

SIERRA LAKES COUNTY WATER DISTRICT  
AD HOC COMMITTEE ASSIGNMENTS

JANUARY 2017

The following is a current list of Committee Assignments:

- **Legal** – *Directors Heald and Lindquist were reappointed.*
- **ACWA/JPIA** – *Director Stockton was reappointed.*
- **Budget** – *Directors Simpson and Stockton were appointed with Mr. Quesnel & Mrs. Nickerson as support*
- **Audit** – *Directors Stockton and Simpson were the appointed Directors with Mrs. Nickerson as support.*
- **District Code** – *Director Stockton was reappointed with Mr. Quesnel, Mr. Mitchell and Mrs. Nickerson as support.*
- **Heating Oil Tank Legislation** – *Director Lindquist was appointed with Mr. Quesnel as support.*

## MEMORANDUM

**To:** Board of Directors, Sierra Lakes County Water District  
**From:** Bill Quesnel PE, General Manager  
**Subject:** November 2018 Operations and Maintenance Report  
**Date:** December 3, 2018

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### **DSPUD Wastewater Treatment Plant:**

I met with Tom Skjelstad and Jim King on December 4<sup>th</sup> to review the use of potable and recycled water in the treatment process and how that could affect the cost sharing calculation. As a reminder, the allocation of the cost of operating the plant is based on each District's share of the quantity of flow through the plant as measured at Sierra's export metering station on Pahatsi and Donner's station on Donner Pass Road just east of I-80. The latter site measures the total flow from both Districts (Sierra's export pipe joins the Donner system near the Soda Springs Ski Resort) and that quantity is what is reported to the State as the flow into the plant. I suggested to Tom and Jim that the cost (labor, power, propane, permits, chemicals, etc.) of treating the influent (regardless of the source or how many times it is recycled) is reflected in the plant's operating budget, the quantity of additional/recycled water used is a function of the amount of raw influent and the only change in the calculation and apportionment of costs could be the addition of the value of the domestic water itself; I will keep the Board updated as the discussion progresses.

The draft results of the audited cost allocation for operation of the plant in 2017-2018 shows an overpayment by Sierra of approximately \$70,000. Anna and I reviewed the draft allocation and have asked Tom for information on a couple of line items that were noticeably different (higher or lower) than the prior fiscal year.

The plant itself is running well and the "bug" population has been built up to a level that should be sufficient to treat the upcoming Christmas/New Year's holiday flows.

### **Fuel Tanks:**

Nothing new to report.

### **Website Update:**

The on-line notification system is operational and payment reminders are automatically generated and sent by the system. Of the 1,123 payments (annual, semi-annual and quarterly) made since the on-line payment option was instituted, 25.8% of the transactions used a credit card representing \$359,903 of the total \$1,317,610 received. The District has paid credit card processing fees of \$7,634.75 to date.

### **Lake and Land Management:**

An update on the status of the License Agreement is provided as a separate agenda item.

Extension of the ramp at the Sierra Road lake access point was completed on November 19<sup>th</sup>.



Sierra Road ramp extension form work

The District's Operators chipped the slash generated by channel clearing and defensible space work as the CalFire conservation crews were sent to the Camp Fire in Butte County.

**Regulatory Issues:**

The lake level at the beginning of December was approximately 22-inches below the spillway crest as compared to 2.1-inches above the spillway on that date in 2017. The Operators took advantage of the low water level to investigate a leak of the slide gate and found it had partially come off its track due to a build-up of rocks and debris that passed the trash screen.



repair of dam slide gate



The results of fourth quarter Disinfection By-Product and 1,2,3-trichloropropane sampling should be back from the laboratory by the second week of December.

The District has had good cooperation from homeowners in completing State and District mandated annual backflow device testing. In this Calendar Year, 28 devices have been tested, two are due before the end of December and one (on an irrigation system) has been deferred until June 1<sup>st</sup>.

The Local Agency Investment Fund (LAIF) account balance is \$610,515.07 and the Placer County Treasurer Investment Pool (PCTIP) balance is \$2.5 Million. The County has not yet provided an interest earnings statement.

### **Operations Issues:**

Average daily water and sewer flows (gallons/day) in November 2018 were 57,518 and 28,357 respectively as compared to 66,956 and 22,980 in October 2018, and 43,994 and 44,725 in November 2017. Water use was 4,321 gallons/day less than the five-year (2013-2017) average and sewer flow was 7,787 gallons/day less than the five-year average. As of the first of December there were no leaks on the 110 AMR equipped services. The District's flow through the wastewater plant was 13.9% in October and 17.6% in November as compared to 27.2% in November 2017 and the five-year November average of 28.5%. The higher than average total wastewater treatment plant flows are attributable to an increased backwash frequency of the DSPUD's domestic water treatment plant.

With the lack of precipitation and shallow water depth the lake water temperature was as low as 1.0°C in November. As the temperature decreased from 7°C, the Operators began using the newly installed static mixer with good results until the temperature was approximately 3°C when the coagulation and flocculation process stopped. The device was taken off-line, disassembled to remove one of the two mixing elements and then put back in service. The results are very promising as the finished water turbidity is 0.03-0.04 NTU (regulatory requirement is 0.3 NTU 95% of the time) with long filter runs (>500,000 gallons between backwashes) as compared to the previous cold water periods when the filters required backwashing at 50-100,000 gallon intervals due to the clarifier acting as the "mixer" instead of as a pre-filter. The polymer storage and injection system have been moved from Bales to the Filter Plant following improvements to the electrical system; the injection pump only operates when the intake pumps are turned on.



static mixer showing two mixing elements



The preliminary design of the ventilation/cooling system(s) necessary for the installation of an emergency generator at the well building was completed by a Mechanical Engineer in Truckee. Using the criteria provided by the generator's manufacturer, the required mount of duct work and the size/number of building penetrations resulted in clearance issues and less than ideal Operator accessibility to both the generator and motor control center. While we all agree a backup power source is a needed improvement, we're looking at an alternative design that would allow use of the portable generator through a pole-mounted power connection at the west end of Tamarack just west of Yuba Drive. One challenge to this concept is making sure the pole is not in the way of the County's snow removal efforts.

The overhaul of the second pump for Sewage Pump Station #1 has been delayed due to the manufacturer's quality control issues with a supplier which delayed sending the replacement parts to the repair facility in a timely manner. The pump will not be ready for pickup until December 17<sup>th</sup> and installation before Christmas is not likely due to scheduling challenges (Operators' days off and Electrician).

Staff has been working on final winterization of the buildings and small equipment, maintenance of all of the emergency generators, improved process documentation, installation of drainage sump pumps at SPS-2 and Bales that are prone to flooding during rain-on-snow events and, of course, snow removal.

All of the Operators participated in training on the use of the vacuum truck by a GapVax factory representative. The time was well spent from the familiarization, operation and maintenance perspectives. A couple of deferred maintenance/repair issues were identified by the representative and the necessary replacement parts have been ordered.

After the roof on the Administration Building was replaced in the fall of 2017, staff noticed damage to some of the roof panels adjacent to the valleys after relatively modest storm events. The width of the valleys was 48-inches to match the condition of the old roof; unfortunately that was not wide enough as the higher profile of the concealed fastener panels created an obstruction to the snow sliding off the roof through the valleys. I discussed the issue with the Contractor and we concluded wider valleys (96-inches) were necessary and agreed the District would pay for the materials and man-lift and the Contractor would supply the necessary labor to remove and replace that portion of the roof. The District's share of the "fix" was approximately \$6,000 while the 20-man days of labor, including work on a Saturday, cost the company approximately \$10,000.



replacement of valley roof panels on Administration Building

Pat Baird started on November 5<sup>th</sup>; Jeff and Matt are doing a good job of bringing him up to speed on the operation of the water treatment plant, including Pat in the decision making process and exposing him to the myriad of other tasks the Operators do on a daily, weekly and monthly basis. He will start on-call responsibility December 14<sup>th</sup>.

Attachments:      November 2018 Daily Water/Sewer Flows  
                         2013-2018 Sewer/Water Flows Comparison through November 2018  
                         2013-2018 Treatment Plant Flows Comparison through November 2018



Month: November Year: 2018

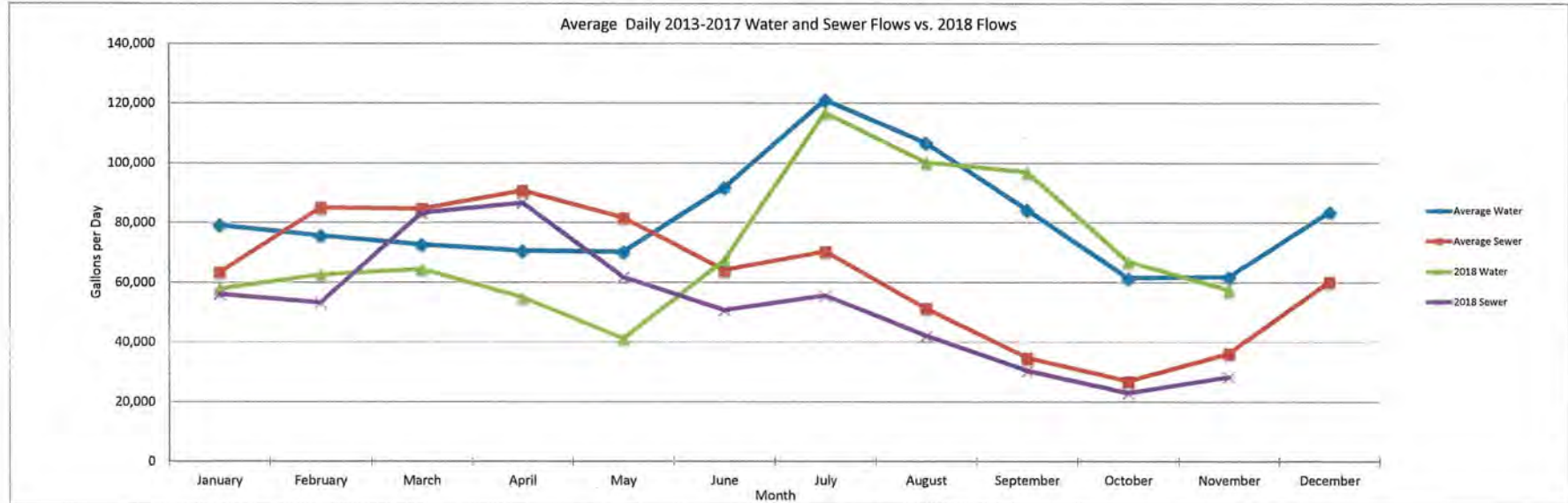
\* Max. combined capacity of both tanks is 744,380 gals.

Month Data **13016530**

### Sierra Lakes County Water District Daily Average Water and Sewer Flows

Month	2013		2014		2015		2016		2017		2018	
	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer
January	75,186	69,927	69,606	34,410	95,897	66,382	72,428	67,169	82,724	78,915	57,934	56,074
February	70,238	67,219	73,191	82,460	80,774	85,824	69,691	86,523	84,728	102,596	62,633	53,318
March	65,985	80,584	78,570	89,570	73,647	62,222	64,613	100,429	80,671	89,737	64,510	83,232
April	55,600	88,421	78,717	92,660	61,764	79,719	52,789	97,536	104,155	95,125	54,942	86,645
May	62,804	63,081	103,240	86,350	52,297	70,946	50,414	83,506	82,594	103,648	41,219	61,763
June	94,957	53,238	135,958	67,105	68,224	56,587	74,707	62,327	85,112	81,067	67,307	50,652
July	122,768	73,340	141,906	79,832	96,315	61,393	116,675	64,330	127,908	72,376	116,880	55,680
August	126,101	56,730	126,807	65,753	92,046	48,765	98,230	36,878	90,608	48,019	100,235	42,146
September	95,116	37,607	87,863	33,080	79,588	38,769	89,459	30,429	69,713	33,765	96,910	30,430
October	73,484	25,985	74,301	31,039	55,541	25,955	59,326	30,750	44,687	20,983	66,956	22,980
November	69,288	29,066	78,490	33,816	53,636	25,628	63,787	47,484	43,994	44,725	57,518	28,357
December	85,836	42,400	88,052	78,230	79,820	49,035	106,789	85,423	57,662	46,212		

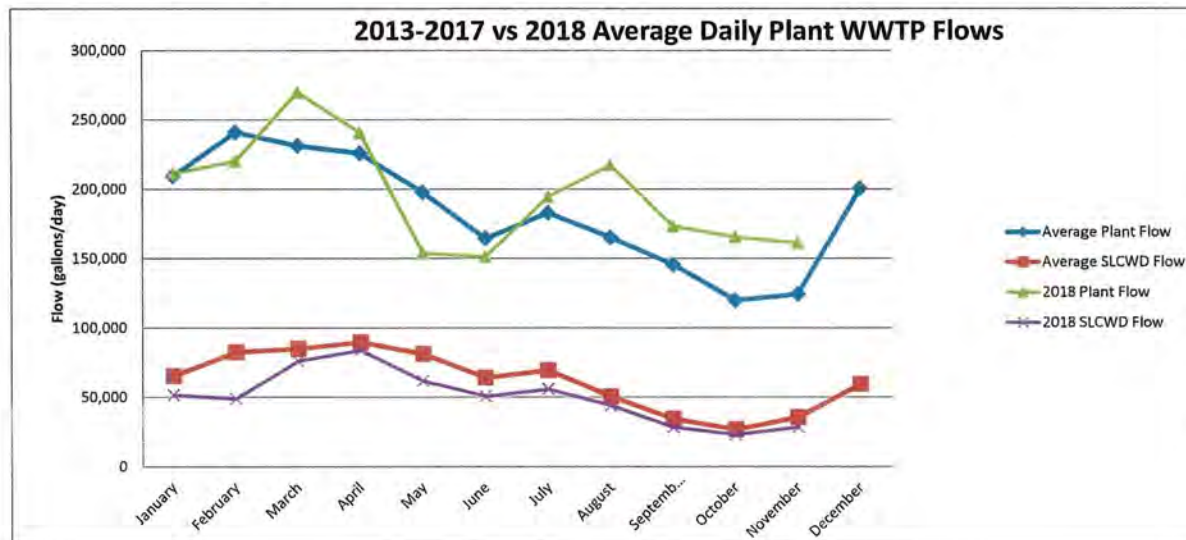
2013-2017			2018	2018	2018
Average Water	Average Sewer	Average Difference			
79,168	63,361	15,808	57,934	56,074	1,860
75,724	84,924	-9,200	62,633	53,318	9,315
72,697	84,508	-11,811	64,510	83,232	-18,722
70,605	90,692	-20,087	54,942	86,645	-31,703
70,270	81,506	-11,236	41,219	61,763	-20,544
91,792	64,065	27,727	67,307	50,652	16,655
121,114	70,254	50,860	116,880	55,680	61,200
106,758	51,229	55,529	100,235	42,146	58,089
84,348	34,730	49,618	96,910	30,430	66,480
61,468	26,942	34,525	66,956	22,980	43,976
61,839	36,144	25,695	57,518	28,357	29,161
83,632	60,260	23,372			0





**Sierra Lakes County Water District**  
Average Daily Sewer Flows at WWTP

Month	2013		2014		2015		2016		2017		Five Year Average			2018		
	Total	SLCWD	Total	SLCWD	Total	SLCWD	Total	SLCWD	Total	SLCWD	Total	SLCWD	Percent	Total	SLCWD	Percent
January	286,226	70,006	159,936	34,415	214,581	78,226	175,071	67,161	211,474	77,000	209,458	65,362	31.2%	211,452	51,548	24.4%
February	214,806	60,212	247,393	82,462	282,071	85,821	202,900	80,935	257,360	102,571	240,906	82,400	34.2%	220,243	48,825	22.2%
March	250,037	80,584	257,891	89,573	177,528	63,950	244,282	100,419	226,620	89,742	231,272	84,854	36.7%	269,839	76,129	28.2%
April	282,267	91,013	260,333	92,660	139,262	79,733	219,832	91,904	227,684	92,056	225,876	89,473	39.6%	240,587	83,839	34.8%
May	191,065	64,937	204,581	86,351	131,157	70,935	209,293	83,484	252,484	99,968	197,716	81,135	41.0%	153,919	61,774	40.1%
June	170,600	53,238	175,133	67,105	122,800	56,600	151,047	62,333	202,727	81,067	164,461	64,069	39.0%	151,333	50,652	33.5%
July	211,806	73,337	221,710	79,832	154,806	61,387	163,496	64,323	163,496	68,258	183,063	69,427	37.9%	194,516	55,677	28.6%
August	198,226	56,735	216,258	65,742	136,742	48,710	129,710	36,871	144,871	43,839	165,161	50,379	30.5%	217,290	43,894	20.2%
September	167,533	37,607	177,100	33,067	120,000	38,767	123,833	30,433	139,767	31,000	145,647	34,175	23.5%	173,333	28,333	16.3%
October	141,258	25,986	131,065	31,039	92,677	25,968	114,419	30,742	119,355	19,322	119,755	26,611	22.2%	165,484	22,968	13.9%
November	125,067	29,066	124,001	33,800	81,567	25,633	140,367	47,500	150,367	40,867	124,274	35,373	28.5%	161,100	28,367	17.6%
December	189,968	42,401	242,521	78,226	145,484	49,032	229,577	85,419	194,581	41,710	200,426	59,358	29.6%			#DIV/0!



**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
SIERRA LAKES COUNTY WATER DISTRICT**

**Date:** Friday November 9, 2018 / **Time:** 6:00 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

**I. Open Meeting:**

Roll Call: Directors in attendance at the Sierra Lakes Boardroom were:

Director Michael Lindquist  
Director Dan Stockton  
Director Richard Simpson  
Director Karen Heald

Director Bill Oudegeest was absent

Staff members present: Bill Quesnel, General Manager  
Anna Nickerson, Financial Consultant

Staff present by phone: Jeff Mitchell, District Counsel

Guests present: Robert McCormick

Minute Recorder: Anna Nickerson, Financial Consultant

**II. Public Forum:** An opportunity for members of the public to address the Board on items that were not on the agenda. There were no comments.

**III. Approve Agenda:** The agenda was presented to the Board for approval. Director Heald asked if SLPOA's license agreement was still on the agenda. Mr. Quesnel said, because the Board decided after the agenda had been posted not to discuss SLPOA's license agreement, the topic was still on the agenda. He also said it wasn't until the morning of the meeting that he sent a memorandum to the Directors suggesting that the license agreement discussion be tabled until after the legal committee had a chance to meet with SLPOA. Director Heald added that because of the back and forth discussions with Mr. Fisco, it was recommended that the original negotiators be given a chance to discuss the new agreement. The Board agreed that the agenda would remain as presented but that the License Agreement would not be discussed.

**A motion was made by Director Simpson and seconded by Director Stockton to approve the agenda as presented.** The motion passed by a unanimous vote.

**IV. Public Comments:** An opportunity for the Board to consider comments received from the public after the agenda was posted, regarding items on the agenda. There were no public comments received after the agenda was posted.

**V. Operations:** Mr. Quesnel's operations report was presented to the Board for consideration and possible action. Mr. Quesnel said Donner Summit PUD (DSPUD) wanted to have a conversation about the Service Agreement and the Districts' cost percentage calculation. He said



“process water”, water that goes through the plant for pump seals and other cleaning/maintenance procedures, was not being included in the flow calculation. He said he did not know what adding the “process water” to the calculation would do to the cost allocation but expected to have more information for a discussion at the December meeting. He also said the District’s flows had been decreasing and were now down to about 28%. This decrease would result in a substantial rebate for fiscal year 2017/2018.

Mr. Quesnel said the CalFire crew had been expected to return to the District to finish chipping but was sent to Butte County to fight the fire instead. Also, because he didn’t think CalFire would be able to return this year, he was going to have staff do the chipping.

Mr. Quesnel said he received information from Lasson’s Engineer regarding swimming in the lake. He said there hasn’t been a lot of interest in the topic; but both pro and con opinions have been expressed. He said he would draft a memorandum for the December meeting outlining the information received, what the District’s options were and staff’s perspective.

Director Heald asked to return to the paragraph under Lake Management regarding SLPOA’s understating in regards to the dock and swim platform at Lot 1. She asked Mr. Mitchell if SLPOA’s response “This is accurate since they are clearly SLPOA facilities and since our insurance lists Lot 1 as a location” satisfied the District’s request. Mr. Mitchell said he thought it would be better to have a more explicit statement but that it wouldn’t have to be a formal agreement. He suggested that Mr. Quesnel, or the Board President, send a letter to SLPOA summarizing the understanding. Director Heald recommended that the letter be reviewed by Mr. Mitchell before sending it to SLPOA. The purpose of the letter was to define SLPOA’s responsibility relative to the water activities in addition to the use of the land.

Director Simpson said it appeared that a couple homeowners were having difficulty finding a contractor to help with fuel tank requirements. He asked if the fuel tank requirements would go into effect January 1st. Mr. Quesnel said the only definitive timeframe requirement in AB 619 was the timeframe for integrity testing of underground tanks. He said letters were sent to homeowners with fuel tanks asking that fuel tanks satisfy the requirements outlined in AB 619 by November 2018 to encourage people to comply with the requirements. He said he was willing to work with homeowners as long as they were trying to satisfy the requirements and providing updates. If a homeowner ignored the letters and took no action, then Mr. Quesnel would pursue the situation further. Director Heald asked if Mr. Quesnel anticipated that finding contractors would continue to be difficult next year. Mr. Quesnel said he was told by a homeowner that a contractor in Reno would be getting a California license because of the number calls he had received from Serene Lakes property owners.

Director Simpson said he had a question regarding the website. He said he went through it and it looked pretty good. He also said he saw that minutes from old meetings were getting posted. He said he looked at Ordinance 18.01 and saw that the new language that was approved at the October meeting was in there. He also saw a second page that noted the two parts that were amended. Director Simpson asked if that was how Mr. Quesnel intended to update the Ordinance in the future. Mr. Quesnel said that he and Mrs. Nickerson discussed the process and agreed that it was more appropriate to keep Ordinance 18.01, adding descriptions of the changes at the back of each section, as opposed to adopting new ordinances (i.e. 18.02, 18.03 etc.) every time there was a change. He also said the Board had approved changes to Ordinance 18.01 not a new Ordinance 18.02. Director Simpson said he felt everything was clear.

Director Simpson said he had a question about preparation for winter. He said, “suppose we don’t have any snow?” He asked if there were any vulnerable parts of the system that would be damaged due cold weather with no insulating snow. Mr. Quesnel said there wouldn’t be a problem on the District’s side because District pipes are deeply buried. However, if the cold weather continued without snow, we could start seeing broken service lines. He also said broken service lines were seen more frequently at houses that have been raised where there was no insulation on the bottom floor or if a garage door got left open.

Mr. Quesnel said staff started injecting polymer at the point of the new vault and the process seemed to be working as intended. He also said the Bales polymer injection vault would be kept as a backup in the event that something happened. The Bales injection site could be easily brought back online if needed.

#### **VI. Consent Items Calendar:**

The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the September 14, 2018 and October 12, 2018 Regular Meetings; the October 2018 Check Register; Disbursements for Board Approval; and October 31, 2018, Director Lindquist asked if anyone wanted to pull anything off the consent calendar.

Director Heald said she wanted to note that Director Oudegeest provided tremendous directorship during his time on the Board through extremely difficult times with a wonderful vision that eventually came to fruition.

**A motion was made by Director Stockton and seconded by Director Heald to approve the Consent Items Calendar.** The motion passed by a unanimous vote.

#### **VII. New Business:** There were no New Business items on the agenda.

#### **VIII. Old Business:**

A. Mr. Quesnel’s memorandum titled “SLPOA-SLCWD License Agreement Status Update” dated, November 2, 2018, was presented to the Board for consideration and possible action. Based on subsequent information, the Board decided to table the discussion regarding the SLPOA-SLCWD License Agreement until the December meeting to allow time for the legal committee to meet with SLPOA’s negotiating committee to discuss specific items of the agreement.

Director Lindquist said, although the Board was not going to discuss the License Agreement, the Board would discuss SLPOA’s request to extend the launch ramp at the Sierra access point. Mr. Quesnel said because the lake was at such a low point, he felt it was the best time to extend the concrete launch ramp at the Sierra access point. He said SLPOA would extend the ramp using concrete, to cover the full width of the road and out 18 feet, according to Ed Bubnis’ description. He also said it would have a “broom finish” similar to what they did at Lot 1 in 2016. The plans did not include excavation of the lake bottom; forms were to be set and concrete poured directly on the on top of the exiting lake bottom. Mr. Quesnel felt the extension was appropriate and it was a good time to do the work.



**A motion was made by Director Simpson and seconded by Director Stockton to approve the extension of the boat ramp at Sierra.**

Mr. Mitchell asked if a permit would be required for the concrete ramp extension. Mr. Quesnel said he didn't think so because it was on District property and it was not a structure or part of the road structure. Mr. Quesnel also said he felt the project would be Categorically Exempt from CEQA. Mr. Quesnel would send a letter to SLPOA. Mr. Mitchell suggested that the motion include a finding that the project was categorically exempt and a Notice of Exemption be filed.

**Directors Simpson and Stockton accepted the amendment.** The motion passed by unanimous vote.

Mr. Quesnel would file the Notice of Exemption and send SLPOA a letter approving the extension of the boat ramp at the Sierra access point.

#### **IX. Administration:**

A. A list of Follow-up Items from the October, 2018, board meeting was presented to the Board for consideration and possible action. Director Heald said one thing that had been discussed in the past was the Urgent Matter protocol. She said it should be listed somewhere as a reminder. She also looked forward to Jeff Mitchell's insurance coverage review. Mr. Mitchell said he was currently looking for an example of an Urgent Matter Policy and that he still needed to follow up with Mr. Quesnel regarding the insurance policies.

B. The Status of Action Items remaining as of the October 2018 board meeting was presented to the Board for consideration and possible action. Mrs. Nickerson said she had been working on the Office Procedures manual and that new procedures needed to be written for website updates. Mr. Quesnel said he had not made the video for proper operation of stop&drain valves but he did modify the discussion on the website adding a picture of a stop&drain valve with some discussion about which way to turn it and what to look for. The Website Update item was complete and would be taken off the list. The following items would be added to the list:

1. Policies and Procedures review
2. Insurance Review
3. Urgent Matter Protocol

#### **X. Adjournment**

**A motion was made by Director Heald and seconded by Director Stockton to adjourn the meeting.** The motion passed by a unanimous vote.

The minutes were approved at the Regular Meeting held on December 14, 2018, as part of the Consent Items Calendar. A motion was made by Director \_\_\_\_\_ and seconded by Director \_\_\_\_\_ to approve the Consent Items Calendar. The motion passed by a \_\_\_\_\_ vote of those directors in attendance. Director Oudegeest was absent from the meeting.

Sierra Lakes County Water District  
Check Registers  
November 2018

Type	Date	Num	Name	Memo	Amount
<b><u>1002 - DEMAND Account</u></b>					
<b><u>RECONCILIATION:</u></b>					
11/1/2018	Beginning Cash Balance				211,600.41
	Deposits				134,104.18
	Deposit - Interest				4.21
	Funds Transferred To/From Investment Account				
<b><u>DEMAND ACCOUNT DISBURSEMENTS:</u></b>					(168,898.94)
11/30/2018	Ending Cash Balance				<u><u>176,809.86</u></u>
<b><u>1031 - GASB 45-OPEB Account</u></b>					
<b><u>RECONCILIATION:</u></b>					
11/1/2018	Beginning Cash Balance				163.13
	Deposit - Interest				-
	Funds Transferred To/From Investment Account				-
11/30/2018	Ending Cash Balance				<u><u>163.13</u></u>
<b><u>Assessment District 2011-01</u></b>					
<b><u>RECONCILIATION:</u></b>					
11/1/2018	Beginning Cash Balance				260,673.37
	Assessments Received				5.35
	Deposit - Interest				
	Disbursements - USDA Assessment Loan Payment				
11/30/2018	Ending Cash Balance				<u><u>260,678.72</u></u>
<b><u>Placer County Treasurer's Fund</u></b>					
<b><u>RECONCILIATION:</u></b>					
11/1/2018	Beginning Cash Balance				2,500,000.00
	Deposit - Interest				-
	Funds Transferred To/From Investment Account				-
11/30/2018	Ending Cash Balance				<u><u>2,500,000.00</u></u>
<b><u>Local Area Investment Fund (LAIF)</u></b>					
<b><u>RECONCILIATION:</u></b>					
11/1/2018	Beginning Cash Balance				610,515.07
	Deposit - Interest				
	Funds Transferred To/From Investment Account				-
11/30/2018	Ending Cash Balance				<u><u>610,515.07</u></u>

Sierra Lakes County Water District  
Check Registers  
November 2018

Type	Date	Num	Name	Memo	Amount
<b><u>DEMAND ACCOUNT DISBURSEMENTS:</u></b>					
<b>1002 - US Bank - Demand</b>					
Bill Pmt -Check	11/06/2018	6570	Donner Summit Public Utility District	Nov 2018 Wastewater Treatment Fees	(38,600.00)
Bill Pmt -Check	11/09/2018	21473	Precision Earthworks Construction, Inc.	Retention for Capital Projects	(29,114.21)
Bill Pmt -Check	11/09/2018	21475	Simonds Machinery Company	Myers non-clog pump Model 4VC200M4-43	(15,536.60)
Bill Pmt -Check	11/09/2018	21474	Robert W. Johnson	Annual Audit Fee	(12,250.00)
Bill Pmt -Check	11/09/2018	21468	Acumen Engineering Company	Oct 2018 Professional Fees	(8,192.50)
Liability Check	11/02/2018	PR103118	QuickBooks Payroll Service	Created by Payroll Service on 11/01/2018	(7,356.69)
Bill Pmt -Check	11/06/2018	MED112018	Public Employees' Retirement System (Med)	Medical - 1347	(7,138.16)
Liability Check	11/16/2018	PR111518	QuickBooks Payroll Service	Created by Payroll Service on 11/15/2018	(6,841.66)
Bill Pmt -Check	11/06/2018	6567	Anna M. Nickerson	Professional Fees 10-16-18 to 10-31-18	(4,440.00)
Bill Pmt -Check	11/26/2018	6589	Anna M. Nickerson	Professional Fees 11/1/18 to 11/15/18	(4,400.00)
Liability Check	11/30/2018	E-pay	Internal Revenue Service	P/R Taxes: 94-1619513 QB Tracking # -593884378	(3,532.74)
Liability Check	11/01/2018	E-pay	Internal Revenue Service	P/R Taxes: 94-1619513 QB Tracking # -1901514478	(3,087.80)
Liability Check	11/15/2018	E-pay	Internal Revenue Service	P/R Taxes: 94-1619513 QB Tracking # -1372595478	(2,900.66)
Bill Pmt -Check	11/06/2018	6576-6581	Pacific Gas & Electric	Electricity	(2,842.29)
Bill Pmt -Check	11/06/2018	6569	Custom Electric	SPS-1 Pump Replacement & Hill Tank power supply	(1,976.35)
Liability Check	11/06/2018	RET102018	Public Employees' Retirement System (Ret)	Retirement - 1347	(1,811.79)
Bill Pmt -Check	11/26/2018	6604	United Rentals	Telescopic Boom	(1,807.06)
Bill Pmt -Check	11/06/2018	6586	U.S. Bank (CC)	Boardroom, Website, SPS Gen Parts, Staff Training & Gas (\$561.76)	(1,674.81)
Bill Pmt -Check	11/06/2018	6575	New Leaders	Website redesign	(1,662.50)
Bill Pmt -Check	11/06/2018	6572	E and M Electric & Machinery, Inc.	SCADA Software - Annual Service Contract	(1,178.00)
Liability Check	11/30/2018	E-pay	Employment Development Department	P/R Taxes: 499-0546-6 QB Tracking # -593905378	(867.64)
Liability Check	11/01/2018	E-pay	Employment Development Department	P/R Taxes: 499-0546-6 QB Tracking # -1901534478	(711.58)
Bill Pmt -Check	11/06/2018	6583	Ski's Welding	Wear Plate for Backhoe	(675.00)
Liability Check	11/15/2018	E-pay	Employment Development Department	P/R Taxes: 499-0546-6 QB Tracking # -1372581478	(670.91)
Bill Pmt -Check	11/26/2018	6605	USA Blue Book	Filter Plant Lab Supplies & Totalizer	(664.72)
Bill Pmt -Check	11/09/2018	21471	Patterson Fire Equipment	Fire Extinguisher Reconditioning	(579.55)
Liability Check	11/13/2018		QuickBooks Payroll Service	Created by Payroll Service on 11/09/2018	(545.72)
Check	11/02/2018		BluePay	Merchant Fees	(519.69)
Bill Pmt -Check	11/26/2018	6597	Pacific Gas & Electric	Electricity	(454.90)
Bill Pmt -Check	11/06/2018	6571	Donner Summit Tree Tech	Tree removal at District Prop. on Dulzura Rd	(450.00)
Bill Pmt -Check	11/26/2018	6595	Kronick Moskovitz Tiedemann & Girard	Oct 2018 Legal Fees	(433.20)
Bill Pmt -Check	11/26/2018	6600	Suburban Propane	Propane	(386.39)
Bill Pmt -Check	11/26/2018	6594	Jorgensen Company	Fire Extinguisher Reconditioning	(377.48)
Bill Pmt -Check	11/26/2018	6593	Flyers Energy, LLC	Gasoline/Diesel	(311.32)
Bill Pmt -Check	11/26/2018	6591	CDTFA	2018/19 Water Rights - WR STF 094-007469	(310.19)
Bill Pmt -Check	11/26/2018	6596	Mountain Hardware	Combo Kit 20V, Batteries, Rebar & Padlock	(306.33)
Bill Pmt -Check	11/26/2018	6601	Tahoe Truckee Sierra Disposal Co., Inc.	Garbage	(286.29)
Bill Pmt -Check	11/06/2018	6566	Al Pombo, Inc.	Misc. Materials	(268.75)
Bill Pmt -Check	11/26/2018	6603	Truckee Rents, Inc.	Chipper - Lot Clearing	(265.21)



Sierra Lakes County Water District  
Check Registers  
November 2018

Type	Date	Num	Name	Memo	Amount
Check	11/30/2018		COBOURN, JOHN Q	2 Low Flow Toilet Rebates	(250.00)
Bill Pmt -Check	11/09/2018	21470	Partrick Baird (Reimbursement)	Uniform & Testing Fees Reimbursement	(238.58)
Bill Pmt -Check	11/26/2018	6590	AT&T	Telephone	(222.51)
Bill Pmt -Check	11/26/2018	6606	Western Environmental Testing Laboratory	Filter Plant Testing	(205.00)
Bill Pmt -Check	11/06/2018	6585	Summit Home Care	Office Cleaning	(200.00)
Bill Pmt -Check	11/09/2018	21476	California Water Environment Association	P. Baird - CWEA Membership	(188.00)
Bill Pmt -Check	11/26/2018	6602	Thatcher Company, Inc.	Filter Plant Chemicals	(187.61)
Bill Pmt -Check	11/09/2018	21472	Placer County Human Resources	Nov 2018 Dental/Vision Premium	(186.79)
Bill Pmt -Check	11/26/2018	6592	Cranmer Engineering, Inc.	Filter Plant Testing	(172.00)
Liability Check	11/09/2018	E-pay	Internal Revenue Service	P/R Taxes: 94-1619513 QB Tracking # -1546488478	(171.16)
Bill Pmt -Check	11/14/2018	DD480	Dan L Stockton (Director)	Mileage to 11/9/18 Board Meeting	(166.50)
Bill Pmt -Check	11/06/2018	6574	Napa Sierra	New Battery & Grease Fitting Kit	(161.53)
Bill Pmt -Check	11/26/2018	6607	Wienhoff Drug Testing	2018 Consortium Fee - 2 Employees	(140.00)
Bill Pmt -Check	11/26/2018	6599	Sani-Hut Company Inc.	Temp Toilet for CalFire Project	(130.76)
Bill Pmt -Check	11/14/2018	DD481	Heald, Karen (Director)	Mileage to 11/9/18 Board Meeting	(122.10)
Bill Pmt -Check	11/14/2018	DD482	Lindquist, Michael (Director)	Mileage to 11/9/18 Board Meeting	(116.55)
Bill Pmt -Check	11/06/2018	6573	Mountain Hardware	Dam Modifications	(100.82)
Bill Pmt -Check	11/06/2018	6568	Badger Meter	Nov 2018 Cellular Fee - Meter Test Program	(98.79)
Bill Pmt -Check	11/09/2018	21469	California Water Environment Association	J Krebill - Certificate Renewal	(97.00)
Bill Pmt -Check	11/06/2018	6582	Sierra Nevada Media Group	Public Notice: Adoption District Ordinance	(84.72)
Liability Check	11/09/2018	E-pay	Employment Development Department	P/R Taxes: 499-0546-6 QB Tracking # -1546495478	(68.20)
Bill Pmt -Check	11/06/2018	6587	Verizon Wireless	Cell Phone & On-Call iPad	(63.29)
Bill Pmt -Check	11/26/2018	6598	Real Graphic	Laminated Contact Cards	(45.48)
Check	11/05/2018		BluePay	Merchant Fees	(30.75)
Bill Pmt -Check	11/06/2018	6584	Suburban Propane	Propane	(16.86)
Check	11/13/2018		QuickBooks Payroll Service	Created by Direct Deposit Service on 11/09/2018	(5.25)
Paycheck	11/05/2018	DD468	Brian Lundgren	Direct Deposit: Pay Period Ending 10/31/18	-
Paycheck	11/05/2018	DD469	Jeffery D. Krebill	Direct Deposit: Pay Period Ending 10/31/18	-
Paycheck	11/05/2018	DD470	Matthew M Marriner	Direct Deposit: Pay Period Ending 10/31/18	-
Paycheck	11/05/2018	DD471	Shane Paduano	Direct Deposit: Pay Period Ending 10/31/18	-
Paycheck	11/14/2018	DD472	Dan L Stockton {Salary}	Direct Deposit: 11/9/18 Board Meeting	-
Paycheck	11/14/2018	DD473	Karen Heald {Salary}	Direct Deposit: 11/9/18 Board Meeting	-
Paycheck	11/14/2018	DD474	Michael E Lindquist {Salary}	Direct Deposit: 11/9/18 Board Meeting	-
Paycheck	11/14/2018	DD475	Richard A Simpson {Salary}	Direct Deposit: 11/9/18 Board Meeting	-
Paycheck	11/19/2018	DD476	Brian Lundgren	Direct Deposit: Pay Period Ending 11/15/18	-
Paycheck	11/19/2018	DD477	Jeffery D. Krebill	Direct Deposit: Pay Period Ending 11/15/18	-
Paycheck	11/19/2018	DD478	Matthew M Marriner	Direct Deposit: Pay Period Ending 11/15/18	-
Paycheck	11/19/2018	DD479	Patrick J Baird	Direct Deposit: Pay Period Ending 11/15/18	-
Total 1002 - US Bank - Demand					(168,898.94)
<b>TOTAL</b>					<b>(168,898.94)</b>

7:26 AM  
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**Sierra Lakes County Water District**  
**Payroll Summary**  
November 2018

	<u>Dan L Stockton {Salary}</u>	<u>Karen Heald {Salary}</u>	<u>Michael E Lindquist {Sal...</u>	<u>Richard A Simpson {Sala...</u>	<u>TOTAL</u>
<b>Employee Wages, Taxes and Adjust...</b>					
<b>Gross Pay</b>					
Salary Director	180.00	180.00	180.00	180.00	720.00
<b>Total Gross Pay</b>	180.00	180.00	180.00	180.00	720.00
<b>Adjusted Gross Pay</b>	180.00	180.00	180.00	180.00	720.00
<b>Taxes Withheld</b>					
Federal Withholding	-36.00	0.00	0.00	-25.00	-61.00
Medicare (Employee)	-2.61	-2.61	-2.61	-2.61	-10.44
Social Security (Employee)	-11.16	-11.16	-11.16	-11.16	-44.64
State Withholding	-36.00	0.00	0.00	-25.00	-61.00
SDI (Employee)	-1.80	-1.80	-1.80	-1.80	-7.20
Medicare Employee Addl Tax	0.00	0.00	0.00	0.00	0.00
<b>Total Taxes Withheld</b>	-87.57	-15.57	-15.57	-65.57	-184.28
<b>Net Pay</b>	<u>92.43</u>	<u>164.43</u>	<u>164.43</u>	<u>114.43</u>	<u>535.72</u>
<b>Employer Taxes and Contributions</b>					
Medicare (District)	2.61	2.61	2.61	2.61	10.44
Social Security (District)	11.16	11.16	11.16	11.16	44.64
SUI (District)	8.82	8.82	8.82	8.82	35.28
ETT (District)	0.18	0.18	0.18	0.18	0.72
<b>Total Employer Taxes and Contribu...</b>	<u>22.77</u>	<u>22.77</u>	<u>22.77</u>	<u>22.77</u>	<u>91.08</u>



Sierra Lakes County Water District  
Operating Budget-to-Actual  
Fiscal Year July 1, 2017 to June 30, 2018

	MONTH TO DATE				YEAR TO DATE				ANNUAL BUDGET	
	Month End 11/30/18	Budget	Favorable / (Unfavorable)	% of Budget	YEAR TO DATE	Budget	Favorable / (Unfavorable)	% of Budget	FY 18-19 Budget	% of Budget
<b><u>Water Sewer Revenues</u></b>										
8000-01 · Annual Water Fees	71,079	71,079	-	100%	355,395	355,395	-	100%	852,948	42%
8000-02 · Annual Sewer Fees	98,585	98,585	(0)	100%	492,923	492,923	-	100%	1,183,016	42%
8030 · Property Taxes	-	-	-	0%	29,976	30,000	(24)	100%	390,000	8%
8050 · Customer Late Fees	73	-	73	100%	2,646	2,500	146	106%	10,000	26%
8005 · Primary Facilities Fees - Sewer	-	-	-	0%	780	-	780	100%	23,400	3%
8006 · Primary Facilities Fees - Water	-	-	-	0%	183	-	183	100%	5,475	3%
8052 · GAPVAX Services	-	-	-	0%	-	-	-	0%	-	0%
8020 · Other Income	56	-	56	100%	10,401	-	10,401	100%	-	-100%
<b>Total Revenues Received:</b>	<b>169,792</b>	<b>169,664</b>	<b>129</b>	<b>100%</b>	<b>892,304</b>	<b>880,818</b>	<b>11,486</b>	<b>101%</b>	<b>2,464,839</b>	<b>36%</b>
<b><u>Controllable Expenses:</u></b>										
<b><u>Salaries:</u></b>										
9001 · Director Salaries	720	1,800	1,080	40%	4,140	9,000	4,860	46%	21,600	19%
9002 · Office Salaries	-	-	-	0%	-	-	-	0%	-	0%
9002-01 Office Hourly Regular	-	-	-	0%	-	-	-	0%	-	0%
9003 · Maintenance Salaries	-	-	-	0%	-	-	-	0%	-	0%
9003-01 - Maint Hourly Regular	19,529	21,350	1,821	91%	109,553	106,750	(2,803)	103%	257,387	43%
9003-02 - Maint Overtime	243	536	294	45%	2,331	2,681	350	87%	6,435	36%
9003-03 - Maint Standby	2,100	2,167	67	97%	10,880	10,833	(47)	100%	26,000	42%
9003-00 - Maint Salaries - Other	-	-	-	0%	-	-	-	0%	1,500	0%
9003-04 - Labor Allocated to Projects	-	-	-	0%	-	-	-	0%	-	0%
<b>Total 9000 · Salaries</b>	<b>22,592</b>	<b>25,853</b>	<b>3,261</b>	<b>87%</b>	<b>126,905</b>	<b>129,265</b>	<b>2,360</b>	<b>98%</b>	<b>312,922</b>	<b>41%</b>
<b><u>Payroll Expense</u></b>										
9005 · Payroll Expense - SS & Medicare	1,728	1,857	129	93%	9,708	9,286	(422)	105%	22,286	44%
9007 · Payroll Expense- SUI & ETT	323	329	6	98%	942	1,646	704	57%	3,950	24%
9008 · Payroll Expense - Retirement	1,378	3,827	2,449	36%	6,358	19,134	12,776	33%	45,921	14%
9009 · Payroll Expense - Medical & D/V	8,146	12,250	4,104	66%	41,126	61,250	20,124	67%	147,000	28%
9010 · Payroll Expense - Workers' Comp	-	-	-	0%	2,924	3,475	551	84%	13,900	21%
<b>Total 9004 · Payroll Expense</b>	<b>11,575</b>	<b>18,263</b>	<b>6,688</b>	<b>63%</b>	<b>61,059</b>	<b>94,790</b>	<b>33,732</b>	<b>64%</b>	<b>233,057</b>	<b>26%</b>
<b><u>Indirect &amp; G&amp;A</u></b>										
9012 · Legal Expense:	518	3,000	2,482		10,802	15,000	4,198	72%	36,000	30%
9013 · Audit Expense	-	-	-	0%	12,250	12,250	-	100%	12,250	100%
9014 · Fees & Penalties	35	125	90	28%	282	625	343	45%	1,500	19%
9016 · Directors' Expense	405	833	428	49%	1,859	4,167	2,307	45%	10,000	19%
9017 · Professional Fees - Operations	12,833	12,083	(749)	106%	59,605	60,416	811	99%	145,000	41%
9018 · Professional Fees - Office	7,320	10,400	3,080	70%	45,960	52,000	6,040	88%	124,800	37%
9019 · Staff Travel/Training	540	167	(373)	324%	2,545	833	(1,712)	305%	2,000	127%
9022 · Election Expense	83	-	(83)	100%	83	-	(83)	100%	2,500	0%
9023 · Insurance Expense	-	-	-	0%	11,216	15,000	3,784	75%	20,000	56%
9024 · Membership Expense	285	-	(285)	100%	8,763	9,450	687	93%	12,000	73%
9026 · Outside Services	535	240	(295)	223%	1,603	1,200	(403)	134%	2,880	56%
9028 · Telephone Expense	312	625	313	50%	2,439	3,125	686	78%	7,500	33%

Sierra Lakes County Water District  
Operating Budget-to-Actual  
Fiscal Year July 1, 2017 to June 30, 2018

	MONTH TO DATE				YEAR TO DATE				ANNUAL BUDGET	
	Month End 11/30/18	Budget	Favorable / (Unfavorable)	% of Budget	YEAR TO DATE	Budget	Favorable / (Unfavorable)	% of Budget	FY 18-19 Budget	% of Budget
9029 · Garbage/Hazmat Expense	286	375	89	76%	1,428	1,875	447	76%	4,500	32%
9030 · Uniform Expense	239	169	(70)	141%	350	844	493	42%	2,025	17%
9034 · Propane Expense	386	1,075	689	36%	430	4,275	3,845	10%	10,700	4%
9036 · SCADA System Expense	1,178	290	(888)	406%	3,060	1,455	(1,605)	210%	3,500	87%
9037 · M&O Asset Mgmt Sys (SLAMS)	-	375	375	0%	3,750	1,875	(1,875)	200%	4,500	83%
9040 · Office Expense	203	250	47	81%	1,151	1,250	100	92%	3,000	38%
9041 · Postage Expense	-	225	225	0%	28	1,125	1,097	3%	2,700	1%
9042 · Postage Meter Expense	277	-	(277)	100%	585	325	(260)	180%	1,300	45%
9043 · Copier & Fax Expense	-	79	79	0%	239	396	157	60%	950	25%
9044 · Computer Equipment & Service		583	(158)	0%		2,917	(14,125)	0%	7,000	0%
9044-01 · General Expense	53			100%	865					
9044-02 · Website Design	138				6,024					
9044-03 · Merchant Fees	550				10,152					
Total 9011 · Indirect & G&A	26,175	30,894	4,720	85%	185,470	190,402	4,931	97%	416,605	45%
<b><u>MAINTENANCE &amp; OPERATIONS</u></b>										
<b><u>Water Treatment &amp; Filter Plant</u></b>										
9101 · Filter Plant Operations & Maint	1,587	375	(1,212)	423%	6,280	1,875	(4,405)	335%	4,500	140%
9102 · Filter Plant-Chems, Lab & Equip	1,345	625	(720)	215%	5,912	8,125	2,213	73%	15,000	39%
9103 · Filter -Water Pumping Plant M&O	-	83	83	0%	284	417	133	68%	1,000	28%
9104 · Well Pump Station Expense	-	-	-	0%	17	-	(17)	100%	-	-100%
Total 9100 · Water Treatment & Filter Plant	2,932	1,083	(1,848)	271%	12,493	10,417	(2,077)	120%	20,500	61%
<b><u>Water Distribution</u></b>										
9201 · Water Dist - General Maint	750	500	(250)	150%	6,770	2,500	(4,270)	271%	6,000	113%
9202 · Water Dist - Pipes & Fittings	-	208	208	0%	945	1,042	97	91%	2,500	38%
9203 · Water Dist - Hydrant Maint	-	63	63	0%	-	313	313	0%	750	0%
9204 · Fees - Water	506	1,042	536	49%	1,985	5,208	3,223	38%	12,500	16%
9205 · Water Dist - Electricity	1,579	2,667	1,088	59%	11,741	13,333	1,592	88%	32,000	37%
9600 · Water Dist - Meters/Parts	-	83	83	0%	14	417	403	3%	1,000	1%
9601 · Water Conservation	250	208	(42)	120%	875	1,042	167	84%	2,500	35%
Total 9200 · Water Distribution	3,084	4,771	1,686	65%	22,331	23,854	1,524	94%	57,250	39%
<b><u>Wastewater Collection System</u></b>										
9301 · Wastewater - General Maint	750	708	(42)	106%	5,950	3,542	(2,409)	168%	8,000	74%
9302 · Wastewater - Pipes/Fittings	-	83	83	0%	823	417	(406)	197%	1,000	82%
9303 · Wastewater- Enzymes/Lab Testing	-	417	417	0%	2,304	2,083	(220)	111%	5,000	46%
9304 · Wastewater - Manholes	-	-	-	0%	-	500	500	0%	500	0%
9305 · Fees - Sewer	2,286	583	(1,703)	392%	3,765	2,917	(849)	129%	7,000	54%
9306 · Wastewater - Electricity	1,014	1,292	277	79%	4,796	6,458	1,662	74%	15,500	31%
9700-01 · Wastewater Export Service Refund	-	-	-	0%	-	-	-	0%	-	0%
9700 · Wastewater- Export Service Exp	38,600	38,600	-	100%	193,000	193,000	-	100%	463,200	42%
Total 9300 · Wastewater Collection System	42,650	41,683	(967)	102%	210,638	208,917	(1,721)	101%	500,200	42%
<b><u>Vehicle Expense</u></b>										

Sierra Lakes County Water District  
Operating Budget-to-Actual  
Fiscal Year July 1, 2017 to June 30, 2018

	MONTH TO DATE				YEAR TO DATE				ANNUAL BUDGET	
	Month End 11/30/18	Budget	Favorable / (Unfavorable)	% of Budget	YEAR TO DATE	Budget	Favorable / (Unfavorable)	% of Budget	FY 18-19 Budget	% of Budget
9501 · Gasoline/Diesel	777	708	(68)	110%	3,984	3,542	(442)	112%	8,500	47%
9502 · Pickups	-	167	167	0%	-	833	833	0%	2,000	0%
9503 · Gapvac	-	292	292	0%	1,586	1,458	(127)	109%	3,500	45%
9504 · Backhoe	142	167	24	85%	841	833	(8)	101%	2,000	42%
9505 · Vehicle Maint Supplies	-	83	83	0%	82	417	335	20%	1,000	8%
Total 9500 · Vehicle Expense	919	1,417	498	65%	6,492	7,083	591	92%	17,000	38%
<b>Project Expenses</b>										
9812 · Spot Repairs of Sewer Mainline & Laterals	4,608	-	(4,608)	100%	52,002	44,500	(7,502)	117%	44,500	117%
9813 · Repair of Sewer Manholes at Various Locations	(13,599)	-	13,599	100%	36,910	41,500	4,590	89%	41,500	89%
9815 · Misc Sewer Pump Station Upgrades	(834)	-	834	100%	9,598	13,500	3,902	71%	13,500	71%
9818 · Misc Water System Improvements	(11,029)	-	11,029	100%	34,567	33,400	(1,167)	103%	33,400	103%
9819 · Adj Water Valve Boxes to Street Grade	417	-	(417)	100%	459	3,000	2,541	15%	3,000	15%
9820 · Misc Upgrades Water Pump Stations	(50,678)	-	50,678	100%	2,299	21,400	19,101	11%	21,400	11%
9821 · Automatic Meter Read System	198	248	50	80%	491	1,240	748	40%	2,975	17%
9822 · Misc Jobs - Safety Tools Bldgs	14,539	2,800	(11,739)	519%	26,533	25,000	(1,533)	106%	33,600	79%
9824 · Lake Management	396	208	(188)	190%	538	1,042	503	52%	2,500	22%
9825 · HOTFaP	-	-	-	0%	5,338	30,000	24,663	18%	30,000	18%
9915 · Misc. Projects	-	-	-	0%	-	-	-	0%	-	-
Total 9800 · Project Expenses	(55,981)	3,256	59,237	(1,719%)	168,734	214,581	45,847	79%	226,375	75%
<b>Total Controllable Expenses</b>	<b>53,946</b>	<b>127,221</b>	<b>73,275</b>	<b>42%</b>	<b>794,122</b>	<b>879,309</b>	<b>85,187</b>	<b>90%</b>	<b>1,783,909</b>	<b>45%</b>
<b>Non-Controllable Expenses:</b>										
9900 · Debt - Interest										
9904 · Interest on SRF Loan	-	-	-	0%	-	-	-	0%	12,075	0%
9906 · USDA Revenue Bonds	-	-	-	0%	64,566	65,000	434	99%	130,000	50%
9908 · Int on Assessment-7207 Palisade	-	-	-	0%	-	-	-	0%	765	0%
Total 9900 · Debt - Interest	-	-	-	0%	64,566	65,000	434	99%	142,840	45%
9920 · Depreciation										
9921 · Depreciation - Water	10,018	10,390	373	96%	50,088	51,952	1,863	96%	124,684	40%
9922 · Depreciation - Sewer	7,992	8,583	592	93%	39,958	42,916	2,958	93%	102,999	39%
Total 9920 · Depreciation	18,009	18,974	964	95%	90,047	94,868	4,821	95%	227,683	40%
9950 · SLCWD Share - DSPUD Capital Costs					38,753					
Total Non-Controllable Expenses	18,009	18,974	964	95%	193,366	159,868	5,255	121%	370,523	52%
<b>TOTAL DISTRICT EXPENSES:</b>	<b>71,955</b>	<b>146,194</b>	<b>74,239</b>	<b>49%</b>	<b>987,488</b>	<b>1,039,177</b>	<b>90,442</b>	<b>95%</b>	<b>2,154,432</b>	<b>46%</b>
<b>EARNED REVENUE LESS EXPENSES</b>	<b>97,837</b>	<b>23,469</b>	<b>74,368</b>		<b>(95,184)</b>	<b>(158,358)</b>	<b>63,175</b>		<b>310,407</b>	



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SIERRA LAKES COUNTY WATER DISTRICT  
CAPITAL PROJECTS SUMMARY  
FISCAL YEAR JULY 1, 2018 TO JUNE 30, 2019

	For Period 7/1/2018 to 6/30/2019				
	PROPOSED BUDGET	Previously Incurred Costs	Costs Incurrec Current Month	Total Costs to Date	VARIANCE Favorable (Unfavorable)
<b>CAPITAL PROJECTS IN PROGRESS:</b>					
Miscellaneous Sewer Pump Station Upgrades	\$ 16,500	\$ 2,286	\$ 14,821	\$ 17,106	\$ (606)
Miscellaneous Water Pump Station/Storage Improvements	75,000	86	65,798	\$ 65,884	9,116
DSPUD Water Plant	50,000	-	-	\$ -	50,000
Total Capital Projects	\$ 141,500	\$ 2,371.28	\$ 80,619	\$ 82,990	\$ 58,510

Sierra Lakes County Water District  
Cash Flow Projection  
in \$000's

	ACTUAL Nov-18	Forecast Nov-18	Forecast Dec-18	Forecast Jan-19	Forecast Feb-19	Forecast Mar-19	Forecast Apr-19	Forecast May-19	Forecast Jun-19	Forecast Jul-19	Forecast Aug-19	Forecast Sep-19	Forecast Oct-19
<b>Beginning Operating Cash Balance:</b>	211	211	177	152	307	402	129	51	109	118	(22)	148	(132)
<b>Cash Provided/(Used) by Operations:</b>													
<b>Revenues:</b>													
Sewer & Water Service Fees	134	120	90	80	186	100	67	78	123	30	350	100	100
Misc Other Income			5	-	29	1	-	-	5	-	-	-	-
Placer County Taxes			-	220	-	-	-	100	1	-	-	-	-
<b>Expenses:</b>													
Operating Expenses	(139)	(125)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(120)	(130)	(130)	(130)
Sierra Plant - Capital Projects	(29)	-	-	-	-	-	-	-	-	(25)	(50)	(50)	-
Sierra Office Equipment (Copier)			-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Provided/(Used) by Operations:</b>	(34)	(5)	(25)	180	95	(19)	(53)	58	9	(115)	170	(80)	(30)
<b>Cash Provided/(Used) for Financing Activities</b>													
CA Bank & Trust - Qrtly Transfers	-	-	-	(25)	-	-	(25)	-	-	(25)	-	-	-
USDA \$5.2 million Revenue Bond	-	-	-	-	-	(200)	-	-	-	-	-	(200)	-
DSPUD Excess Capacity Refund (\$655,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Provided/(Used) by Financing Activities:</b>	-	-	-	(25)	-	(200)	(25)	-	-	(25)	-	(200)	-
<b>Cash Provided(Used) by Investment Activities</b>													
Lump Sum Prepayment: Pensions			-	-	-	-	-	500	-	-	-	-	-
GASB 45 - OPEB Annual Funding			-	-	-	(54)	-	-	-	-	-	-	-
<b>Total Cash Provided(Used) by Investment Activities:</b>	-	-	-	-	-	(54)	-	500	-	-	-	-	-
<b>Ending OPERATING ACCOUNT Cash Balance:</b>	177	206	152	307	402	129	51	109	118	(22)	148	(132)	(162)

SIERRA LAKES COUNTY WATER DISTRICT - FIVE YEAR CASH FLOW PROJECTION  
2017/2018 - 2021/2022  
in \$000's

**Beginning OPERATING Cash Balance:**

**Cash Provided/(Used) by Operations:**

**Revenues:**

Water/Sewer Service Fees

Placer County Tax

Primary Facilities Fees

Misc Other Income

**Expenses:**

Operating Expenses

Sierra Plant - Capital Projects

**Net Cash Provided/(Used) by Operations:**

**Cash Provided/(Used) for Financing Activities**

CA Bank & Trust Loan Principal & Interest

USDA Revenue Bond Loan

Refunded WWTP Costs

**Total Cash Provided/(Used) by Financing Activities:**

**Cash Provided(Used) by Investment Activities**

Total Cash Provided(Used) by Investment Activities:

Moved to Placer Co. Treasurer's Fund

Annual GASB 45 Funding - OPEB - Moved to LAIF

**Total Cash Provided(Used) by Investment Activities:**

**Ending OPERATING Cash Balance:**

ACTUAL 2017/2018	FORECAST 2018/2019	Forecast 2019/2020	Forecast 2020/2021	Forecast 2021/2022
2,299	2,271	118	243	286
2,112	2,036	2,036	2,036	2,036
406	408	390	390	390
	29	29	29	29
10	15	40	40	40
(1,460)	(1,587)	(1,635)	(1,684)	(1,734)
(260)	(205)	(380)	(664)	(453)
808	696	480	147	308
(100)	(100)	(100)	(100)	(100)
(269)	(268)	(268)	(268)	(268)
75	73	67	67	67
(294)	(295)	(301)	(301)	(301)
(488)	(2,500)		250	
(54)	(54)	(54)	(54)	(54)
(542)	(2,554)	(54)	196	(54)
2,271	118	243	286	239



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SIERRA LAKES COUNTY WATER DISTRICT  
LIST OF DISBURSEMENTS REQUIRING BOARD APPROVAL  
December 2018

Vendor	Inv # / Inv Date		Invoice Amount
<u>Acumen Engineering</u>	Invoice #	146	12,832.50
	Date	12/1/2018	
	For: <u>Nov 2018 Professional Fees</u>		
<u>Anna Nickerson</u>	Inv#	111518	4,400.00
	Date	11/15/2018	
	For: <u>Professional Fees 11/1 to 11/15/18</u>		
	Inv#	113018	2,920.00
	Date	11/30/2018	
	For: <u>Professional Fees 11/16 to 11/30/18</u>		
TOTAL ANNA NICKERSON			7,320.00
TOTAL INVOICES FOR APPROVAL			20,152.50

# ACUMEN ENGINEERING

C O M P A N Y

PO Box 3497  
Truckee, California 96160

## Invoice

DATE	INVOICE #
12/1/2018	146

### BILL TO

Sierra Lakes County Water District  
PO Box 1039  
Soda Springs, CA 95728

TERMS	DUE DATE	PROJECT
Net 30	12/31/2018	

DESCRIPTION	QTY	RATE	AMOUNT
Principal Engineer in November 2018 per attached detail	88.5	145.00	12,832.50
<p>COUNT NO 9017 \$ 12,832.50</p> <p>CHECK NO.</p> <p>CK DATE</p> <p>APPROVED</p>			
<b>Total</b>			\$12,832.50

**Sierra Lakes County Water District  
Acumen Engineering Monthly Invoice Detail  
November 2018**

<b>Date</b>	<b>Engineering Task Description</b>	<b>Hours</b>
11/1/2018	Drive to District; staff meeting; review Board Meeting Agenda with Anna; revise on-call schedule; Board Memo; telephone/email SLPOA re: License Agreement. O&M hours: 5.0	5.0
11/2/2018	Drive to District; SPS-1 Pump #1 replacement; telephone vendor re: pump rebuild; update and submit SWRCB ENP and new Operator contact cards. O&M hours: 5.0	5.0
11/4/2018	Operating and Emergency Plans; review invoices from Electrician for SPS-1 and Hill Tank power projects; correspondence with SLPOA re: Sierra ramp work. O&M hours: 3.5	3.5
11/5/2018	Drive to District; review Board Book with Anna; purchase order for SPS-1 pump rebuild; schedule GapVax training; final payment for 2018 Utility Project; stop&drain valve information on website. O&M hours: 3.5	3.5
11/7/2018	Drive to District 2x; mixer startup in afternoon; review invoices; meet with Operators re: projects and winterization; research sumps for SPS-2 and Bales pump stations. O&M hours: 5.0	5.0
11/8/2018	Drive to District; three residential inspections; coordinate with CalFire for chipping; update Board Memo re: SLPOA License Agreement. O&M hours: 3.0	3.0
11/9/2018	SLPOA License Agreement review; research body contact/swimming in Lake Serena; vehicle inspection forms; drive to District; November Board Meeting. O&M hours: 4.5	4.5
11/12/2018	CEQA NoE for Sierra Ramp extension and letter to SLPOA; telephone Mechanical Engineer re: well building generator ventilation requirements; coordinate meeting with SLPOA re: License Agreement; update on-call schedule. O&M hours: 3.5	3.5
11/13/2018	Drive to District; County DPW drainage work on District property; review projects with Operators; call vendor re: Bales VFD repairs; telephone electrician re: power circuits for polymer injection system and SPS-1 #2 pump replacement schedule; letters to property owners re: leaks; letters to property owners re: backflow testing; dam slide gate operation. O&M hours: 6.0	6.0
11/14/2018	Drive to District; Staff Meeting; GapVax training; residential inspection; order lift for Administration Building roof repair; telephone vendor re: Bales VFD repair. O&M hours: 5.0	5.0
11/15/2018	Drive to District; roof repair; dam slide gate repair; letter and telephone with property owner re: leak; review ACWA legislation update; meet with Tom Skjelstad re: WWTP flow measurement and allocation. O&M hours: 4.5	4.5



**Sierra Lakes County Water District  
Acumen Engineering Monthly Invoice Detail  
November 2018**

<b>Date</b>	<b>Engineering Task Description</b>	<b>Hours</b>
11/16/2018	Drive to District; generator training; roof repair; Bales VFD repair research; backflow test reminder letter. O&M hours: 3.0	3.0
11/19/2018	Drive to District; escrow checklist with Anna; insurance information to KMTG; liability policy information to SLPOA; telephone with electrician re: polymer injection power; telephone electrical engineer re: Bales VFD; pump station inspection checklist. O&M hours: 6.0	6.0
11/20/2018	Drive to District; chip slash; roof repair; meet with electrician re: polymer injection power; update project list and schedule; correspondence re: meeting with Placer County re: inspections; garage door operator replacement; winterize buildings; residential inspection; GapVax repair parts; correspondence with vendor re: SPS-1 pump rebuild schedule. O&M hours: 5.5	5.5
11/21/2018	Drive to District; residential inspections; winterization; review mixer operation with Operators; meet with property owners re: leak repair; review SLPOA insurance policies for meeting re: License Agreement. O&M hours: 4.5	4.5
11/26/2018	Drive to District; residential inspections; review mixer modifications and operations with Operators; preparation for SLPOA License Agreement meeting; correspondence re: residential water service leak repair requirements. O&M hours: 6.0	6.0
11/27/2018	Drive to Sacramento for meeting with SLPOA re: License Agreement and review modified document with KMTG; meet with Operators re: mixer operation with cold water; residential inspection. O&M hours: 5.5	5.5
11/28/2018	Send updated License Agreement to SLPOA; drive to District; residential inspections; meet with Operators re: mixer operations and winter projects; telephone roof contractor re: materials invoices. O&M hours: 4.0	4.0
11/30/2018	Drive to District; time cards and invoices with Anna; meet with staff re: mixer and filter plant operation; meet with Operators re: on-call use of truck; telephone DSPUD re: meeting about plant flow allocation and filter plant operation; meeting with utility providers re: Placer County permitting and inspections. O&M hours: 5.5	5.5
<b>Total O&amp;M: 88.5 hours</b>		<b>88.5</b>

**ANNA NICKERSON**  
**FINANCIAL CONSULTANT**

16615 Glenshire Dr  
 Truckee, CA 96161  
 530-330-2724

[anickerson@sonic.net](mailto:anickerson@sonic.net)

**INVOICE**

INVOICE NO: 111518  
 DATE: November 15, 2018

ACCOUNT NO: 9018 \$ 4,400.00  
 CHECK NO: 6389  
 CHECK DATE: 11-26-18  
 APPROVAL: \_\_\_\_\_

TO Sierra Lakes County Water District  
 P.O. Box 1039  
 Soda Springs, CA 95728  
 530-426-7800

Billing Rate: \$80.00

DATE	DESCRIPTION	HOURS	UNIT PRICE	TOTAL	Admin	Escrow & Public Requests	FS / Recs / PR / HR / Tax / Budget / Audit	Assmnt District	M&O Support	A/R - Banking	A/P	Mail / email	IT	Board Agenda / Mtg Min / Packets	Total
11/1/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Worked on month end.	4.0	\$80.00	\$ 320.00			2.5			0.5	0.5	0.5			4
11/2/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails.	6.5	\$80.00	\$ 520.00			3			0.5	0.5	0.5		2	6.5
11/5/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails.	7.0	\$80.00	\$ 560.00			3			1	1.5	0.5		1	7
11/6/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails.	1.5	\$80.00	\$ 120.00						0.5	0.5	0.5			1.5
11/7/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails.	1.5	\$80.00	\$ 120.00						0.5	0.5	0.5			1.5
11/8/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails.	1.5	\$80.00	\$ 120.00						0.5	0.5	0.5			1.5
11/9/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Shopped for Board meeting, reconciled EDUs, processed payroll, filed and opened & closed escrows.	10.0	\$80.00	\$ 800.00	1	1	3.5			1	1	0.5	1	1	10
11/9/2018	Board Meeting	1.5	\$80.00	\$ 120.00										1.5	1.5
11/12/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Filed, Reconciliations, water/sewer lateral tests and started minutes.	7.0	\$80.00	\$ 560.00	1		2.5		0.5	1	0.5	0.5		1	7
11/13/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Updated meter info and customer information in Lucy and processed & closed escrows.	7.0	\$80.00	\$ 560.00		1			2	2	0.5	0.5	1		7
11/14/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Reconciled credit card payments and filed.	3.5	\$80.00	\$ 280.00	0.5					2	0.5	0.5			3.5
11/15/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Processed payroll	4.0	\$80.00	\$ 320.00			2			0.5	1	0.5			4
		55.0	TOTALS	\$ 4,400.00	2.5	2.0	16.5	0.0	2.5	10.0	7.5	5.5	2.0	6.5	55.0
					5%	4%	30%	0%	5%	18%	14%	10%	4%	12%	

**ANNA NICKERSON**  
**FINANCIAL CONSULTANT**

16615 Glenshire Dr  
 Truckee, CA 96161  
 530-330-2724

[anickerson@sonic.net](mailto:anickerson@sonic.net)

**INVOICE**

INVOICE NO: 113018  
 DATE: November 30, 2018

ACCOUNT NO: 9018 \$ 2,920.00  
 CHECK NO: \_\_\_\_\_  
 CHECK DATE: \_\_\_\_\_  
 APPROVAL: \_\_\_\_\_

TO Sierra Lakes County Water District  
 P.O. Box 1039  
 Soda Springs, CA 95728  
 530-426-7800

Billing Rate: \$80.00

DATE	DESCRIPTION	HOURS	UNIT PRICE	TOTAL	Admin	Escrow & Public Requests	FS / Recs / PR / HR / Tax / Budget / Audit	Assmnt District	M&O Support	A/R - Banking	A/P	Mail / email	IT	Board Agenda / Mtg Min / Packets	Total
11/16/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Processed website updates, finalized payroll and calculated reconnection fee	7.5	\$80.00	\$ 600.00			1			1.5	1	0.5	3.5		7.5
11/19/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Worked on minutes.	4.0	\$80.00	\$ 320.00						1	1	0.5		1.5	4
11/20/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Finished minutes	5.0	\$80.00	\$ 400.00						1	0.5	0.5		3	5
11/21/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Scheduled testing appts, researched permit information, filed and worked on delinquent assent notices	6.0	\$80.00	\$ 480.00	1	1	1		1	0.5	1	0.5			6
11/22/2018	Thanksgiving	0.0	\$80.00	\$ -											0
11/23/2018	Off	0.0	\$80.00	\$ -											0
11/26/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Process check run, updated/closed escrows, filed.	7.5	\$80.00	\$ 600.00	1	1.5			1	1.5	2	0.5			7.5
11/27/2018	Off - Medical	0.0	\$80.00	\$ -											0
11/28/2018	Off - Medical	0.0	\$80.00	\$ -											0
11/29/2018	Off - Medical	0.0	\$80.00	\$ -											0
11/30/2018	Picked up and processed mail, processed accounts receivables & accounts payables, read and answered emails. Processed payroll, updated escrow requirements and updated website customer information.	6.5	\$80.00	\$ 520.00		1	1.5			1	1	0.5	1.5		6.5
		36.5	TOTALS	\$ 2,920.00	2.0	3.5	3.5	0.0	2.0	6.5	6.5	3.0	5.0	4.5	36.5
					5%	10%	10%	0%	5%	18%	18%	8%	14%	12%	



**SIERRA LAKES COUNTY WATER DISTRICT**  
**P.O. Box 1039**  
**Soda Springs, CA 95728**  
**(530) 426-7800**  
**Fax: (530) 426-1120**

**MEMORANDUM**

TO: Board of Directors  
FROM: Anna Nickerson, Financial Consultant  
RE: Fiscal Year 2017/2018 Annual Audit Report  
DATE: December 5, 2018

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The following is a copy of the annual audit for fiscal year July 2017 to June 2018.

Staff requests the Board's review and approval of the Annual Audit Report.

**SIERRA LAKES  
COUNTY WATER DISTRICT**

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**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
for the year ended June 30, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Sierra Lakes County Water District  
Soda Springs, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sierra Lakes County Water District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sierra Lakes County Water District as of June 30, 2018, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

## **Other Matters**

### *Required Supplementary Information*

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Robert W. Johnson, An Accountancy Corporation*

Citrus Heights, California

August 31, 2018



SIERRA LAKES COUNTY WATER DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2018

ASSETS AND DEFERRED OUTFLOWS

Current assets:		
Cash (Note 3)		\$ 2,271,244
Accounts receivable, billings		39,266
Loan receivable (Note 12)		65,575
Prepaid expenses		<u>7,708</u>
Total current assets		2,383,793
Capital assets, at cost (Note 4):		
Water plant	\$ 6,875,076	
Sewer plant	<u>4,500,913</u>	
	11,375,989	
Less accumulated depreciation	<u>( 6,572,737)</u>	
	4,803,252	
Construction in progress	35,796	
Land	<u>157,035</u>	
		4,996,083
Restricted assets (Note 3):		
Cash with fiscal agent	175,337	
Cash in OPEB account	<u>608,154</u>	
		783,491
Non current portion of Loan receivable (Note 12)		196,725
Deferred outflows (Notes 7 and 8)		
Pension related amounts	113,219	
OPEB related amounts	<u>38,682</u>	
		<u>151,901</u>
		<u>\$ 8,511,993</u>

See notes to financial statements

## LIABILITIES, DEFERRED INFLOWS AND NET POSITION

### Current liabilities:

Current portion of long-term debt (Note 5)	\$ 212,380
Accounts payable and accrued charges	52,767
Accrued interest	31,375
Compensated absences	<u>8,927</u>

Total current liabilities	<u>305,449</u>
---------------------------	----------------

### Non-current liabilities:

Notes payable, net of current portion (Note 5)	4,990,344
Net pension liability (Note 7)	29,113
Total OPEB liability (Note 8)	<u>718,117</u>

Total non-current liabilities	<u>5,737,574</u>
-------------------------------	------------------

Total liabilities	<u>6,043,023</u>
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Deferred inflows related to pension (Note 7)	<u>66,506</u>
--	---------------

### Net position:

Net investment in capital assets	\$ 4,497,876
Restricted (Note 6)	376,255
Unrestricted	<u>(2,471,667)</u>

	<u>2,402,464</u>
--	------------------

	<u>\$8,511,993</u>
--	--------------------

SIERRA LAKES COUNTY WATER DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
for the year ended June 30, 2018

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues:			
Water sales	\$ 850,793	\$ -	\$ 850,793
Sewer service	-	1,180,031	1,180,031
Connection fees	10,950	46,800	57,750
Penalties and costs	5,177	5,177	10,354
Other	<u>3,327</u>	<u>3,327</u>	<u>6,654</u>
Total revenues	<u>870,247</u>	<u>1,235,335</u>	<u>2,105,582</u>
Operating expenses:			
Pumping	43,860	-	43,860
Treatment	216,875	-	216,875
Transmission and distribution	296,391	-	296,391
Administrative and general	135,596	116,765	252,361
Depreciation	122,236	106,503	228,739
Collection	-	691,080	691,080
Disposal	<u>-</u>	<u>6,020</u>	<u>6,020</u>
Total operating expenses	<u>814,958</u>	<u>920,368</u>	<u>1,735,326</u>
Operating income	<u>55,289</u>	<u>314,967</u>	<u>370,256</u>
Non-operating revenues (expenses):			
Property taxes	207,120	207,120	414,240
Interest income	1,210	1,210	2,420
Interest expense	<u>( 13,838)</u>	<u>( 131,814)</u>	<u>( 145,652)</u>
	<u>194,492</u>	<u>76,516</u>	<u>271,008</u>
Income before contributions (carried forward)	249,781	391,483	641,264

See notes to financial statements



SIERRA LAKES COUNTY WATER DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION, continued  
for the year ended June 30, 2018

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Income before contributions (brought forward)	\$ 249,781	\$ 391,483	\$ 641,264
Capital contributions	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	\$ <u>249,781</u>	\$ <u>391,483</u>	641,264
Total net position:			
Beginning of year			2,044,817
Prior period adjustment to record OPEB liability pursuant to GASB 75 (Note 13)			( <u>283,617</u> )
End of year			<u>\$2,402,464</u>

See notes to financial statements

SIERRA LAKES COUNTY WATER DISTRICT  
STATEMENT OF CASH FLOWS  
for the year ended June 30, 2018

Cash flows from operating activities:		
Receipts from customers		\$ 2,163,973
Payments to suppliers		(1,693,330)
Payments to employees		( 294,401)
Net cash provided by operating activities -		176,242
Cash flows from noncapital financing activities:		
Receipts from property taxes and other operating income	\$ 414,240	414,240
Cash flows from capital and related financing activities:		
Property additions, including work in progress	( 206,142)	
Payment of long-term debt	( 207,287)	
Interest expense	( 145,652)	
New debt issued - Bond Fund	<u>9,384</u>	
		( 549,697)
Cash flows from investing activities:		
Interest income		<u>2,420</u>
Net increase/(decrease) in cash and cash equivalents		43,205
Cash and cash equivalents:		
Beginning of year		<u>3,011,530</u>
End of year		<u>\$ 3,054,735</u>
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents		\$ 2,271,244
Restricted - cash and cash equivalents		<u>783,491</u>
		<u>\$ 3,054,735</u>

See notes to financial statements

SIERRA LAKES COUNTY WATER DISTRICT  
STATEMENT OF CASH FLOWS, continued  
for the year ended June 30, 2018

Reconciliation of operating income to net cash provided by operating activities:		
Operating income		\$ 370,256
Adjustments to reconcile operating income (loss) to net cash provided to operating activities:		
- Depreciation	\$ 228,739	
Changes in operating assets, liabilities, deferred inflows and deferred outflows:		
Trade receivables	58,391	
Prepays	479	
Payables	3,877	
Compensated absences	1,293	
Net pension liability	( 422,931)	
Net OPEB liability	11,439	
Deferred outflows of resources - pension	( 12,430)	
Deferred outflows of resources - OPEB	( 38,682)	
Deferred inflows of resources - pension	( 24,189)	
		( 194,014)
Net cash provided by operating activities		\$ <u>176,242</u>
Supplemental information:		
Cash paid for interest		\$ <u>146,737</u>

See notes to financial statements

## SIERRA LAKES COUNTY WATER DISTRICT NOTES TO FINANCIAL STATEMENTS

### 1. Organization:

Sierra Lakes County Water District (the "District") was formed in 1961 and provides water service/distribution and sewer collection to residents of the District. The District's financial and administrative functions are governed by a five member Board of Directors elected by the landowners and residents of the District. The District's mission statement is to provide quality water treatment/distribution and sewer collection services at the lowest possible cost.

### 2. Summary of Significant Accounting Policies:

The basic financial statements of Sierra Lakes County Water District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### Basis of Presentation

The District is an enterprise fund. All operations are accounted for as an enterprise fund.

Enterprise Fund – The enterprise fund is used to account for water and sewer operations that are financed and operated in a manner similar to private business enterprises. The intent of the District is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The financial transactions of Sierra Lakes County Water District Assessment District No. 2011-1 (Assessment District No. 2011-1) are included in this report as supplemental information since this Assessment District is a separate legal entity from Sierra Lakes County Water District.

#### Basis of Accounting

The basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.



SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies, continued:

Basis of Accounting, continued

The District's books and accounts are based upon the Uniform System of Accounts for Public Utilities as prescribed by the Division of Local Government Fiscal Affairs of the State of California. The records are maintained and the accompanying financial statements are presented on the accrual basis of accounting.

Operating revenues and expenses, such as water sales along with water expenses, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income and interest expense, result from non-exchange transactions, in which, the District gives (receives) value without directly receiving (giving) value in exchange.

Property tax revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Depreciation

Property, plant and equipment is recorded on the basis of purchase cost. Assets acquired by contributions are recorded at estimated cost or fair market value at the date of acquisition.

Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets.

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies, continued:

Statement of Cash Flows

All highly liquid investments with a maturity of three months or less when purchased, are considered to be cash equivalents.

Compensated Absences

Vested or accumulated vacation and comp. time (non-exempt employees) that is expected to be liquidated with expendable available financial resources is reported as an expense and as a current liability. Sick pay is not vested.

Budget and Budgetary Accounting

The Board of Directors annually adopts an operating budget. The operating budgets are prepared on the accrual basis.

Interest Capitalization

Net interest costs are charged to construction projects during the period of construction.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies, continued:

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

3. Cash:

At year-end the carrying amount of the District's deposits was \$3,054,735 and the bank balance was \$3,072,174. All of the bank balance was covered by Federal depository insurance.



SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

3. Cash, continued:

At June 30, 2018, the District's total cash is as follows:

	Balance June 30, <u>2018</u>
Cash:	
Imprest cash	\$      50
Checking account – unrestricted	2,271,194
Restricted with fiscal agent	175,337
Checking account – restricted (OPEB)	<u>608,154</u>
Total cash	<u>\$3,054,735</u>

Restricted Cash:

The District had \$175,337 in cash as of June 30, 2018, held by a fiscal agent pledged for the payment or security of a loan contract. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, certificates, or leases, may be invested in accordance with the ordinance, resolutions, policies or indentures specifying the types of investments its fiscal agents may make.

The District had \$608,154 in cash at June 30, 2018 established for OPEB (Post Employment Benefits) funding. The funds are held at a bank in an interest bearing checking account.



SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

4. Capital Assets:

At June 30, 2018 changes in capital assets are as follows:

	<u>Balance 6-30-17</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 6-30-18</u>
Water:				
Source of supply	\$ 49,687	\$ -	\$ -	\$ 49,687
Pumping plant	142,950	-	-	142,950
Water treatment	683,796	-	-	683,796
Transmission and distribution	4,111,694	26,764	-	4,138,458
General plant	226,018	15,286	-	241,304
FMHA project	904,122	-	-	904,122
DWR project	628,830	-	-	628,830
Filter plant modification	<u>26,559</u>	<u>59,370</u>	<u>-</u>	<u>85,929</u>
	<u>6,773,656</u>	<u>101,420</u>	<u>-</u>	<u>6,875,076</u>
Sewer:				
Camera	10,427	-	-	10,427
Vehicles	292,127	-	-	292,127
Collection system	1,121,544	15,286	-	1,136,830
Filter plant modification	26,559	59,370	-	85,929
SWRQCB – sewer project	1,772,116	-	-	1,772,116
Waste disposal utility plant	779,194	-	-	779,194
Parallel sewer force main	217,842	-	-	217,842
Sewage export project	<u>206,448</u>	<u>-</u>	<u>-</u>	<u>206,448</u>
	<u>4,426,257</u>	<u>74,656</u>	<u>-</u>	<u>4,500,913</u>
Construction in progress	15,103	20,693	-	35,796
Land	<u>147,662</u>	<u>9,373</u>	<u>-</u>	<u>157,035</u>
Totals	<u>\$11,362,678</u>	<u>\$ 206,142</u>	<u>\$ -</u>	<u>\$11,568,820</u>

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

5. Long-term Debt:

The following is a summary of the long-term debt activities for the year ended June 30, 2018:

	<u>2017</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>2018</u>	<u>Current Portion</u>
DHS loan	\$ 567,927	\$ -	\$ 69,720	\$ 498,207	\$ 71,483
USDA/Revenue					
Bond	4,832,700	-	137,000	4,695,700	140,700
Bond Fund	<u>-</u>	<u>9,384</u>	<u>567</u>	<u>8,817</u>	<u>197</u>
	<u>\$ 5,400,627</u>	<u>\$ 9,384</u>	<u>\$ 207,287</u>	<u>\$ 5,202,724</u>	<u>\$ 212,380</u>

DHS Loan

The District entered into a Safe Drinking Water State Revolving Fund loan with the State of California, Department of Health Services for \$1,307,195 at 2.5132% interest. The purpose of the loan is to assist in financing construction of a project to enable the District to meet safe drinking water standards.

The \$1,307,195 loan will be payable in semi-annual payments of \$41,779 commencing January 1, 2005 through January 1, 2025.

At June 30, 2018 the District maintained a required loan reserve of \$175,337.

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

5. Long-term Debt (continued):

USDA/Revenue Bond

On March 28, 2014 the District issued revenue bonds in the amount of \$5,222,000 for purposes of improving the sewer facility. The bonds bear interest at 2.75% and mature on March 28, 2042. Interest is payable March 28 and September 28 (principal is payable annually-commencing March 28, 2015). A debt service reserve is required in an amount at least equal to an average annual loan installment.

Bond Fund

The District purchased a vacant lot which carried a liability to the Assessment District of \$9,384. This liability is payable through 2053 in annual payments of \$444 through 2024 and \$403 through 2053 respectively, including 2.75% interest.

The future annual maturities of all long-term borrowings as of June 30, 2018 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 212,380	\$ 141,453	\$ 353,833
2020	218,092	135,772	353,864
2021	223,950	129,937	353,887
2022	229,955	123,946	353,901
2023	236,108	117,794	353,902
2024-2028	974,637	502,020	1,476,657
2029-2033	976,181	375,112	1,351,293
2034-2038	1,117,937	233,307	1,351,244
2039-2043	1,010,417	70,902	1,081,319
2044-2048	1,622	393	2,015
2049-2053	<u>1,445</u>	<u>157</u>	<u>1,602</u>
	<u>\$5,202,724</u>	<u>\$1,830,793</u>	<u>\$7,033,517</u>

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Restricted Net Position:

At June 30, 2018 District equity reserves consist of:

Reserve for debt service	\$ 175,337
Capital improvement reserves:	
Water	163,674
Sewer	<u>37,244</u>
	<u>\$ 376,255</u>

7. Defined Benefit Retirement Plan:

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit pension plan. The District participates in the miscellaneous 2% at 60 risk pool. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS require agencies with less than 100 active members in the plan to participate in the risk pool. All District permanent employees are eligible to participate in the System. Benefits vest after five years of service. District employees who retire at age 50 to 63 and with over 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.426 to 2.418 percent of their average salary during their last 36 months of employment. A menu of benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California, 95814.



SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Defined Benefit Retirement Plan, continued:

Funding Policy

Covered employees are required by statute to contribute 7.0 percent of their salary to the plan after a formula to coordinate with Social Security. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The District is required to contribute at an actuarially determined rate.

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Classic</u>	<u>PEPRA</u>
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	55+	55+
Required employee contribution rates	7%	6.25%
Required employer contribution rates	7.200%	6.533%

In August 2017 the District paid \$487,963 to CalPERS to reduce unfunded net pension liability for both Classic and PEPRA plans.

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Defined Benefit Retirement Plan, continued:

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the contributions recognized as part of pension expense were as follows:

Contributions	\$ <u>15,002</u>
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**A. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:***

As of June 30, 2018, the District reported net pension liability as follows:

Net pension liability	\$ <u>29,113</u>
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The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2017 was as follows:

	Miscellaneous <u>Plan</u>
Proportion June 30, 2016	0.0130127
Proportion June 30, 2017	<u>0.0131169</u>
Change – Increase/(Decrease)	<u>-0.0001042</u>

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Defined Benefit Retirement Plan, continued:

For the year ended June 30, 2018, the District recognized pension expense of \$71,985. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>                    </u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Adjustments due to differences in proportions	\$ -	\$ 57,332
Differences between projected and actual earnings on pension plan investments	19,317	-
Difference between expected and actual experience	-	9,174
Changes in assumptions	78,900	-
Pension contributions subsequent to measurement date	<u>15,002</u>	<u>-</u>
	<u>\$ 113,219</u>	<u>\$ 66,506</u>

\$15,002 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2018	\$( 1,881)
2019	28,886
2020	16,175
2021	( 11,469)
2022	-
Thereafter	-



SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Defined Benefit Retirement Plan, continued:

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	7.15%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.3%-14.2%
Investment Rate of Return	7.5%

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.



SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Defined Benefit Retirement Plan, continued:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	<u>2.0%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Defined Benefit Retirement Plan, continued:

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 318,082
Current Discount Rate	7.15%
Net Pension Liability	\$ 29,113
1% Increase	8.15%
Net Pension Liability (Asset)	\$(210,217)

***Pension Plan Fiduciary Net Position*** – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

8. Other Postemployment Benefits "OPEB":

**Plan Description**

In addition to pension benefits, the District provides certain healthcare benefits through CalPERS for retired employees and their survivor dependents, subject to certain conditions. The District's employees become eligible for benefits "after retirement in accordance with regulations prescribed by CalPERS." At June 30, 2017, six retired employees/survivor dependents met those eligibility requirements. Covered employees are not required to make contributions to receive the benefits.

**Total OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Discount rate	3.5%
Inflation	2.75%
Payroll Increase	2.75%
Healthcare Trend	4%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.5%. The discount rate is based on an index of 20 year General Obligation municipal bonds.



SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

8. Other Postemployment Benefits "OPEB", continued:

Change in Total OPEB Liability as of June 30, 2017

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Total OPEB Liability</u>
Rollback balance at June 30, 2016	\$ <u>706,678</u>	\$ <u>-</u>	\$ <u>706,678</u>
Changes recognized for the measurement period:			
Service cost	24,041	-	24,041
Interest on total OPEB liability	24,494	-	24,494
Employer contributions	-	37,096	( 37,096)
Benefit payments	( <u>37,096</u> )	( <u>37,096</u> )	<u>-</u>
Net changes during July 1, 2016 to June 30, 2017	<u>11,439</u>	<u>-</u>	<u>11,439</u>
Balance at June 30, 2017 (Measurement Date)	\$ <u>718,117</u>	\$ <u>-</u>	\$ <u>718,117</u>

Sensitivity of the Total OPEB liability to changes in the discount rate

The following presents the total OPEB liability with a discount rate 1% higher and 1% lower than assumed in the valuation:

	<u>Discount Rate 1% Lower</u>	<u>Valuation Discount Rate 3.5%</u>	<u>Discount Rate 1% Higher</u>
Total OPEB liability	\$ <u>801,356</u>	\$ <u>718,117</u>	\$ <u>648,116</u>



SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

8. Other Postemployment Benefits "OPEB", continued:

Sensitivity of the Total OPEB liability to changes in healthcare cost trend rates

The following presents the total OPEB liability with a healthcare cost trend rate 1% higher and 1% lower than assumed in the valuation:

	Trend 1% Lower	Valuation Trend 4%	Trend 1% Higher
Total OPEB liability	\$ <u>646,737</u>	\$ <u>718,117</u>	\$ <u>802,558</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2018 the District recognized OPEB expense of \$87,217. Under GASB 74 and 75, OPEB expense includes service cost, interest cost, change in total OPEB liability due to plan changes; all adjusted for deferred inflows and outflows. The District determined that it was not reasonable to rerun prior valuations under GASB 75. The transition approach provided by GASB 75, Paragraph 244 was used. Therefore, there are no deferred inflows/outflows in the first year (with the possible exception of contributions after the measurement date). As such, \$38,682 in contributions made after the measurement date are reflected as deferred outflows at June 30, 2018.

**Funding Policy**

The District has no plan assets in a CERBT trust fund. The District did, however, establish a cash reserve fund (requiring board action and two board signatures to access funds). At June 30, 2018 cash held in OPEB bank account is \$608,154.

SIERRA LAKES COUNTY WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS, continued

9. Risk of Loss:

Sierra Lakes County Water District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2018 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

10. Sewage Processing:

Contract costs of the service agreement with Donner Summit Public Utility District for processing sewage generated by the District are expensed as incurred; also expensed are the improvement project costs for the wastewater treatment plant. Regular processing costs including prior year adjustments received are recorded as operating expenses; capital processing costs are recorded as non-operating expense.

11. Subsequent Events:

Management has evaluated subsequent events through August 31, 2018, the date these June 30, 2018 financial statements were available to be issued.

12. Receivable – Project Reimbursement:

At June 30, 2018 the District has a receivable from DSPUD for reimbursement of project costs (excess capacity credit). The \$262,300 is receivable in annual payments of \$65,575 plus 2.75% through 2021.

13. Prior Period Adjustment:

The District's net position at July 1, 2017 was restated by \$283,617 to reflect the OPEB beginning balance in accordance with the implementation of GASB 75.

## SUPPLEMENTAL DATA



SIERRA LAKES COUNTY WATER DISTRICT  
PRINCIPAL OFFICIALS

Board of Directors:

Michael Lindquist

President

Dan Stockton

Vice President

Bill Oudegeest

Director

Karen Heald

Director

Richard Simpson

Director

Management:

Bill Quesnel

General Manager

Anna Nickerson

Financial Consultant/  
Secretary of the Board



SIERRA LAKES COUNTY WATER DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY

As of June 30, 2018

Last 10 years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	.013117%	.01301%	0.01255%	0.00625%
Proportionate share of the net pension liability	\$ 517,076 (2)	\$ 452,044	\$ 344,382	\$ 388,716
Covered – employee payroll	\$ 214,138	\$ 204,488	\$ 209,197	\$ 199,147
Proportionate Share of the net pension liability as percentage of covered-employee payroll	241.47%	221.06%	164.620%	195.19%
Plan's fiduciary net position	\$1,529,839	\$1,475,762	\$1,535,687	\$1,476,608
Plan fiduciary net position as a percentage of the total pension liability	74.74%	76.55%	81.68%	79.16%

Changes in assumptions: None

(1) Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only four years are shown.

(2) In August 2017 the District paid \$487,963 to CalPERS to reduce unfunded net pension liability for both classic and PEPRA plans.

SIERRA LAKES COUNTY WATER DISTRICT  
SCHEDULE OF CONTRIBUTIONS FOR PENSIONS

As of June 30, 2018

Last 10 years (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 15,002	\$ 40,812	\$ 43,307	\$ 26,862
Contributions in relation to the actuarially determined contributions	<u>15,002</u>	<u>40,812</u>	<u>53,204</u>	<u>( 26,862)</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>( 9,897)</u>	\$ <u>-</u>
Covered – employee payroll	\$ 214,138	\$ 204,488	\$ 209,197	\$199,147
Contributions as a percentage of covered employee payroll	7.01%	19.96%	25.43%	13.49%
Notes to Schedule:				
Valuation date:	6/30/17	6/30/16	6/30/15	6/30/14

Methods and assumptions used to determine contribution rates:

Amortization method	Entry Age Normal Cost Method
Remaining amortization period	15 years
Asset valuation method	Market Value
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Discount rate	7.15% Net of Pension Plan Investment and Admin. Expenses

(1) Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only four years are shown.



SIERRA LAKES COUNTY WATER DISTRICT  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
As of June 30, 2018

	<u>2018</u>
Total OPEB liability:	
Service cost	\$ 24,041
Interest on total OPEB liability	24,494
Benefit payments	<u>( 37,096)</u>
Net change in total OPEB liability	11,439
Total OPEB liability, beginning	<u>706,678</u>
Total OPEB liability, ending	718,117
OPEB Fiduciary net position, beginning and ending	<u>-</u>
Net OPEB liability	<u>\$ 718,117</u>
Covered-employee payroll	\$ 214,138
Plan net OPEB liability as a percentage of covered-employee payroll	335.35%

Notes to Schedule:

Changes in assumptions: none

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

ASSESSMENT DISTRICT NO. 2011-1  
STATEMENT OF NET POSITION – BOND FUND  
June 30, 2018

ASSETS

Cash – checking	\$ 481,759
Future assessments receivable	<u>7,275,817</u>
	<u>\$7,757,576</u>

LIABILITIES AND NET POSITION

Assessment bond payable	\$7,556,922
Net Position	<u>200,654</u>
	<u>\$7,757,576</u>



ASSESSMENT DISTRICT NO. 2011-1  
BOND DEBT  
June 30, 2018

On October 14, 2011 the Board of Directors approved Resolution No. 2011-801 which established Assessment District No. 2011-1, pursuant to the Municipal Improvement Act of 1913. The Board's purpose was to finance a portion of the District's share of the cost of upgrades to the wastewater treatment plant that serves the District by issuance of improvement bonds.

On January 14, 2012 the property owners of the District approved a total assessment levy of \$9,574,174 that will be represented by bonds to be issued by the Assessment District.

On July 17, 2014 the Assessment District issued \$7,973,975 in bonds under the Improvement Bond Act of 1915.

The bonds are payable to the United States of America, through the Rural Utilities Service of the United States Department of Agriculture, Rural Development in varying annual amounts through 2053. Assessments have been pledged to secure the issuance of these bonds.

The interest rate is 2 ¾%, payable on March 2, 2015 and thereafter semiannually on March 2 and September 2 in each year.

The following is a summary of bond debt activities for the year ended June 30, 2018:

	<u>2017</u>	<u>New Debt Issued</u>	<u>Debt Retired</u>	<u>2018</u>	<u>Current Portion</u>
Bonds	<u>\$7,677,927</u>	<u>\$ -</u>	<u>\$121,005</u>	<u>\$7,556,922</u>	<u>\$ 125,000</u>

ASSESSMENT DISTRICT NO. 2011-1  
ANALYSIS OF NET POSITION – BOND FUND  
for the year ended June 30, 2018

Net Position – Bond Fund:

Activities for the year consist of:

Balance, June 30, 2017		\$ 194,856
Add, Admin. fees	\$ 10,645	
Interest income	208,039	
Other	<u>352</u>	
		219,036
Deduct,		
Interest expense	209,479	
County administration fees	<u>3,759</u>	
		( 213,238)
		\$ <u>200,654</u>

INDEPENDENT AUDITOR'S  
REPORT ON INTERNAL CONTROL  
AND COMPLIANCE





**Robert W. Johnson**  
*an accountancy corporation*

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohansoncpagroup@gmail.com | 916.723.2555  
www.bob-johnson-cpa.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

To the Board of Directors  
Sierra Lakes County Water District  
Soda Springs, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts, the financial statements of Sierra Lakes County Water District as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated August 31, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Sierra Lakes County Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Sierra Lakes County Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other minor matters that we reported to management of the Sierra Lakes County Water District in a separate letter dated August 31, 2018.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Robert W. Johnson, An Accountancy Corporation*

Citrus Heights, California  
August 31, 2018



**SIERRA LAKES  
COUNTY WATER DISTRICT**

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**REPORT ON ACCOUNTING CONTROLS  
AND PROCEDURES**

**June 30, 2018**





Robert W. Johnson  
*an accountancy corporation*

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohansoncpagroup@gmail.com | 916.723.2555  
www.bob-johnson-cpa.com

August 31, 2018

To the Board of Directors  
Sierra Lakes County Water District  
Soda Springs, California

We have audited the financial statements of Sierra Lakes County Water District as of and for the year ended June 30, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with *Government Auditing Standards* and the State Controller's Minimum Audit Requirements for California Special Districts.

In planning and performing our audit of the financial statements of Sierra Lakes County Water District as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Sierra Lakes County Water District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures but not for the purpose of expressing our opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we have enclosed other recommendations for your consideration.

This communication is intended solely for the information and use of management and Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

*Robert W. Johnson, An Accountancy Corporation*

Robert W. Johnson, An Accountancy Corporation

1. Operating Results:

	<u>2017</u>	June 30, <u>2018</u>	Favorable/ (Unfavorable) <u>Variance</u>
Operating revenues	\$ 1,564,605	\$ 2,105,582	\$ 540,977
Operating expenses	<u>1,791,948</u>	<u>1,735,326</u>	<u>56,622</u>
Operating income (loss)	( 227,343)	370,256	597,599
Non-operating revenue, net	885,527	271,008	( 614,519)
Capital contributions	<u>679,298</u>	<u>-</u>	<u>( 679,298)</u>
Net income (loss)	\$ <u>1,337,482</u>	\$ <u>641,264</u>	\$ <u>( 696,218)</u>
Operating cash	\$ <u>2,298,628</u>	\$ <u>2,271,244</u>	\$ <u>( 27,384)</u>

Observation:

- 2018 was a more standard year because in 2017 the following one-time transactions occurred:
  1. \$506,499 rebate paid to customers
  2. \$655,749 recovery received from DSPUD Wastewater Treatment Plant Project and,
  3. \$679,298 capital contribution recorded
- \$27,384 less operating cash at end of 2017-18 fiscal year.



2. Prior Year Recommendation:

Reserve Policies and Facility Fee Revenue:

Recommendation:

We recommended that the Board review the restrictions for spending facility fee revenue with legal counsel to determine the nature of capital expenses that may be charged against facility fees (collected for water and sewer operations). At June 30, 2018 the District had capital improvement restricted funds of \$163,674 (sewer) and \$37,244 (water).

Follow-up:

Board will include in review of District's policies and procedures.

3. Ethics Training:

Observation:

California Law AB 1234 requires special districts to provide ethics training to their board members. The training must be completed once during each two-year period.

Recommendation:

One of the five board members is out of compliance. The mandatory ethics training course should be completed as soon as possible.

## MEMORANDUM

**To:** Board of Directors, Sierra Lakes County Water District  
**From:** Bill Quesnel PE, General Manager  
**Subject:** SLPOA-SLCWD License Agreement Update  
**Date:** December 4, 2018

---

Representatives of the Serene Lakes Property Owners Association (SLPOA) Board met with Director Heald, Jeff Mitchell, Andreas Booher (KMTG) and me on November 27<sup>th</sup> to review the previously approved License Agreement. The discussion focused on the liability insurance limits and indemnification/applicability language.

A draft of the revised Agreement is attached; the proposed changes are shown in *italics* and include:

- the addition of Section C (Recitals) referring to the Lot 1 Lease Agreement;
- modification of the beginning and ending years of the Term (Agreement Section 2) to reflect expected final approval in February, 2019;
- modification of the 8<sup>th</sup> and 9<sup>th</sup> lines of Agreement Section 8a re: applicability of insurance to define when the Association's insurance is considered "primary"; and
- modification of Exhibit "B", Item 4 to allow the installation of a dock at the Castle access point.

The draft Agreement is being provided to the Directors for information and comment only. The SLPOA representatives plan to present the document to the Association's Board at its January 2019, meeting with a recommendation for approval as currently proposed. Assuming that recommendation is accepted, the Agreement will be considered for subsequent approval by the Sierra Board at its February meeting.

Attachment: Draft License Agreement (November 27, 2018)

## LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("**Agreement**") is made by and between SIERRA LAKES COUNTY WATER DISTRICT, a California county water district ("**SLCWD**" or "**Licensor**") and SERENE LAKES PROPERTY OWNERS ASSOCIATION, INC., a California non-profit mutual benefit corporation ("**SLPOA**" or "**Licensee**"); Licensor and Licensee shall sometimes hereinafter be referred to as the "Parties."

### RECITALS

A. Licensor is the owner of certain real property situated in an unincorporated area of Placer County, California (the "**SLCWD Property**"), and more particularly described in Exhibit A, which is attached to this Agreement and incorporated herein by reference.

B. Licensee is a volunteer nonprofit organization of property owners in the SLCWD service area that provides various services and amenities to its members.

C. *Licensee and Licensor are also parties to that certain "Lease Agreement" dated May 14, 2010 by which Licensee leased "Lot One" (as defined in the Lease Agreement) from Licensor. Lot One is not the subject of this License Agreement, and the Lease Agreement remains in full force and effect.*

D. Licensee desires access to, and limited use of, certain specified portions of the SLCWD Property, more particularly described in Exhibits A and B attached hereto and incorporated herein by reference (the "**License Sites**"), for purposes of constructing, maintaining and operating seasonal and short term boat storage facilities, piers and docks for use by property owners in the SLCWD service area in compliance with the SLCWD's lake management plan now set forth as Division XXX of the Sierra Lakes District Code, as it may be amended from time-to-time (the "**Lake Management Plan**"). The parties acknowledge and agree that the intent of the Lake Management Plan and any other implementing ordinance(s) adopted by Licensor is to establish reasonable regulations to address and put controls on the historical access to, and use of, the SLCWD Property and Lakes Dulzura and Serena in an effort to limit adverse impacts that may otherwise occur in the absence of regulations that limit use of the SLCWD Property, and that said intent shall govern the rights granted to SLPOA under this Agreement.

E. Licensor desires to grant to Licensee a license to install, maintain and operate such facilities and docks to facilitate the implementation and administration of the Lake Management Plan under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein expressed and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensor and Licensee agree as follows:

### AGREEMENT

1. Grant of License. Licensor hereby grants a non-exclusive license to Licensee, to install, maintain, operate, replace and remove, at Licensee's sole expense at the various License Sites, the boat storage racks, piers and floating docks (and related signage) for use by property owners in the SLCWD service area as further described in Exhibit B attached hereto and incorporated herein by reference ("Permitted Use").



The license granted by this Agreement is subject to such regulations as may from time to time be adopted by Licensor to address water quality and/or environmental issues pertaining to the lakes and the abutting shoreline areas, which regulations are based on a reasonably demonstrated need to protect water quality and/or the environment.

2. Term. The term of the license granted under this Agreement (the "**Term**") shall be for a period of three (3) years commencing on \_\_\_\_\_, 2019 (the "**Commencement Date**") and continuing until \_\_\_\_\_, 2022, subject to extension or earlier termination in accordance with the provisions of this Agreement. This Agreement shall automatically renew for up to an additional two, three (3) year terms following the Commencement Date (for a possible maximum term of nine (9) years) unless either Party provides written notice to the other Party of its intention not to renew this Agreement at least thirty (30) days prior to the then-current termination date.

3. Fee. Licensee agrees to pay Licensor a non-refundable fee of One Hundred Dollars (\$100) as part of the consideration for Licensor's grant of license. Licensee shall make this payment by the Commencement Date. The parties expressly acknowledge and agree that the fee set out in this paragraph is only part of the consideration that is being provided to SLCWD in connection with this Agreement and that SLPOA's agreement to undertake and manage the boat storage activities described herein also conveys an important benefit to SLCWD.

4. Termination Rights.

(a) Licensor shall have the right to terminate and revoke all or any of the rights granted to Licensee hereunder at any or all License Sites in the event Licensor reasonably determines that the exercise of the applicable right or rights by Licensee hereunder at the applicable License Site(s) (i) violates any legal obligations or restrictions on either party or (ii) creates unacceptable water quality, health, safety or welfare issues or water turbidity problems that are not amenable to reasonable mitigation through regulation, or that as a result of continued drought it is no longer feasible for Licensee to exercise the applicable activity at the affected License Site. Such termination and revocation shall require Ninety (90) days prior written notice to Licensee before becoming effective.

(b) In the event a Party to this Agreement fails to timely perform or comply with any provision of this Agreement and does not cure such failure within fifteen (15) days after receipt of written notice thereof from the other Party, or if such failure cannot be cured within such fifteen (15) day period, fails to commence and thereafter diligently pursue such cure as soon as reasonably possible, then such failure shall constitute a "**Default**" by that Party under this Agreement, and the non-defaulting Party shall have the right by written notice to the defaulting Party, effective upon receipt, to terminate this Agreement.

(c) Licensee shall have the right to terminate this Agreement in the event that Licensee determines that it is unwilling or unable to continue to operate and maintain the boat storage facilities and docks permitted under this Agreement. Such termination shall require Ninety (90) days prior written notice to Licensor before becoming effective; provided, however, that in the event that a third-party legal action is brought to challenge the rights granted under this Agreement, Licensee may (but is not obligated to) terminate this Agreement upon five (5) days prior written notice to Licensor.

(d) In the event either Licensor or Licensee terminates this Agreement as provided above, the boat storage facilities and docks at the affected License Site(s) shall remain the

property of Licensee, and Licensee shall, prior to the effective date of the termination, remove the boat storage facilities and docks from the applicable License Site(s) and restore the License Site(s) to the condition that existed prior to June 1, 2015.

5. Licensee's Rights and Responsibilities.

(a) Licensee shall have the right under the license granted under this Agreement to regulate and charge fees for the use of the boat storage facilities, piers and docks permitted under this Agreement, provided such regulation is in compliance with SLCWD's ordinances and Lake Management Plan as the same may be modified from time to time, and provided that the fees charged are designed to reasonably reimburse Licensee for costs incurred in connection with the installation, maintenance, repair, replacement and operation of the improvements installed in the License Site and the exercise of the associated rights granted under this Agreement and are reasonably apportioned between non-members and members of SLPOA.

(b) Licensee shall use the License Sites solely for the Permitted Use set forth above. Licensee shall comply with all laws, statutes, ordinances, codes, rules and regulations of federal, state, county, local and municipal governments which are applicable to the Licensee's use of the License Sites ("**Applicable Laws**"), and Licensee shall be responsible at Licensee's sole cost and expense for obtaining and maintaining any permits or approvals necessary for the boat storage facilities and docks to be installed at the License Sites and to install such facilities in full compliance with all Applicable Laws; provided, however, that Licensor shall be responsible for the implementation of procedures required under the California Environmental Quality Act (CEQA) (Public Resources Code 21000 et seq.) and for the preparation of CEQA documents if any are required in connection with the rights granted under this Agreement. In the event that Licensor determines that it is not feasible from a logistical, financial or timing standpoint to appropriately comply with applicable requirements under CEQA; then in such event Licensor may terminate this Agreement by providing timely notice to Licensee.

(c) Licensee shall obtain the prior approval of Licensor for the design and installation of any boat storage facilities, piers and docks and related improvements installed in the License Sites, such approval not to be unreasonably denied, conditioned or delayed.

6. No Disruption of Activities. Licensee agrees that the activities on the License Sites conducted by Licensee shall be conducted so as to minimize interference with Licensor's normal activities on the Property.

7. Indemnification. For purposes of this Section, "Licensee" shall include Licensee's employees, agents, contractors, and invitees. Licensee hereby agrees that Licensor shall not be responsible for damage or loss to any improvements installed by Licensee at the License Sites or for theft or damage to any personal property stored at the License Sites pursuant to this Agreement. Licensee further agrees, to the fullest extent permitted by law, to indemnify, defend (with counsel reasonably satisfactory to Licensor) and hold harmless Licensor, its officers, directors, employees and agents, from and against any and all claims, liabilities, actions, demands, damages, losses and expenses, including but not limited to reasonable attorneys' fees and costs incurred in defending same, for loss of, or damage to property or for injuries to, or death of, any persons ("**Claims**") to the extent resulting from the use of the License Sites by Licensee, or arising from or alleged to have arisen from the unlawful, tortious or negligent acts or omissions of Licensee on the License Sites or the failure of Licensee to comply with the terms and conditions of this Agreement; provided, however, that the foregoing indemnity shall not be applicable to Claims to the extent arising by reason of the willful misconduct or negligent

acts or omissions of Licensor or its authorized representatives ("**Excluded Claims**"), including but not limited to Hazardous Conditions on the SLCWD Property (except to the extent such Hazardous Conditions were introduced or exacerbated by Licensee's activities), and Licensor shall indemnify, defend and hold harmless Licensee, from and against (i) any and all such Excluded Claims to the extent not covered by insurance required to be carried by Licensee under the terms of this Agreement and (ii) in any CEQA litigation filed against the Lake Management Plan which also names Licensee as a party; provided, however, that if Licensee wants to have separate legal counsel in any such action, the fees and costs for such separate legal counsel shall be the sole responsibility of Licensee. Licensee further agrees that it will permit no mechanic's, materialman's or other liens to be placed on the License Sites for work or materials furnished in connection with the Licensee's use of the license granted under this Agreement. In the event such liens are placed, Licensee agrees to further indemnify, defend and hold Licensor and the License Sites harmless from and against same. As used in this Section 7, "Hazardous Condition" means a condition of the surface of a License Site that creates a substantial (as distinguished from a minor, trivial or insignificant) risk of injury when the Site is used with due care in a manner in which it is reasonably foreseeable that it will be used. The obligations of the parties under this Section 7 shall survive the expiration or termination of this Agreement.

8. Insurance.

(a) General Liability. Licensee shall obtain and maintain in force at all times during the Term commercial general liability insurance coverage (Occurrence Form CG 00 01), including coverage for claims arising out of premises/operations, products/completed operations, contractual liability, and subconsultant's work and personal and advertising injury, for activities undertaken by or for Licensee hereunder in connection with the Permitted Use. Coverage shall be on an occurrence form basis with limits of not less than Four Million Dollars (\$4,000,000) per occurrence and Eight Million Dollars (\$8,000,000) annual general aggregate. Such policy(ies) shall provide that they are primary insurance *with respect to all Claims (as defined in Section 7)* and that any insurance carried by Licensor shall be in excess and shall not contribute with it. Licensor and its officials, officers, employees shall be listed as additional insureds on the policy(ies) of insurance which shall also include blanket contractual liability, it being the intent of the Parties that Licensee's contractual liability coverage provide coverage to the maximum extent possible of Licensee's indemnification obligations under this Agreement. Such policy shall be in a form and written by an insurer reasonably acceptable to Licensor, and shall state that the insurer will provide the Licensor with written notice prior to any cancellation of the policy or reduction in the amount of said policy and shall provide the Licensor with the option to advance payments for the continuation of the policy at the same coverage amount, which payments shall be on behalf of and at the sole cost of Licensee. Licensee shall provide to Licensor a certificate of insurance naming the Licensor, its officials, officers and employees as additional insureds by an endorsement effective not later than the Commencement Date.

(b) Worker's Compensation. In the event Licensee has employees or hires contractors, Licensee shall obtain and maintain in force during the Term insurance to protect Licensee, its contractors and subcontractors from all claims under Worker's Compensation and Employer's Liability Acts. Such coverage shall be maintained, in type and amount, in strict compliance with all applicable state statutes and regulations.



9. General Provisions.

(a) Entire Agreement. This Agreement constitutes the final and entire agreement between the Parties with regard to the subject matter hereof, all oral agreements being merged herein, and supersedes all prior understandings and agreements between the Parties.

(b) Amendments. This Agreement may only be amended or modified by a document in writing signed by both Parties.

(c) Severability. If any clause, sentence or other portion of this Agreement shall become illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remaining portions hereof shall remain in full force and effect.

(d) No Waiver. No waiver of any default of any obligation by any Party hereto shall be implied from any omission by the other Party to take any action with respect to such default.

(e) Captions. None of the captions or headings of any of the paragraphs of this Agreement shall be construed as a limitation upon the language of the paragraphs, said captions having been inserted as a guide and partial index and not as a complete index of the contents of such paragraphs.

(f) Relationship. Nothing contained in this Agreement shall be deemed or construed, either by the Parties or by any third party, to create the relationship of principal and agent or create any partnership, joint venture, or other association between the Parties.

(g) Time. Time is of the essence.

(h) Governing Law. The rights and obligations of the Parties and the interpretation and performance of this Agreement shall be governed by the law of California, excluding its conflict of laws rules.

(i) Notices. Any and all notices, consents, requests, demands, approvals, authorizations and other communications provided for herein shall be in writing and shall be deemed to have been duly given if and when (i) personally served, (ii) three (3) days following deposit after being sent by United States registered or certified mail, return receipt requested, postage prepaid, or (iii) the next business day if sent by overnight courier service that provides receipt delivery service, delivery charges prepaid, return receipt requested, addressed to the following addresses:

If to Licensor:

Sierra Lakes County Water District  
c/o General Manager  
7305 Short Road  
Soda Springs, CA 95728

If to Licensee:

Serene Lakes Property Owners Association  
c/o President

P.O. Box 669  
Soda Springs, CA 95728

or any such place as the Parties may, from time to time, designate in writing at least thirty (30) days in advance of any required written correspondence or notification. Refusal to accept delivery of any notice, request or dismissal shall be deemed to be delivery thereof.

(j) Assignment. This Agreement is personal to the originally named Licensee hereunder and shall not be assigned, conveyed, transferred or otherwise hypothecated without the prior written consent of Licensor, which may be withheld in Licensor's sole and absolute discretion.

(k) Binding Effect. Subject to the restrictions on assignment contained in Paragraph 9(i) above, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective legal representatives, successors and assigns.

(l) Necessary Actions. Each party agrees to execute and deliver additional documents and instruments and to take any additional actions as may be reasonably required to carry out the purposes of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates set forth below.

LICENSOR:

Sierra Lakes County Water District,  
a California county water district

LICENSEE:

Serene Lakes Property Owners Association,  
Inc., a California non-profit mutual benefit  
corporation

By: \_\_\_\_\_  
Name: Michael Lindquist  
Title: President  
Date:

By: \_\_\_\_\_  
Name: Diane Scanlon  
Title: President  
Date:

Approved as to form:

By: \_\_\_\_\_  
Name: Jeffrey Mitchell  
Title: District General Counsel

EXHIBIT A

SLCWD PROPERTY AND LICENSE SITES

(See Attachment)

DRAFT





## EXHIBIT B

### SCHEDULE OF SITE-SPECIFIC BOAT STORAGE FACILITIES AND DOCKS

1. Serene Road @ Swiss Court: Seasonal storage of sailboats and paddleboats and short term storage of kayaks and canoes. Maximum number of stored boats is 30. Installation of 4'x10' dock.
2. Bales Road: Racks for seasonal storage of kayaks and canoes, logs for day use storage of kayaks and canoes. Maximum number of seasonally stored boats is 84. Installation of 4' x10' dock.
3. Allen Drive: Seasonal and short-term storage of kayaks and canoes. Maximum number of stored boats is 14. Installation of 4'x10' dock.
4. Castle Road: Short-term storage of kayaks and canoes. Maximum number of stored boats is six. *Installation of 4'x10" dock.*
5. Beacon Road: Short-term storage of kayaks and canoes. Maximum number of stored boats is six. Installation of 4'x10' dock.
6. Sierra Road Installation of an up to 245 square foot pier for day use.
7. Dulzura Road: Seasonal and short-term storage of kayaks and canoes. Maximum number of stored boats is eight.
8. Soda Springs Road: signage for designated dog access to Lake Dulzura.

## MEMORANDUM

**To:** Board of Directors, Sierra Lakes County Water District  
**From:** Bill Quesnel PE, General Manager  
**Subject:** Body Contact in Lake Serena  
**Date:** December 5, 2018

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At previous meetings there has been discussion concerning removing the prohibition of body contact in Lake Serena, the source of the community's drinking water. California Health and Safety Code (Code) Section 115825 states:

- a) It is hereby declared to be the policy of this state that multiple use should be made of all public water within the state, to the extent that multiple use is consistent with public health and public safety; and
- b) Except as provided in this article, recreational uses shall not, with respect to a reservoir in which water is stored for domestic use, include recreation in which there is bodily contact with the water by any participant.

Sections 115840-115843 of the Code list specific reservoirs in various locations around the State that allow body contact under certain conditions. Each of the sites has its own set of conditions, but common requirements include:

- Complete water treatment including coagulation, flocculation, sedimentation, filtration and disinfection before being used for domestic purposes. The treatment process is required to comply with all state and federal laws including, but not limited to the EPA Long-Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR);
- The recreation use may be subject to additional conditions and restrictions adopted by the entity operating the reservoir and/or the State Water Resources Control Board (SWRCB);
- Annual reporting of water quality monitoring results that includes E.coli, bacteria, giardia and cryptosporidium organisms;
- Submittal of Operating and Management Plans that include the following information:
  - Maps showing the reservoir area, including location of water works facilities, area to be open for recreational use and location of sanitary facilities to be provided for the public;
  - Data on the size of the reservoir, length of time of water storage in the reservoir, topography of the reservoir site, prevalence of wind-induced currents and other factors that may affect the quality of the stored water and movement of possible contaminants to the water intake;
  - Data on the size of the protective zone to be provided between the area of recreational use and point of water withdrawal for the water supply;
  - A statement describing the type of recreational use proposed and the maximum number of persons, cars, vehicles and boats allowed in the area; and
  - A description of the water supplier's program, personnel and financing to control the recreational use, including maintenance and operations of recreational and sanitary facilities, and supervision of the people permitted in the area.



Additional information is contained in Title 17, Article 5, Sections 7625, 7626 and 7629 of the California Code of Regulations (Regulations):

**§7625. Definitions:**

- (a) "Domestic water supply reservoir" as used herein means a reservoir used to impound or store water intended solely or primarily for domestic purposes.

**§7626. Application for Permit**

- (a) Recreational use on and around a domestic water supply reservoir is prohibited unless specifically authorized in a water supply permit.

**§7629. Reservoirs for Which Permits May be Granted**

When the State Board finds that the intended recreational use will not render the water supply as delivered to the consumers impure, unwholesome or unpotable, permit for such use will be issued. Subject to the State Board findings the following types of domestic water supply reservoirs may be used for recreational purposes:

- (1) Reservoirs from which water is continuously and reliably treated by filtration and chlorination; provided that for smaller water systems, under special circumstances satisfactory to the State Board, approved dual chlorination may be acceptable;

When I contacted the SWRCB Engineer that oversees the District's operation re: recreational use (specifically swimming) on/in Lake Serena he asked "if the Lakes were formed for the primary or sole purpose of being a domestic water supply". I did not follow-up with him concerning the history of the construction of the dam and development of the community.

Regardless of the applicability, or not, of the Regulations (i.e. the reason the dam was constructed), the protection of water quality has always been the highest priority of the District and if body contact was to be allowed in Lake Serena it would require establishment and enforcement of a strict set of rules and regulations. In researching the typical requirements of an Operating and/or Management Plan, including the expected protection and controls, I found the following recommendations in a 2000 SWRCB draft (but not adopted) report:

The protective measures for the outlet must, as a minimum, meet the following criteria:

- Provide a closed zone around the outlet within which all recreational use is prohibited. Mark the zone with buoys and a cable line to prevent boats from entering. Provide posting and patrol to prevent public access. Prohibit anchoring of boats on the buoy line;
- The closed zone should extend for a minimum distance of 500 feet from the reservoir outlet works;
- Close the shoreline area extending 500 feet on either side of the outlet by fencing. The area should be posted, both in the water and along the shoreline. The area should be patrolled at least daily and more often during peak use periods; and
- Streams or drainage ways flowing into the reservoir within the closed zone should be protected by closing their tributary watersheds to recreational development within 500 feet of the reservoir shoreline. A site-specific study of flow dynamics may be undertaken to determine whether the standard 500-foot setbacks provided above are either adequate or necessary.

At reservoirs where swimming is allowed, the following precautions must be observed:

- In order to maximize pathogen attrition in the reservoir, swimming areas should be located as far from the reservoir outlet as possible and situated where prevailing currents will not allow rapid transport of water from the swimming area to the outlet. A site-specific analysis of flow dynamics is strongly encouraged;
- In order to reduce the introduction of fecal matter into the reservoir, diaper-wearing infants should be prohibited from water contact; and
- Dogs and other domestic animals should be prohibited from swimming areas.

Toilets must be sufficient in number, conveniently located, readily accessible to the public, and maintained in a clean, sanitary fashion at all times.

- Toilets must be provided for each sex in proportion to the number of visitors expected.
  - Only parts of the shoreline where toilet facilities are available within a 5-minute walk (or, alternatively, within 500 feet) should be open for recreation.

In order to prevent overuse of the area and creation of health or safety hazards, the number of persons must be limited to avoid exceeding the capacity of sanitation and other support facilities. If body contact recreation is allowed on a domestic supply reservoir, the number of visitors must be further limited in order to prevent the contamination of the raw water supply with excessive numbers of pathogenic organisms. The recommended number of annual visitors is 2.1 per acre-foot of storage capacity (above the thermocline) when swimming is allowed in a domestic water supply reservoir.

The District's water treatment process does meet the LT2ESWTR requirements. That said, the suggested operating limitations to protect water quality (which Staff would strongly recommend be followed) and the location of the intake pipe, make removal of the body contact prohibition "challenging" from a monitoring and enforcement perspective:

- a "closed zone" within 500-feet of the lake intake pipe would preclude the use of the Bales site, arguably the most used location on Lake Serena, for swimming;
- the intake is located at the north end of Lake Serena and subject to wind driven waves (and currents) that could transport water from areas open to swimming to the vicinity of the pipe;
- the prohibition against dogs swimming in any portion of Lake Serena should be continued;
- construction of restroom facilities serving Lake Serena access locations is recommended;
- the volume of the top seven-feet (depth of intake pipe) of Lake Serena is ~200 acre-feet. Using the recommended ratio of 2.1 swimmers per acre-foot of storage would suggest that no more than 400 people be allowed to swim in Lake Serena per season.

Staff welcomes comments from the Board and Public and continued discussion but at this time cannot support body contact in any portion of Lake Serena.

**Anna M Nickerson**

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**From:** menlo59@litol.com  
**Sent:** Friday, November 9, 2018 3:21 PM  
**To:** anna.nickerson@slcwd.org  
**Subject:** For the Board Meeting

To the Directors of the SLCWD

Re: Swimming in Lake Serena

I would like to register my unequivocal opposition to permitting swimming in Lake Serena. As the source of our water supply for Serene Lakes, Lake Serena must be kept as pure as possible. There is ample opportunity for swimming in Lake Dulzura, with access points on both sides of the lake.

Allowing swimming in Lake Serena would inevitably lead to access by dogs with the resulting pollution. I have already had to chase dog owners away from the Water District dock, where they were throwing sticks into the water right in front of the sign restricting access to the lake.

Incidental contact with the water in launching kayaks or falling from paddleboards probably does not cause water quality problems. However, prolonged contact by swimmers, children, and dogs does.

Furthermore, recognition of the need to maintain water quality can be reinforced in the minds of residents and renters by well-publicized restrictions on swimming in Lake Serena. More publicity on the restrictions on the use of motorized boats and snowmobiles on both lakes would also help reinforce the ethics of water quality protection.

Tom Burns  
5700 Soda Springs Road



## SIERRA LAKES COUNTY WATER DISTRICT

REVISED 12/11/18

### Follow-up from November 9, 2018, Board Meeting

- |     |                      |  |
|-----|----------------------|--|
| 1   | Bill Q               | Send letter to SLPOA summarizing the understanding regarding SLPOA facilities in the water at Lot 1 and defining SLPOA's responsibilities with respect to Lease Agreement. |
| X 2 | Bill Q               | Sent a letter to SLPOA regarding the Board's approval of extending the Sierra access point ramp and file a Notice of Exemption for the project.                            |
| 3   | Bill Q               | Look into options for a District weather station   |
| 4   | Interested Directors | Provide picture and bio for website  |
| 5   | Mr. Mitchell         | Update on the District election status through Placer County (Before next scheduled election in 2020)  |

#### Future discussion topics or agenda items:

- 1) A review of what we can do to improve customer service

91 revised

**Sierra Lakes County Water District**  
**Action Items**  
*As of December 2018*

REVISED: 12/11/18

	TASK	STATUS	DUE DATE	PROGRESS	ASSIGNED
1	Office Procedures Manual	3 sections left to complete	In Process	85%	Anna
2	Proper Operation of Stop & Drain Valves Program	equipment modified, coordinating production of video	In Process	60%	Bill Q.
3	Develop information about best management practices and fertilization for inclusion with billing	Research BMPs and macrophyte plant management options	Spring 2019	10%	Bill Q.
4	AMR Data Collection & Analysis	Collect use data by type of occupancy	Summer 2019	0%	Bill Q.
5	Policies & Procedures Review/Update	Review current policies and procedures for revisions and possible additions.	Spring 2019	10%	Bill Q./Anna/Dick
6	Insurance Coverage Review	JPIA Liability, Property and Workers Comp policies submitted to KMTG for review	Spring 2019	25%	Bill Q./Jeff M
7	Urgent Matter Protocol	Review current policies and procedures for revisions and possible additions to agenda.	Jan-19	0%	Bill Q.

92.  
revised

## MEMORANDUM

**To:** Board of Directors, Sierra Lakes County Water District  
**From:** Bill Quesnel PE, Operations Manager  
**Subject:** Procedures for Agenda Modification  
**Date:** June 6, 2013

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At the May 2013, meeting a discussion occurred re: the ability of, and required procedure for, the Board to add an item to the previously posted Agenda.

California Government Code Section 54954 (Ralph M. Brown Act) includes the following subdivisions:

**54954.2(b)** Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

**54956.5(a)** For purposes of this section, "emergency situation" means both of the following:

(1) An emergency, which shall be defined as a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body.

(2) A dire emergency, which shall be defined as a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring a legislative body to provide one-hour notice before holding an emergency meeting under this section may endanger the public health, safety, or both, as determined by a majority of the members of the legislative body.