5.10	\$5.20	\$5.31	\$5.41

Estimated Yearly Usage Revenue=	\$11,226.04	\$11,450.56	\$11,679.57	\$11,913.16	\$12,151.42
---------------------------------	-------------	-------------	-------------	-------------	-------------

Section 5. Rate Study Summary and Conclusions

The Allegheny County Water District is in a good position to get projects funded via one of the State or Federal agencies that have infrastructure funding programs. One of the things that funding agencies will look at is the system's rates and rate structures and how they maintain and operate, both in the field and from a management stand point. The criteria they use to evaluate a District or a City is an assessment tool referred to as a TMF. This tool measures or rates the system in its ability to operate efficiently in a **T**echnical, **M**anagerial, and **F**inancial capacity.

The District is getting ahead of the curve in choosing to examine the rates and where they are to ensure the TMF capacity of the system is rated in a positive manner. A few of the questions you should be looking to answer when considering a rate increase are listed below:

- Are you able to fund expenditures/budget?
- Are you able to fund appropriate reserves and CIP reserves?
- Are you in regulatory compliance?
- Are you able to fund needed projects as identified in a master plan?

The District will need to educate the customers in an ongoing manner on:

- How to read the new water bills
- Water use information and conservation ideas
- Water use practices do's and don'ts for your customers
- Public information on upcoming projects for the system
- Promote the system's viability
- Partnering in the system's conservation efforts
- Promote water quality

The District will need to consult with legal counsel on the Prop 218 process and be prepared to answer questions and concerns regarding the rate increase and the reasons for the new rates.

I would encourage the District to have operations and administrative staff begin comparing the system's production with water sales through the meters, and track that every billing cycle. Most modern billing programs will provide you with that feature built into the program. This is valuable information to be able to confirm, as it will be an indicator of how efficiently your infrastructure moves the water from the source to your customers. You will also be able to analyze your water usage in ways that will assist you in tracking unauthorized and authorized uses of the water via appurtenances like hydrants and bulk filling stations within the distribution system. Currently the state considers 10% unaccounted for water as normal. This means that if you produce 1,000 gallons of water and you can only account for 900 gallons then that is an acceptable amount of water loss, or unaccounted for water.

If I or any other CRWA/SUSP staff can be of assistance in this process, please do not hesitate to contact us.

**Capital Replacement Program
Reserve Calculation**

Exhibit 1

System Name: Alleghany CWD

Date: 8/6/2015
 System Number:
 Service Connections: 59

Qty	Component	Unit Cost	Installed Cost	Existing Reserve	Avg. Life Rem.	Annual Reserve	Mon. Res.	Res. Per Cust.
Capital Replacement Program								
1	Water Storage Tank	\$26,912	\$26,912	\$0	5	\$5,382.30	\$448.53	\$7.60
5850	6" water pipeline	\$9	\$50,837	\$0	5	\$10,167.30	\$847.28	\$14.36
2750	2" water pipeline	\$2	\$4,950	\$0	5	\$990.00	\$82.50	\$1.40
26	12" CMP Culvert and Conductor Pipe	\$16	\$416	\$0	5	\$83.20	\$6.93	\$0.12
4	6" Gate Valve Assembly	\$253	\$1,012	\$0	5	\$202.40	\$16.87	\$0.29
4	2" Gate Valve Assembly	\$168	\$672	\$0	5	\$134.40	\$11.20	\$0.19
2	Air Release Valve Assembly	\$337	\$674	\$0	5	\$134.80	\$11.23	\$0.19
9	Fire Hydrant Assembly	\$1,045	\$9,405	\$0	5	\$1,881.00	\$156.75	\$2.66
42	Single Service Assembly w/o meter	\$350	\$14,700	\$0	5	\$2,940.00	\$245.00	\$4.15
7	Double Service Assembly w/o meter	\$430	\$3,010	\$0	5	\$602.00	\$50.17	\$0.85
2	Single Service Assembly with meter	\$808	\$1,616	\$0	5	\$323.20	\$26.93	\$0.46
2	2" service w/o meter	\$500	\$1,000	\$0	5	\$200.00	\$16.67	\$0.28
1	treatment plant	\$173,000	\$173,000	\$0	20	\$8,650.00	\$720.83	\$12.22
Subtotal New Capital Replacement Program			\$0			\$0.00	\$0.00	\$0.00
New Project Program								
1			\$0	\$0	30	\$0.00	\$0.00	\$0.00
1			\$0	\$0	30	\$0.00	\$0.00	\$0.00
Subtotal New project Program			\$0	\$0		\$0.00	\$0.00	\$0.00
Total Capital Programs			\$0			\$0.00	\$0.00	\$0.00

Budget
Alleghany CWD

Exhibit 2

Inflation Factor (%): 2.00%
 Date: 8/6/2015
 System Number: 0

EXPENSES AND SOURCES OF FUNDS	2014	2015	2016	2017	2018
OPERATIONS & MAINTENANCE EXPENSES					
Utilities	4,592.09	4,683.93	4,777.61	4,873.16	4,970.63
Water Tests	866.00	883.32	900.99	919.01	937.39
System Repairs & Maintenance	1,547.97	6,200.00	6,324.00	6,450.48	6,579.49
Chemicals	642.11	654.95	668.05	681.41	695.04
Total Operation and Maintenance Expenses:	7,648.17	12,422.20	12,670.65	12,924.06	13,182.54
GENERAL & ADMINISTRATIVE EXPENSES					
Personnel	9,117.00	10,000.00	10,200.00	10,404.00	10,612.08
Mileage	1,004.59	1,024.68	1,045.18	1,066.08	1,087.40
Rent Expense	72.00	73.44	74.91	76.41	77.94
Solid Waste Fee	77.94	79.50	81.09	82.71	84.36
Permit Fees/Dues	649.00	661.98	675.22	688.72	702.50
Office Expense	1,645.70	1,678.61	1,712.19	1,746.43	1,781.36
Bank Service Charges	36.00	36.72	37.45	38.20	38.97
Insurance	3,727.40	6,500.00	6,630.00	6,762.60	6,897.85
Debt Service - USDA Loan (P&I)	6,780.00	6,780.00	6,780.00	6,780.00	6,780.00
Capital Replacement Program	0.00	0.00	0.00	0.00	0.00
New Project Program	0.00	0.00	0.00	0.00	0.00
Total General and Administrative Expenses:	23,109.63	26,834.93	27,236.03	27,645.15	28,062.46
TOTAL EXPENSES (Line 12+ Line 26):	30,757.80	39,257.14	39,906.68	40,569.21	41,245.00
SOURCE OF FUNDS / REVENUES RECEIVED					
Cash Revenues (Water rates)	27,704.51	36,269.95	36,995.35	37,735.26	38,489.97
Other Income	6,314.60	6,440.89	6,569.71	6,701.10	6,835.13
Property Tax Revenue	4,982.28	5,081.93	5,183.56	5,287.24	5,392.98
TOTAL REVENUE (Lines 31 through 33):	39,001.39	47,792.77	48,748.63	49,723.60	50,718.07
NET LOSS OR GAIN:	8,243.59	8,535.63	8,841.95	9,154.39	9,473.07
NET CASH FLOW (Contribution to Reserves)	8,243.59	8,535.63	8,841.95	9,154.39	9,473.07

Fixed Vs Variable Expenses



Exhibit 3

	Amount	% Fixed	\$ Fixed	\$ Variable
OPERATIONS & MAINTENANCE EXPENSES				
Utilities	\$4,683.93	60%	\$2,810	\$1,874
Water Tests	\$883.32	60%	\$530	\$353
System Repairs & Maintenance	\$6,200.00	60%	\$3,720	\$2,480
Chemicals	\$654.95	60%	\$393	\$262
Total Operation and Maintenance Expenses:	\$12,422.20		\$7,453	\$4,969
GENERAL & ADMINISTRATIVE EXPENSES				
Personnel	\$10,000.00	80%	\$8,000	\$2,000
Mileage	\$1,024.68	80%	\$820	\$205
Rent Expense	\$73.44	80%	\$59	\$15
Solid Waste Fee	\$79.50	80%	\$64	\$16
Permit Fees/Dues	\$661.98	80%	\$530	\$132
Office Expense	\$1,678.61	80%	\$1,343	\$336
Bank Service Charges	\$36.72	80%	\$29	\$7
Insurance	\$6,500.00	80%	\$5,200	\$1,300
Debt Service - USDA Loan (P&I)	\$6,780.00	100%	\$6,780	\$0
Capital Replacement Program	\$0.00	80%	\$0	\$0
New Project Program	\$0.00	80%	\$0	\$0
Total General and Administrative Expenses:	\$26,834.93		\$22,823.95	\$4,010.99
Total All Expenses	\$39,257.14		\$30,277.27	\$8,979.87
Total Expense amount to be funded by rate revenue	\$27,734.32		\$24,515.86	\$3,218.46
Fixed-Variable as % of all Expenses			77.13%	22.87%

Assume this relationship between fix/var expenses remains the same over the next five years.

Base Rates

Recommended Average Yearly Base Rate Per Customer	\$486.60
Recommended Average Monthly Base Rate Per Customer	\$40.55
Recommended Total Yearly Base Rate Revenue	\$27,736.31

Base Rate Calculation

Customer Class	# of Connections	Proposed Base Rate	2016	2017	2018	2019
Single-Family Residential	45,000	\$40.00	2%	2%	2%	2%
Multi-Family Residential	6,000	\$40.00	\$40.80	\$41.62	\$42.45	\$43.30
Commercial	6,000	\$40.00	\$40.80	\$41.62	\$42.45	\$43.30
	0,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0,000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		Average Total Monthly Base Rate Per Customer				
		\$40.00				
		Average Total Yearly Base Rate Per Customer				
		\$480.00				
		Total # of Connections				
		57,000				
		Total Yearly Revenue from Base Rate	\$27,907.20	\$28,465.34	\$29,034.65	\$29,615.34

Usage Rates

Recommended Yearly Usage Revenue \$6,438,906

Usage Rate Calculation

Tier	Tier Cap Amount in gallons	Price per 1000/gallons	Example Monthly Usage Bill	2016	2017	2018	2019
				2%	2%	2%	2%
1 (up to)	3,000	\$0.50	\$1.50	\$0.51	\$0.52	\$0.53	\$0.54
2	4,000	\$1.00	\$4.00	\$1.02	\$1.04	\$1.06	\$1.08
3	5,000	\$1.50	\$7.50	\$1.53	\$1.56	\$1.59	\$1.62
4 (and up)	5,001	\$2.00	\$10.00	\$2.04	\$2.08	\$2.12	\$2.16
		Estimated Yearly Usage Revenue=	\$6,453.83	\$6,582.91	\$6,714.57	\$6,848.86	\$6,985.84

*** CLAIMS**
Alleghany County Water District
Check Detail
 June 9 through August 8, 2015

Put in minutes folder after meeting

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check		06/30/2015	PG&E		1110 - Main Checking		0.00
General Journal	43	06/30/2013	PG&E		2000 - Accounts Payable	0.00	-480.45
TOTAL						0.00	-480.45
Bill Pmt -Check	EFT	07/03/2015	PG&E		1110 - Main Checking		-358.41
Bill	June 2...	06/10/2015			6220 - PG & E	-357.16	357.16
					6620 - Bank Service Charges	-1.25	1.25
TOTAL						-358.41	358.41
Bill Pmt -Check	EFT	07/08/2015	PG&E		1130 - Library/Park Banking		-20.08
Bill	see P...	06/30/2015			9015 - Utilities Library	-20.08	20.08
TOTAL						-20.08	20.08
Check	EFT	07/23/2015	Jensen Fasteners		1130 - Library/Park Banking		-302.55
TOTAL					6350 - System Repair & Maintenance	-302.55	302.55
Bill Pmt -Check	EFT	07/24/2015	PG&E		1110 - Main Checking		-248.65
Bill	7-7-15	06/30/2015			6220 - PG & E	-248.65	248.65
TOTAL						-248.65	248.65
Bill Pmt -Check	EFT	07/24/2015	PG&E		1110 - Main Checking		-40.09
Bill	7-7-15-2	06/30/2015			6220 - PG & E	-40.09	40.09
TOTAL						-40.09	40.09
Bill Pmt -Check	1052	07/03/2015	B & C		1130 - Library/Park Banking		-393.58
Bill	166168	05/28/2015			9020 - Repairs & Maint. Library	-393.58	393.58
TOTAL					SHINGLES	-393.58	393.58

Alleghany County Water District
Check Detail
June 9 through August 8, 2015

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	1053	08/01/2015	Sierra County Tax ...		1130 · Library/Park Banking	-153.60	-153.60
TOTAL					9125 · Solid Waste Fee Park	-153.60	153.60
Check	5018	06/30/2015	Bruce Coons		1110 · Main Checking	-367.40	-367.40
TOTAL					6010 · WTO Contract	-250.00	250.00
					6250 · Mileage	-87.40	87.40
					6040 · Other Labor	-30.00	30.00
Check	5019	06/30/2015	Bruce Coons		1110 · Main Checking	-175.00	-175.00
TOTAL					6040 · Other Labor	-175.00	175.00
Check	5020	06/30/2015	Ed Snyder		1110 · Main Checking	-60.00	-60.00
TOTAL					6040 · Other Labor	-60.00	60.00
Check	5224	06/12/2015	Postmaster		1110 · Main Checking	-49.00	-49.00
TOTAL					6560 · Postage	-49.00	49.00
Bill Pmt -Check	5225	07/03/2015	Donna Hauck		1110 · Main Checking	-400.00	-400.00
Bill	Final ...	06/30/2015	<i>Final check for</i>		6020 · Secretary Contract	-400.00	400.00
TOTAL			<i>7/14/15</i>			-400.00	400.00
Bill Pmt -Check	5226	07/03/2015	AT & T		1110 · Main Checking	-15.23	-15.23
Bill	6728870	06/19/2015			6210 · Telephone	-15.23	15.23
TOTAL						-15.23	15.23

Allegheny County Water District
Check Detail
June 9 through August 8, 2015

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	5227	07/06/2015	Cramer Engineeri...	1110 - Main Checking	1300 - Pre-Paid Expenses	-500.00	-500.00
TOTAL						-500.00	500.00
Check	5228	07/06/2015	Postmaster	1110 - Main Checking	6560 - Postage	-49.00	-49.00
TOTAL						-49.00	49.00
Check	5229	07/27/2015	Postmaster	1110 - Main Checking	6560 - Postage	-12.65	-12.65
TOTAL						-12.65	12.65
Check	5230	07/31/2015	Bruce Coons	1110 - Main Checking	6010 - WTO Contract 6250 - Mileage 6040 - Other Labor	-250.00 -77.05 -50.00	250.00 77.05 50.00
TOTAL						-377.05	377.05
Check	5231	08/01/2015	AT & T	1110 - Main Checking	6210 - Telephone	-15.45	-15.45
TOTAL						-15.45	15.45
Check	5232	08/01/2015	B & C	1110 - Main Checking	6400 - Chemicals 6350 - System Repair & Maintenance <i>Shawnee water supply</i>	-15.16 -34.55 -49.71	15.16 34.55 49.71
TOTAL						-49.71	49.71
Check	5233	08/01/2015	CSDA	1110 - Main Checking	6450 - Permit Fees/Dues <i>Offset by donation</i>	-110.00 -110.00	110.00 110.00
TOTAL						-110.00	110.00

Allegheny County Water District
Check Detail
June 9 through August 8, 2015

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check	5234	08/05/2015	USI Insurance Serv...		1110 - Main Checking 6700 - Insurance	-3,772.00	3,772.00
TOTAL						-3,772.00	3,772.00

*Paid Fall Year
Saved \$96.00*