



NOTICE

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

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

Location: Alleghany Firehouse 105 Plaza Court with conference call option

Dial-in number (US): (978) 990-5144 Access code: 6919768#

All meeting documents available online: alleghanywater.org

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

3. Information/Discussion Items:

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

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

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

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

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

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

Next regular meeting date October 10, 2023. Agenda items:

7. Adjournment.

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**Regular Meeting of the Alleghany County Water District Board of Directors
Tuesday August 8, 2023 Meeting was held at the Alleghany Firehouse and over phone**

1. Call to Order & Establish a Quorum The meeting was called to order by President Tobyn Mehrmann at 6:14 P.M.

Directors present: Tobyn Mehrmann, Robbin DeWeese; Brianne Price; G.M. Rae Bell, CWO Bruce Coons and Secretary Amber Mehrmann was present and took minutes. Member of the public Vicky Tenney and the engineer Chad Coleman were also present. Vice President Coral Spencer and Director Nancy Finney were absent.

2. Consent Calendar:

Motion was made to approve the consent calendar after corrections by Robbin DeWeese and Tobyn Mehrmann 2nd. **Ayes: Brianne Price, Robbin DeWeese and Tobyn Mehrmann Nos: 0 Absent: Nancy Finney and Coral Spencer Abstain: 0**

3. Engineer Chad Coleman Q. and A.

~ **Tank Repairs:** ‘Everything is going as hoped.’

~ They will be working with the contractors and making sure all the parts are ‘good’; also the contractors will extend the warranty by 3 years for new parts and 2 years for everything else after the work is done.

~They will replace the panels 1 or 2 at a time; the panels will then be coated and the floor and ladder in the tank will also be replaced. There will be two independent inspectors to thoroughly check the coating.

~Bruce asked about whether or not they would be putting anodes in. Chad explained that the project does not include this in the funding agreement. We have applied for funding for the anodes depending on the timing it may or may not be part of the initial repairs.

~Vicky asked if the project would be completed before snow fall. Chad says it should begin ‘soon’, but did not have an exact date. He said they should begin around October or November.

~Rae wondered if the question about the time of the warranty was holding up the project, but Chad stated that he didn’t think this was the case.

~Rae also asked if Chad, as the engineer, thought that the warranty offer the water district is getting is a good one. He said he thinks it is a good warranty offer and, again, feels that everything should hold up well.

~Bri asked when the warranty would actually begin and Chad said the extended warranty begins on the day of the completion of the project.

~A motion was made by Robbin DeWeese to accept the Warranty extension as proposed and Brianne Price 2nds.

.Ayes: Brianne Price, Robbin DeWeese and Tobyn Mehrmann Nos: 0 Absent: Nancy Finney and Coral Spencer Abstain: 0

~Chad Coleman said that he would talk to the contractor on August 9, 2023, to let them know that the board met and agree with the warranty terms as proposed.

4. a. Correspondence~ The Library Lease came in.

b. SRF~ Still waiting for the funding agreement from the state. They keep stating it will happen in ‘a month or two’.

c. CWO Report~ Total gallons pumped: 178,810 ; Gallons per minute : 138.6

~The water samples were all clean.

~Lead and Copper tests: The Copper was a little high at one location , but everything looks good.

~There is a new requirement by the state for the drought contingency plan. They want the report to include each customers's use. Bruce said it is difficult to collect this kind of data.

~Bruce stated that he will have everything caught up in a week.

~Bruce also installed a valve on the temporary tank.

G.M. Report~ No report other than what's already on the agenda.

d.Library Report~ None.

e.Park Report~ None

5. Unfinished Business

a) Customer Accounts/Billings/Disconnects: 6 accounts are over due.

b) Policies & Procedures & Ordinances: Nothing prepared for meeting.

c). Status of Insurance : Nothing to Report.

d). Adopt CWO Job Description: Tabled, waiting on CWO to provide documents requested in March.

5. New Business

a). Approve annual rental agreement with the county for the Library and historical church.

~The annual rent is \$1,500.

Robbin makes the motion to approve payment and Brianne Price 2nd .**Ayes: Brianne Price, Robbin DeWeese and Tobyn Mehrmann Nos: 0 Absent: Nancy Finney and Coral Spencer Abstain: 0**

c. Reaffirm Resolution 120 for clarity. It was agreed by consensus to approve the modified language.

6) Public Response Time: none

~ The weed eating at the pumphouse needs to be done; the yard is 'covered' in sweet peas.

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

Next meeting will be on September 12, 2023; at 6:00 P.M.

There being no further business the meeting was adjourned at 6:51 P.M.

Respectfully Submitted:

Amber Mehrmann, Secretary



Allegheny County Water District

Treasury Report

August 2023

MAIN CHECKING ACCOUNT

Beginning Balance \$ 3,625.42

Deposits

Date	From:	For:	Amount

Deposits Total \$ -

Expenditures

Ck #	Date	To:	For:	Amount
5813	8/11	Bruce Coons	WDO July Payroll - Gross \$454.63	\$ 365.51
5814	8/24	Edda Snyder	Bookkeeper Jul Payroll - Gross \$200	\$ 184.70
5815	8/24	Edward Snyder	WDA July Payroll - Gross \$313.50	\$ 289.52
EFT	8/28	State Fund	Worker's Comp	\$ 155.83
EFT	8/28	State Fund	Worker's Comp Yearly Premium	\$ 731.97

Expenditures/Transfers Total \$ 1,727.53

RESERVE FUND SAVINGS ACCOUNT	
Contingency Fund	\$ 14,500.00
Equip. Maint. Fund	\$ 1,000.00
Interest earned	\$ 4.44
TOTAL	\$ 15,504.44

Ending Main Account Balance \$ 1,897.89

Plus Undeposited Funds \$ 4,226.40

Operating Funds at month-end \$ 6,124.29

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

Beginning Balance \$ 10,255.68

Deposits

Date	From:	For:	Amount

Deposits Total \$ -

Expenditures

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

Expenditures Total \$ -

Report Prepared by Edda Snyder

Verified against Bank Statement

Ending Non-enterprise Account Balance \$ 10,255.68

x _____

Print

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Alleghany County Water District (ACWD) Policies & Procedures

Policy #100 District Finances

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

Procedure 100.1 Check-writing & bill payment procedures

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

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

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

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

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

Procedure 100.2 Accounts Receivable

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

Procedure 100.3 Treasurer's Report & Claims

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

Procedure 100.4 Bank reconciliation

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

Procedure 100.5 documentation

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

Procedure 100.6 Purchasing

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

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

Procedure 100.7 Emergency expenditures

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

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