



REGULAR MEETING OF THE BOARD OF DIRECTORS

**IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549**

August 17, 2022 – 6:00 P.M.

Pursuant to AB 361 and action taken by the Board pursuant to such, this meeting will be held in person and virtually.

Topic: Board of Directors Meeting

Time: Aug 17, 2022 06:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/83891502302?pwd=bndrY0tPUEFvdzdRei9uZ1NTMjRZQT09>

Meeting ID: 838 9150 2302

Passcode: 567564

One tap mobile

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AGENDA

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the district. Please note that for items not listed on the agenda, the Brown Act imposes limitations on what the Board may do at this time. The Board may not act on the item at this meeting. As to matters on the agenda, persons will be given an opportunity to address the Board when the matter is considered. Each speaker will be given four (4) minutes to address the Board. Comments should be directed to the Board as a whole and not directed to individual Board members.



1. CONSENT CALENDAR – 5 minutes

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

A. MINUTES

Regular Board Meeting: July 20, 2022
Special Board Meeting: August 3, 2022

B. FINANCIAL REPORTS

1. Income statement for the one-month ending July 31, 2022

2. District warrants for July 2022

Check #17251 – 17302	= \$ 183,975.37
Gross Payroll	= \$ 62,833.00
Federal/State PR taxes	= \$ 4,802.00
LAIF Transfers	= \$ 0.00
Transfers/charges	= \$ 408.00

C. OPERATIONS REPORT

D. CONSIDER CONTINUATION OF REMOTE MEETINGS PURSUANT TO AB 361 AND MAKE REQUIRED FINDINGS

Board of Directors will consider continuing remote meetings pursuant to AB 361

INFORMATION

2. GENERAL MANAGER REPORT – 5 minutes

DISCUSSION ITEMS

3. EMPLOYEE MANUAL – 10 minutes

4. INVESTMENT POLICY – DISCUSSION OF INVESTMENT POLICY AND OPTIONS – 10 minutes

ACTION ITEMS

5. BOARD OF DIRECTORS WILL CONSIDER APPROVING BARTLE WELLS ASSOCIATES (BWA) PROPOSAL OF \$30,850 FOR A DISTRICT 5-YEAR RATE STUDY, YEARS 2023 – 2028, AND DEVELOPMENT OF A 5-YEAR



RATE STRUCTURE FOR WATER AND WASTEWATER SERVICES – 10
Minutes

Board of Directors will consider approving Bartle Wells Associates (BWA) proposal of \$30,850 for a district 5-year rate study, years 2023 – 2028, and development of a 5-year rate structure for water and wastewater services.

DIRECTORS COMMENTS – 5 minutes

ADJOURNMENT

The next Board meeting is a Regular Meeting scheduled for September 21, 2022, at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in a District meeting or other services offered by this District, please contact the district office @ 951-659-2143 or email: office@idyllwildwater.com. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with a disability. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the district staff in assuring those reasonable arrangements can be made to provide accessibility to the meeting.



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: August 17, 2022
Subject: Item 1A – Board Minutes

Recommendation:

Board of Directors approve July 15, 2022, and August 3, 2022, Board meeting minutes.

Attachments:

- Minutes of Regular Meeting of the Board of Directors
- Minutes of Special Meeting of the Board of Directors



MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS

IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549

July 20, 2022 – 6:00 P.M.

Pursuant to AB 361 and action taken by the Board pursuant to such, this meeting will be held in person and virtually.

AGENDA

CALL TO ORDER

President Schelly called the meeting to order at 6:00 p.m.

ROLL CALL

President Schelly, Vice President Szabadi, Director Gin, and Director Kunkle were physically present, with Director Olson attended via Zoom. Chief Financial Officer Shouman was physically present with Co-General Counsel Guiboa attended via Zoom. General Manager Havener was excused.

PUBLIC COMMENTS

None

1. CONSENT CALENDAR

A. MINUTES

Regular Board Meeting: June 15, 2022

B. FINANCIAL REPORTS

1. Income statement for the twelve-months ending June 30, 2022
2. District warrants for June 2022

Check #17210 – 17250	= \$ 255,380.19
Gross Payroll	= \$ 64,511.00
Federal/State PR taxes	= \$ 4,865.00
LAIF Transfers	= \$ 0.00
Transfers/charges	= \$ 405.00

C. OPERATIONS REPORT

D. CONSIDER CONTINUATION OF REMOTE MEETINGS PURSUANT TO AB 361 AND MAKE REQUIRED FINDINGS



Board of Directors will consider continuing remote meetings pursuant to AB 361.

DIRECTOR COMMENTS

None

PUBLIC COMMENTS

None

A **MOTION** was made by Director Gin to approve Consent Calendar. Vice President Szabadi seconded.

The vote was as follows:

AYES

Director Gin
Director Kunkle
Director Olson
Vice President Szabadi
President Schelly

NAYS

ABSTAIN

ABSENT

Motion approved.

INFORMATION

2. GENERAL MANAGER REPORT

Provided with no comments.

ACTION ITEMS

3. CONSIDER MODIFYING THE DISTRICT'S HOUSING STIPEND POLICY (POLICY NO. 2019.001 TITLED "EMPLOYEE STIPEND FOR RESIDING WITHIN 6 MILES OF THE DISTRICT")

Board of Directors will consider modifying the District's Housing Stipend Policy (Policy No. 2019.001) for employee eligibility to take effect when an employee is hired by the District and resides within the 6-mile radius.

DIRECTORS COMMENTS

President Schelly gave an overview for the purpose of the existing District's Housing Stipend Policy.

Director Kunkle and Director Gin spoke in favor of the policy.

Vice President Szabadi recommended a waiting period for new hire employees prior to



being able to receive the Housing Stipend.

PUBLIC COMMENTS

Marge Muir asked the parameters for the policy.

Steve Moulton asked about the policy if someone who lived in the District then moved out of the District.

A MOTION was made by Vice President Szabadi to modify the proposed District's Housing Stipend Policy (Policy No. 2019.001) for employee eligibility to take effect when an employee is hired by the District and resides within the 6-mile radius to include a one month waiting period. Motion died for lack of a second.

A MOTION was made by Director Olsen to modify the District's Housing Stipend Policy (Policy No. 2019.001) for employee eligibility to take effect when an employee is hired by the District and resides within the 6-mile radius. Director Kunkle seconded.

The rollcall vote was as follows:

AYES

Director Gin
Director Kunkle
Director Olson
President Schelly

NAYS

ABSTAIN

Vice President Szabadi

ABSENT

Motion approved.

DIRECTORS COMMENTS

Vice President Szabadi comment on the inconsistencies in the draft Employee Manual.

All new hires are to be at-will along with other minor modifications.

Vice President Szabadi commented on the Wastewater Treatment Plant

President Schelly suggested that at each Board meeting an existing policy

PUBLIC COMMENTS

Marge Muir discussed the water rates increase and upcoming 5-year rate plan.

ADJOURNMENT

Board adjourned at 7:28 p.m.



IDYLLWILD WATER DISTRICT

IDYLLWILD WATER DISTRICT

BY: _____

BY: _____

Leo Havener
BOARD SECRETARY

Dr. Charles Schelly
BOARD PRESIDENT



MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS

IDYLLWILD WATER DISTRICT
25945 Highway 243
Idyllwild, CA 92549

August 3, 2022 – 6:00 P.M.

Pursuant to AB 361 and action taken by the Board pursuant to such, this meeting will be held in person and virtually.

AGENDA

CALL TO ORDER

President Schelly called the meeting to order at 6:02 p.m.

ROLL CALL

President Schelly, Vice President Szabadi, Director Gin, Director Kunkle, and Director Olson were physically present. General Manager Havener and Chief Financial Officer Shouman was physically present.

PUBLIC COMMENTS

None

DISCUSSION ITEMS

1. WASTEWATER TREATMENT PLANT PROJECT STATUS

Board of Directors will discuss the project status.

DIRECTORS COMMENTS

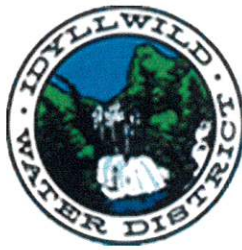
Nathan Thomas and Nicole Cook with California Rural Water Association were in attendance via Zoom to address Directors questions and comments.

President Schelly reviewed and discussed with Mr. Thomas and Ms. Cook the existing project schedule, current work status and funding process for the WWTP Project.

President Schelly inquired as to a realistic date the WWTP Project could break ground, which is estimated at August 2024.

Director Olson inquired as to amount of District monies spent to date for the project, which is 55% of the contract for Task Orders 1 & 2. Director Olson inquired how long to complete the required CEQA report, which takes about 90 days. Director Olson inquired when the District could expect to submit for grant funding, which could occur in February 2023.

Vice President Szabadi requested that CRWA invoices provide more details regarding the work performed and the associated costs. Based on additional financial inquires by Vice President Szabadi, Ms. Cook explained the details of the coming funding memo



that the Board could expect to receive by the end of this month, August 2022. Ms. Cook explained the funding application process and timeline that could take anywhere from six months to a year. Ms. Cook also mentioned that second homes could lower the amount of grant funding available for the Project.

Director Gin shared his desire for the Project to continue moving forward.

Director Kunkle inquired how much construction costs have increased, which is estimated at 10% - 20% since the original estimate.

Ms. Cook will attempt to submit a rate study proposal to the District by August 10, 2022, for consideration at the August 17, 2022, Board meeting, to compete with the other proposals.

ADJOURNMENT

Board adjourned at 7:18 p.m.

IDYLLWILD WATER DISTRICT

IDYLLWILD WATER DISTRICT

BY: _____

BY: _____

Leo Havener
BOARD SECRETARY

Dr. Charles Schelly
BOARD PRESIDENT



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: August 17, 2022
Subject: Item 1B – Financial Reports

Recommendation:

Board of Directors accept July 2022 Financial Reports.

Attachments:

- Water Fund Condensed Income Statement
- Sewer Fund Condensed Income Statement
- District Warrants and Other Disbursements

**IDYLLWILD WATER DISTRICT
WATER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING JULY, 2022**

CONDENSED CATEGORY	FOR THE MONTH OF		JULY VARIANCE	2022 %
	ACTUAL 2022	BUDGET 2022		
OPERATING REVENUES:				
BASE-RESIDENTIAL/COMMERCIAL	85,128	85,128	0	0.00%
SALES-RESIDENTIAL/COMMERCIAL	88,813	93,000	-4,187	-4.50%
OTHER OPERATING REVENUE	50	50	0	0.00%
OTHER NON-OPERATING REVENUE*	0	0	0	
TOTAL OPERATING REVENUES	173,991	178,178	-4,187	-2.35%

OPERATING REVENUE BY CATEGORY	FOR THE MONTH OF		JULY F (U) VARIANCE	2022 %
	ACTUAL 2022	BUDGET 2022		
BASE RATE - RESIDENTIAL	21,845	21,845	0	0.00%
BASE RATE - COMMERCIAL	63,283	63,283	0	0.00%
SALES-RESIDENTIAL	31,707	34,000	-2,293	-6.74%
SALES-COMMERCIAL	57,106	59,000	-1,894	-3.21%
SALES-SEWER	0	0	0	0.00%
SALES-CONSTRUCTION/OTHER	0	0	0	0.00%
TRANSFER FEES	0	0	0	0.00%
TURN ON/OFF FEES	0	0	0	0.00%
LIEN & LIEN RELEASE FEES	0	0	0	0.00%
DELINQUENCY FEES	0	0	0	0.00%
WILL SERVE LETTER FEES	50	50	0	0.00%
OTHER MISCELLANEOUS	0	0	0	0.00%
INSTALLATION FEES	0	0	0	0.00%
CAPACITY FEES	0	0	0	0.00%
TOTAL OPERATING REVENUES	173,991	178,178	-4,187	-2.35%

**IDYLLWILD WATER DISTRICT
 WATER FUND CONDENSED INCOME STATEMENT
 FOR FISCAL MONTH ENDING JULY, 2022**

FOR THE MONTH OF JULY 2022

CUBIC FEET OF SALES:

	Residential C.F.	Commercial C.F.	Total C.F.
R1 5/8	735,749	97,014	832,763
R2 3/4	11,446	21,139	32,585
R3 1"	6,908	110,552	117,460
R4 1.1/2"	0	25,216	25,216
R5 2"	0	11,238	11,238
R6 3"	0	26,900	26,900
IA 3"	0	139,327	139,327
NC-WWTP	0	2,153	2,153

TOTAL CUBIC FEET OF SALES 754,103 433,539 1,187,642

NUMBER OF CUSTOMER BILLS:

	R	C	Total
R1 5/8	1,430	104	1,534
R2 3/4	12	18	30
R3 1"	45	36	81
R4 1.1/2"	1	15	16
R5 2"	0	8	8
R6 3"	0	1	1
IA 3"	0	1	1
NC-WWTP	0	1	1
TOTAL NUMBER OF CUSTOMER BILLS	1,488	184	1,672

Sewer Acct	S	164	586
Fire Services	F "2"	0	0
Fire Services	F "3"	0	0
Fire Services	F "4"	3	3

Total Idyllwild Customers

2,261

**IDYLLWILD WATER DISTRICT
WATER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING JULY, 2022**

BY CATEGORY	FOR THE MONTH OF			JULY F (U) VARIANCE	2022 %
	ACTUAL	BUDGET			
WATER OPERATING EXPENSES:					
1- WAGES AND SALARIES EXPENSES	53,750	54,979	1,229		2.24%
2- RETIREMENT PLAN AND LIFE INSURANCE	3,317	3,370	53		1.57%
3- MEDICAL INSURANCE	10,093	10,200	107		1.05%
4- UNIFORM EXPENSES	900	900	0		0.00%
5- WORKER'S COMP INSURANCE	0	0	0		0.00%
6- RETIREMENT MEDICAL INSURANCE	0	0	0		0.00%
7- BOARD REIMBURSEMENT	383	600	217		36.17%
8- OFFICE SUPPLIES	570	1,500	930		62.00%
9- OFFICE CLEANING SERVICE	225	250	25		10.00%
10- POSTAGE AND MAILING FEE	1,369	1,500	131		8.73%
11- TRAINING AND EDUCATION	0	500	500		100.00%
12- TRAVELING, MILEAGE, MEALS REIMBURSEMENT	0	1,000	1,000		100.00%
13- DUES, FEES, SUBSCRIPTIONS	958	1,500	542		36.13%
14- COMPUTER SERVICES	1,567	1,600	33		2.06%
15- LEGAL SERVICES	2,079	2,000	-79		-3.95%
16- ENGINEERING AND CONSULTING	0	100	100		100.00%
17- UTILITIES - ELECTRICITY	8,890	8,900	10		0.11%
18- UTILITIES - GAS & FUEL	560	620	60		9.68%
19- UTILITIES - PROPANE	24	100	76		76.00%
20- UTILITIES - TELEPHONE INTERNET	2,266	2,500	234		9.36%
21- UTILITIES - WASTE MANAGEMENT FEE	222	250	28		11.20%
22- AUTO AND PROPERTY INSURANCE	9,226	10,000	774		7.74%
21- STATE-COUNTY WATER SYSTEM FEES	0	0	0		0.00%
22- GENERAL PLANT & TREATMENT SERVICES	10,500	12,500	2,000		16.00%
23- VEHICLES REPAIRS AND MAINTENANCE	928	1,500	572		38.13%
25- LABORATORY SERVICES	0	4,000	4,000		100.00%
26- WATER SECURITY SYSTEM	0	500	500		100.00%
27- ADVERTISING AND PUBLISHING	1,827	1,200	-627		-52.25%
28- BANK FEE CHARGE	427	250	-177		-70.80%
29- WATER MAINTENANCE AND SUPPLIES	20,745	2,000	-18,745		-937.25%
30- ACCOUNTING AND AUDITING FEE	0	2,000	2,000		100.00%
31- LIABILITY & PROPERTY AND Auto INSURANCE	0	0	0		0.00%
TOTAL OPERATING EXPENSES:	130,826	127,805			
TOTAL INCOME AND (LOSS)	43,165	50,373			

**IDYLLWILD WATER DISTRICT
SEWER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING JULY 2022**

FOR THE MONTH OF JULY 2022

CONDENSED BY CATEGORY	2022	2022	VARIANCE	%
	Actual	Budget		
OPERATING REVENUES:				
BASE-RESIDENTIAL/COMMERCIAL	61,800	61,800	0	0.00%
OTHER OPERATING	0	0	0	0.00%
TOTAL OPERATING REVENUES	61,800	61,800	0	0.00%
OPERATING EXPENSES:				
1- WAGES AND SALARIES	10,230	13,000	2,770	21.31%
2- RETIREMENT AND LIFE INSURANCE	1,034	1,220	186	15.25%
3- MEDICAL INSURANCE	3,364	3,300	-64	-1.94%
4- UNIFORM EXPENSE	300	353	53	15.01%
5- WORKER'S COMPENSATION INSURANCE	127	580	453	78.10%
6- RETIREMENT MEDICAL INSURANCE	190	1,850	1,660	89.73%
7- BOARD REIMBURSEMENT	0	0	0	0.00%
8- OFFICE SUPPLIES	75	590	515	87.29%
9- OFFICE CLEANING SERVICES	75	70	-5	-7.14%
10- POSTAGE AND MAIL FEE	456	275	-181	-65.82%
11- EDUCATION AND TRAINING	0	0	0	0.00%
12- TRAVELING, MILAGE, MEAL REIMBURSEMENT	0	110	110	100.00%
13- DUE AND SUBSCRIPTION FEE	239	500	261	52.20%
14- COMPUTER SERVICES	518	600	82	13.67%
15- LEGAL SERVICES	693	285	-408	-143.16%
16- UTILITIES - ELECTRICITY	0	3,950	3,950	100.00%
17- UTILITIES - GAS & FUEL	0	213	213	100.00%
18- UTILITIES - PROPANE	0	0	0	0.00%
19- UTILITIES - TELEPHONE&INTERNET	748	1,000	252	25.20%
20- UTILITIES - WASTE MANAGEMENT FEE	74	80	6	7.50%
21- VEHICLES REPAIRS AND MAINTENANCE	128	500	372	74.40%
22- ENGINEERING SERVICES	0	200	200	100.00%
22- MAINTENANCE AND SUPPLIES	92	100	8	8.00%
23- GENERAL PLANT SERVICES	4,924	5,000	76	1.52%
24- SEWER PERMIT AND LICENSE(State Fee)	0	500	500	100.00%
25- MINOR EQUIPMENT AND SUPPLIES	0	0	0	0.00%
26- SEWER LEASE	0	0	0	0.00%
27- ADVERTISING AND PUBLISHING	609	500	-109	-21.80%
28- LABORATORY SERVICES	0	0	0	0.00%
29- SECURITY SYSTEM (ADT)	0	300	300	100.00%
30- ACCOUNTING & AUDITING FEE	0	0	0	0.00%
31- LIBILITY & PROPERTY AND AUTO INS	3,075	3,500	425	12.14%
32- WASTE DISPOSAL FEES	0	0	0	0.00%
Total Expenses	26,951	38,576	11,625	30.14%
Total INCOME OR (LOSS)	34,849	23,224		

**IDYLLWILD WATER DISTRICT
SEWER FUND CONDENSED INCOME STATEMENT
FOR FISCAL MONTH ENDING JULY 2022**

FOR THE MONTH OF JULY 2022

SEWER FUND OPERATING REVENUES

	ACTUAL	BUDGET	F (U)	%
			VARIANCE	
BASE RATE-COMMERCIAL	41,513	41,513	0	0.00%
BASE RATE- RESIDENTIAL	20,287	20,287	43	0.21%
TRANSFER FEE	0	0	0	0.00%
FACILITY CHARGE FROM IAF	0	0	0	0.00%
INSPECTION FEE	0	0	0	0.00%
OTHER MISCE	0	0	0	0.00%
TOTAL OPERATING REVENUE	61,800	61,800	0	0.00%

EQUIVALENT DWELLING UNITS (E.D.U'S)

RESIDENTIAL	459	459	0.0	0.00%
COMMERCIAL	939	939	0.0	0.00%
TOTAL E.D.U'S	1,398	1,398	0.0	0.00%

TOTAL Customers

422 164 586

**IDYLLWILD WATER DISTRICT
DISTRICT WARRANTS AND OTHER DISBURSEMENTS
FOR THE MONTH ENDED JULY 31, 2022**

DATE	CHECK NUMBER	PAYEE	DESCRIPTION	AMOUNT
07/01/2022	17251	ACWA/WPIA	Medical Insurance for July 2022	13,458.35
07/01/2022	17252	ALLSTATE BENEFITS	Monthly Charge for Case	306.45
07/01/2022	17253	Forest Lumber	Supplies for Water+Sewer	629.76
07/01/2022	17254	Frontier	Phone and Internet Charge	432.87
07/01/2022	17255	Home Depot Credit Services	Purchase Washer& Dryer Tools and Supplies	2,187.09
07/01/2022	17255	Inland Water Works Supply Co.	Water Supplies	484.34
07/01/2022	17257	Streamline	Monthly Charge For Idyllwild Website	200.00
07/01/2022	17258	Tyler Tehnologies, inc	Annual Support For Billing Software	195.00
07/01/2022	17259	Perry L. Coles	Refund to the customer has a credit Balance and sold the property	234.87
07/06/2022	17260	BEST BEST & KRIEGER	Monthly Legal Services	2,772.00
07/06/2022	17261	California Computer Options , Inc	IT Monthly Sevices	1,873.50
07/06/2022	17262	EI-Co Contractors, Inc.	Leak repair On Hgway 243	20,745.72
07/06/2022	17263	Four Seasons Cleaning Services	Cleaning Services to the office Month Of June	300.00
07/06/2022	17264	Gosch Auto	Completed Services For Tacoma 2019	544.08
07/06/2022	17265	Idyllwild Water District	To be Deposit at Hemet Bank For Payroll	34,000.00
07/06/2022	17266	Thomas Lovejoy	Retirement Medical Insurance Feb+Mar+Apr 2022	2,993.40
07/06/2022	17267	Underground Service Alert/SC	New Tickets Charges	16.60
07/06/2022	17268	Verizon Wireless	Monthly Charge	245.32
07/06/2022	17269	Danny Campbell	Reimbursement For Uniform	300.00
07/06/2022	17270	Edward Ferrara	Reimbursement for Uniform	300.00
07/06/2022	17271	Joseph Reyes	Reimbursement For Uniform	300.00
07/06/2022	17272	Juan Hernandez	Reimbursement For Uniform	300.00
07/06/2022	17273	Martin Corona	Reimbursement For Uniform	300.00
07/13/2022	17274	Arrow Printing, Inc.	Printing and Mailing Fees For CCR 2021	2,436.25
07/13/2022	17275	Burtronics Business Systems	Contract Base Annual Fees	147.92
07/13/2022	17276	California Computer Options , Inc	IT Monthly Sevices	12.50
07/13/2022	17277	County of Riverside, Auditor-Controller	LAFCO Fees FY 2023	682.05
07/13/2022	17278	CR&R Incorporated	Monthly Services for Trash Fee	296.52
07/13/2022	17279	Ferrellgas	Charge For Renting Tanks	24.00
07/13/2022	17280	Genuine Auto Parts/ Napa Riverside	Auto Parts	513.09
07/13/2022	17281	Idyllwild Health Center	Employees Medical Shots	340.00
07/13/2022	17282	INFOSEND, INC	Printing and Processing Bills Fees	913.08
07/13/2022	17283	S.C.E.	Monthly Charge	7,299.34
07/13/2022	17284	SUSP, INC	Sewer Consulting for the Newest Plant	25,026.25
07/13/2022	17285	Village Hardware	Supplies For Water and Sewer	68.83
07/13/2022	17286	ACWA/WPIA	First Payment for Property Insurance	12,301.93
07/13/2022	17287	S.C.E.	Monthly Charge	1,591.38
07/13/2022	17288	Tyla Wheeler	Water & Office Expenses Reimburesent	338.15
07/20/2022	17289	Grafinger	Supplies for Water	2,212.39
07/20/2022	17290	Idyllwild Water District	To be Deposit at Hemet Bank For Payroll	32,000.00
07/20/2022	17291	Staples Credit Plan	Monthly Charge	812.36
07/20/2022	17292	T-Mobile	Monthly Charge	20.00
07/20/2022	17293	Time Warner Cable	Phone & Internet Monthly Charges	2,316.86
07/20/2022	17294	Underground Service Alert/SC	New Tickets Charges	28.15
07/27/2022	17295	ALLSTATE BENEFITS	Monthly Charge	306.45
07/27/2022	17296	Central Communications	Monthly Answering Services	\$155.94
07/27/2022	17297	Forest Lumber	Supplies for Water+Sewer	\$645.89
07/27/2022	17298	Gallade Chemical, Inc.	Chemical Supplies Customer	2,179.36
07/27/2022	17299	INFOSEND, INC	Printing and Processing Bills Fees	913.20
07/27/2022	17300	US Bank Corporate Payment System	General & Water Expenses	3,709.67
07/27/2022	17301	USA Bluebook	Supplies for Water&Sewer	2,584.46
07/27/2022	17302	Ferguson WaterWorks	Payment for New Meter Replacement	1,200.00
TOTAL DISTRICT WARRANTS				\$183,975.37
OTHER DISBURSEMENTS:				
TOTAL PAYROLL				\$62,833.00
L.A.I.F. ELECTRONIC TRANSFERS				\$0.00
BANK SERVICE CHARGES AND FEES				\$408.00
TOTAL DISTRICT WARRANTS & OTHER DISBURSEMENTS				\$247,216.37



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: August 17, 2022
Subject: Item 1C – Operations Report

Recommendation:

Board of Directors accept July 2022 Operation Report.

Attachments:

- Monthly Operations Report
- Well Production Data
- Well Statics
- Water System Schematic for Operations Report

Idyllwild Water District

Monthly Operations Report

July 2022

Supplies to System	1,480,235 CF	33.98 AF	
Increase / Decrease	614,225 CF	71% Billing Period	19% Daily Demand
Number of Wells Available	14	333 GPM Available	
Water Sales	1,187,642 CF	16,859 CF Non-Water Sales	
Total Water/Non-Water Sales	1,204,501 CF	19% Loss* * Fire in District	

Full-Time	FV1A	1
Part-Time	1, 2, 4, 13, 23, 24, FV2, Golden Rod	8

Strawberry Creek Diversion	0 CF	0.00 AF	27.21 AFY
Lilly Creek Flow	0 CF	0.00 AF	
Foster Lake Level (Max. 18')	0 Feet	0 Inches	

Non-Water Sales	Gallons	CF
WMP Backwash	217,000	29,011
IWD Flushing	10,000	1,337
Main Line Leaks		-
Distribution Line Leaks		-
Fire Dept. Usage, Per IFPD	100,000	13,369
Hydrant Sales		-
Wastewater Plant	16,104	2,153
Total	126,104	16,859

Stage Criteria				
Month	Avg. GPM	Max	%	Stage
July	233.0	333	70%	3
June	195.6	333	59%	2
May	195.8	333	59%	2
April	176.4	333	53%	1
March	147.1	333	44%	1
Feb	160.9	333	48%	1

Not included in Total

Well Statics - In Feet, Pumping Level (PL) / Static Level (SL)

Foster Lake Area	SL #3	25	SL #7	27	SL #14	36	FL Avg.	29
Creek Area	PL #23	230	SL #24	22				
Nature Center	SL #26	40	SL #27	37	SL #28	123		
Fern Valley	PL FV1A	411	PL FV2	320	SL GR	0	SL MW #6	0

Storage Tanks

Location	CF/FT	Level	Volume CF
Foster Lake	11,698	21.3	249,167
Rock Dale Tank	2,718	20.6	55,991
Delano Tank	1,337	14.9	19,921
South Ridge Tank	3,509	17.8	62,460
Wild Wood Tank	919	31.1	28,581
Golden Rod Tank	891	21.7	19,335

Total	435,455 CF	Storage Supplies Max. 3.702 MGD	88%
Storage in MGD	3.26		
Production Days	33	Production Minutes	47,520
		Average GPM	233.0

Idyllwild Water District
Well Production Data
July 2022

Well		Cubic Feet	Acre Feet	Full-Time / Part-Time	Status	GPM	Comment
No.	Name						
1	Horizontal	20,290	0.5	PT	On		
2	Foster Lake	400,363	9.2	PT	On		
4	Foster Lake	173,018	4.0	PT	On		
10	Foster Lake		-				
11	Foster Lake		-				
12	Foster Lake		-				
13	Foster Lake	215,966	5.0	PT	On		
15	Foster Lake	56,841	1.3	PT	On		
16	Foster Lake		-				
23	Stratton	231,837	5.3	PT	On		
24	Curtis	98,973	2.3	PT	On		
25	Donahoo		-				
26	Nature Center		-				
27	Nature Center		-				
28	Rock Dale		-				
FV1A	Fern Valley	263,822	6.1	FT	On		
FV2	Fern Valley	246,944	5.7	PT	On		
	Golden Rod	35,433	0.8	PT	On		
	Oakwood		-				
Total		1,743,512	40.03				

Cedar Glen Meter	<u>603,221</u> CF	<u>13.8</u> AF
District Production	<u>877,014</u> CF	<u>20.1</u> AF
Total Supplies to System	<u>1,480,235</u> CF	<u>34.0</u> AF

Days of Production	<u>33</u>	Minutes of Production	<u>47,520</u>
Average System GPM	<u>233.02</u>		

Idyllwild Water District

Well Statics

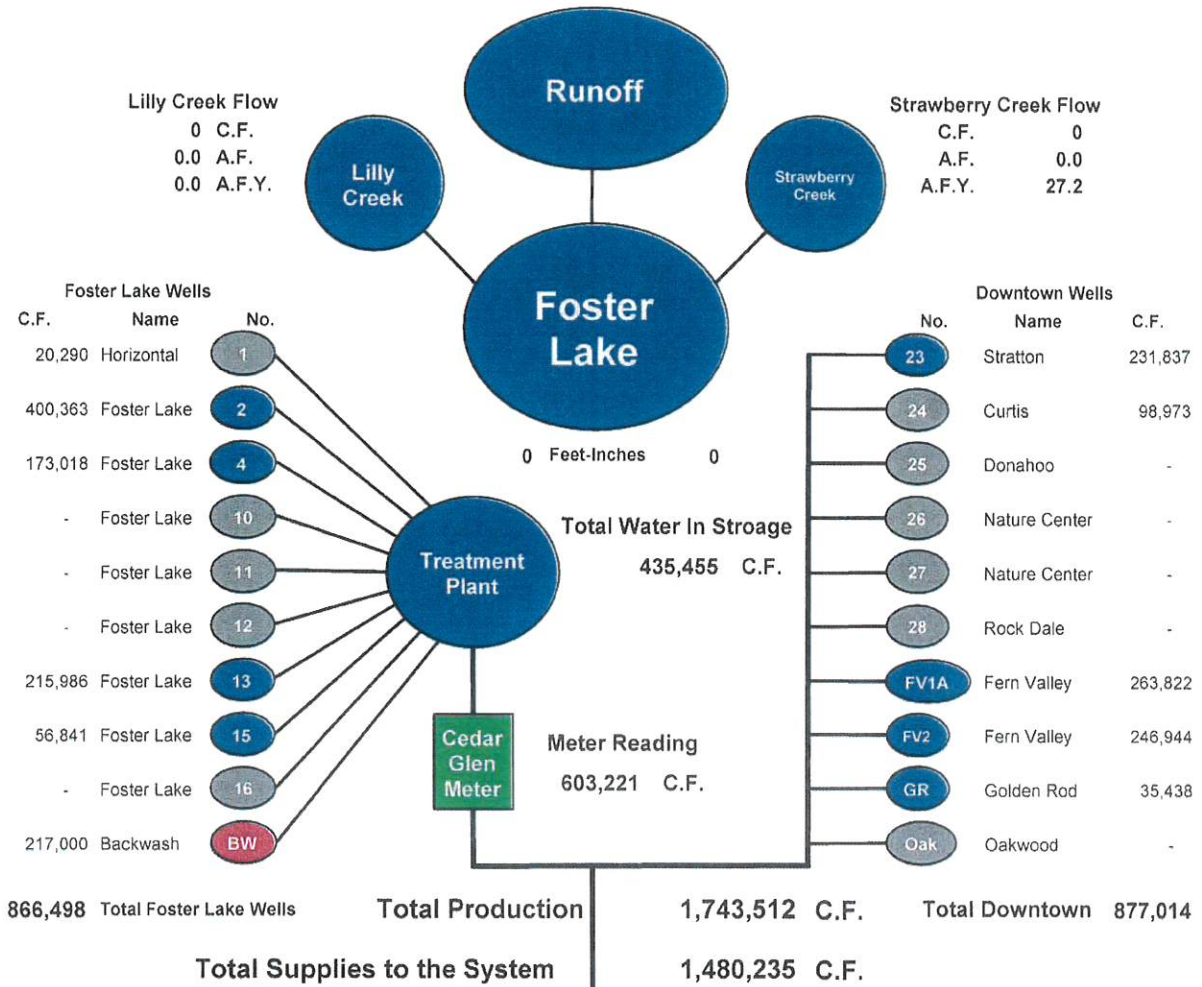
July 2022

No.	Initial	Level In Feet	Pumping Level (PL) / Static Level (SL)	Comments
3	EF	25.0	SL	
7	EF	27.0	SL	
14	EF	36.0	SL	Foster Lake Average = 29.3
23	EF	230.0	PL	
24	EF	22.0	SL	
26	EF	40.0	SL	
27	EF	37.0	SL	
28	EF	123.0	SL	
FV1A	EF	411.0	PL	
FV2	EF	320.0	PL	
GR	EF			
MW6	EF			

Idyllwild Water District

Water System Schematic For Operations Report

July 2022

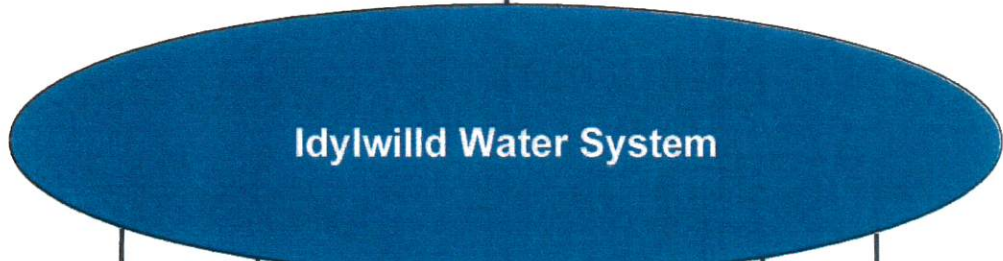


Lilly Creek Flow
0 C.F.
0.0 A.F.
0.0 A.F.Y.

Strawberry Creek Flow
C.F. 0
A.F. 0.0
A.F.Y. 27.2

C.F.	Name	No.
20,290	Horizontal	1
400,363	Foster Lake	2
173,018	Foster Lake	4
-	Foster Lake	10
-	Foster Lake	11
-	Foster Lake	12
215,986	Foster Lake	13
56,841	Foster Lake	15
-	Foster Lake	16
217,000	Backwash	BW

No.	Name	C.F.
23	Stratton	231,837
24	Curtis	98,973
25	Donahoo	-
26	Nature Center	-
27	Nature Center	-
28	Rock Dale	-
FV1A	Fern Valley	263,822
FV2	Fern Valley	246,944
GR	Golden Rod	35,438
Oak	Oakwood	-



System Flushing
1,337 CF

Main Line Leaks
- CF

Distribution Leaks
- CF

Fire Dept Usage
13,369 CF

WWTP
2,153 CF

Water Sales
1,187,642 CF

Hydrant Sales
- CF

System Loss	C.F.
Total System	1,480,235
Total Usage	1,204,501
Loss	275,734
Loss %	19%

Month	Conservation Stage
July	3 - 70%
June	2 - 59%
May	2 - 59%
April	2 - 53%
March	1 - 44%
February	1 - 48%



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: August 17, 2022
Subject: Item D – Authorize Remote Meetings pursuant to AB 361

Recommendation:

Board of Directors authorize remote meetings pursuant to AB 361 for 30 days based on the findings that (1) there is an existing declared state of emergency for COVID-19, and (2) state and local are imposing and recommending measures to promote social distancing.

Background:

At the October 20, 2021, Board meeting, based upon the state of emergency for COVID-19, the Board of Directors adopted Resolution No. 783, which authorized remote Board and committee meetings pursuant to AB 361. The Board found that (1) state and local officials have imposed or recommended measures to promote social distancing in connection with COVID-19; and (2) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Under AB 361, certain Brown Act requirements related to remote meetings are suspended. The Board subsequently extended remote meetings at its November through July Board meetings.

Given the continued state of emergency for COVID-19 and the state and local requirements of social distancing, staff is recommending that the Board authorize remote meetings pursuant to AB 361 for 30 days, consistent with previous action taken by the Board. This is being recommended to preserve the health and safety of Directors, staff, and the public.

Conclusion:

Staff recommends that the Board authorize the District to conduct remote Board meetings pursuant to AB 361 based on the following findings: (1) There is an existing declared state of emergency for COVID-19, and (2) State and local officials are recommending measures to

promote social distancing.

If the Board does not authorize remote meeting pursuant to AB 361, the next Board meeting will be held pursuant to all of the provisions of the Brown Act, including those related to posting the location of remote attendees and ensuring public access to such remote locations.



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: August 17, 2022
Subject: Item 2 – General Manager Report

Recommendation:

General Manager Havener will present his report.

Attachments:

- General Manager Report

General Manager Report

August 17, 2022



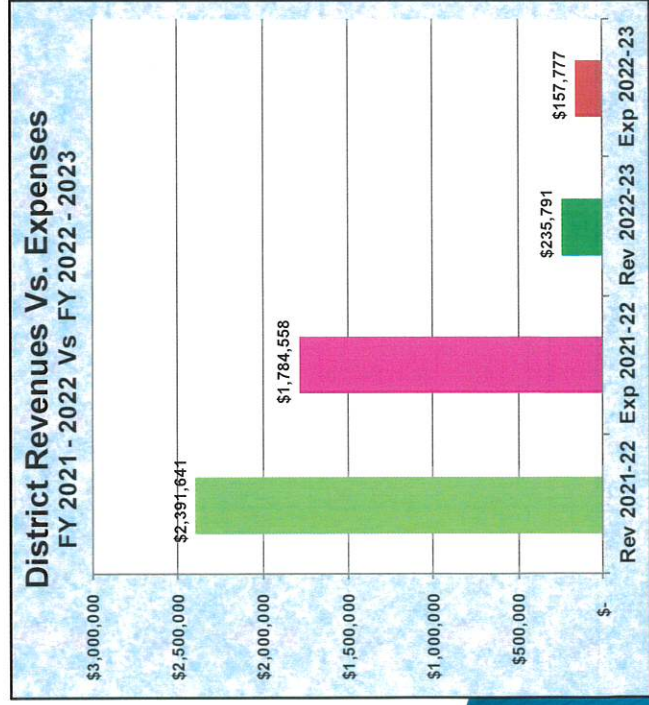
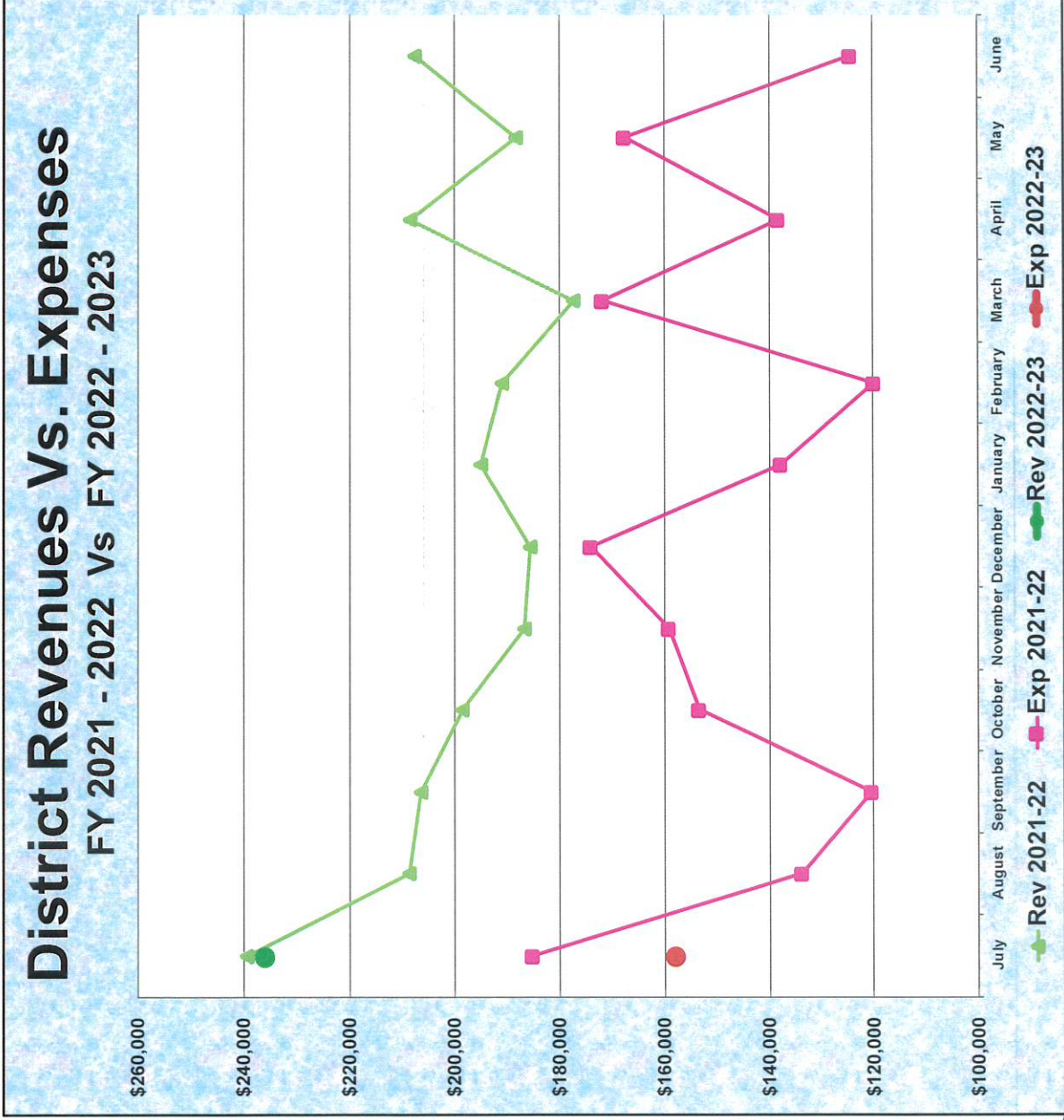
District Finances



District Revenues Vs. Expenses

FY 2021 - 2022

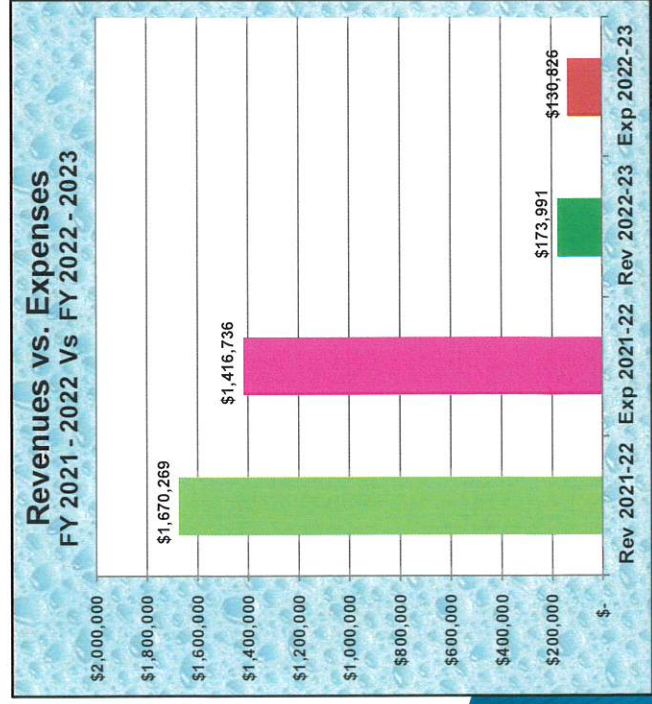
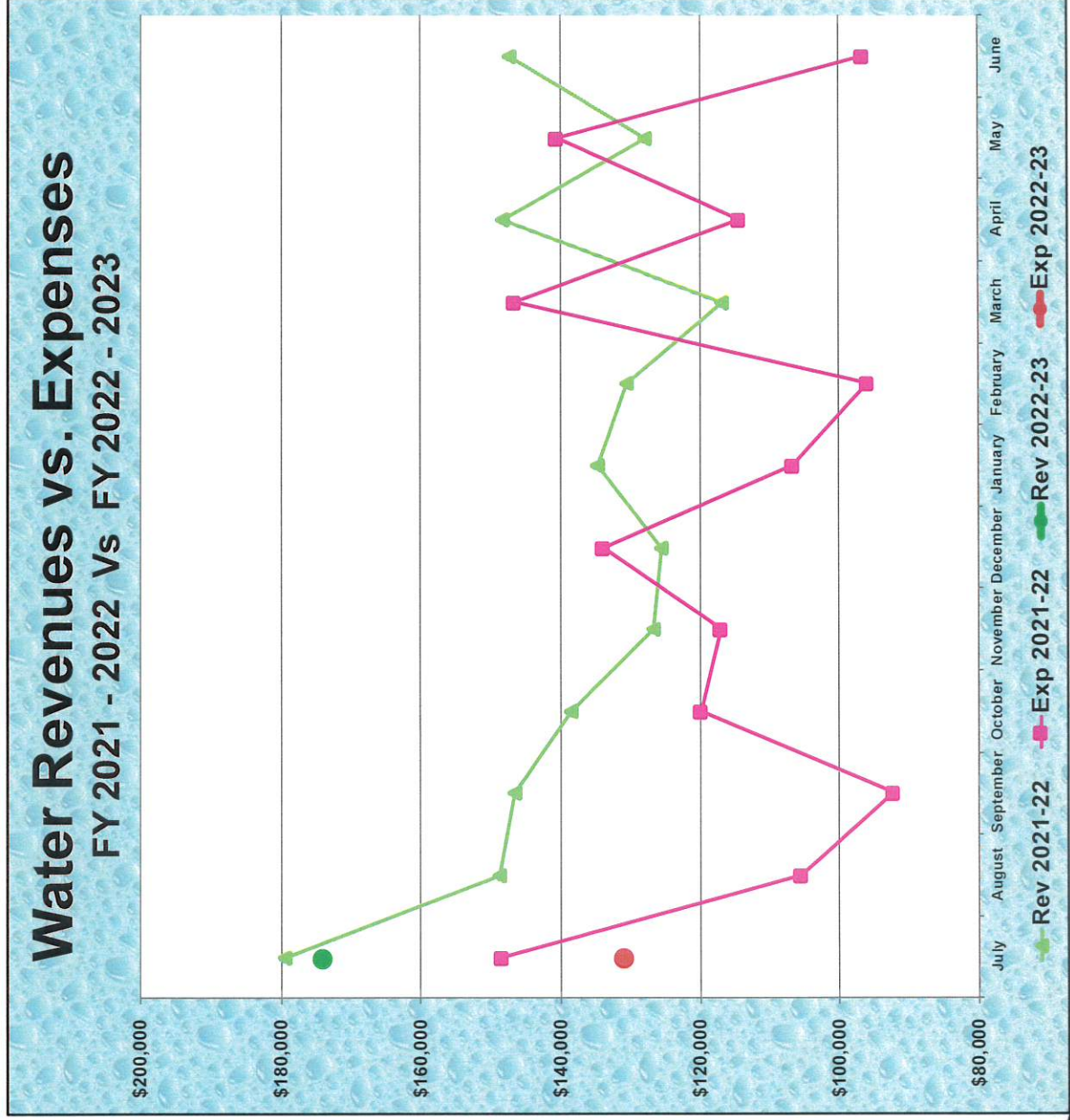
District Revenues vs. Expenses				
Month	Rev 2021-22	Exp 2021-22	Rev 2022-23	Exp 2022-23
July	\$ 239,315	\$ 185,063	\$ 235,791	\$ 157,777
August	\$ 208,544	\$ 133,741		
September	\$ 206,290	\$ 120,420		
October	\$ 198,416	\$ 153,146		
November	\$ 186,536	\$ 158,990		
December	\$ 185,444	\$ 174,001		
January	\$ 194,908	\$ 137,623		
February	\$ 190,849	\$ 119,779		
March	\$ 177,155	\$ 171,814		
April	\$ 208,453	\$ 138,188		
May	\$ 188,187	\$ 167,537		
June	\$ 207,544	\$ 124,256		
Total	\$ 2,391,641	\$ 1,784,558	\$ 235,791	\$ 157,777



Water Revenues Vs. Expenses

FY 2021 - 2022

Water Revenues vs. Expenses				
Month	Rev 2021-22	Exp 2021-22	Rev 2022-23	Exp 2022-23
July	\$ 179,455	\$ 148,403	\$ 173,991	\$ 130,826
August	\$ 148,734	\$ 105,440		
September	\$ 146,430	\$ 92,242		
October	\$ 138,563	\$ 119,710		
November	\$ 126,683	\$ 116,907		
December	\$ 125,397	\$ 133,807		
January	\$ 134,560	\$ 106,481		
February	\$ 130,501	\$ 95,874		
March	\$ 116,807	\$ 146,482		
April	\$ 148,105	\$ 114,308		
May	\$ 127,839	\$ 140,520		
June	\$ 147,195	\$ 96,562		
Total	\$ 1,670,269	\$ 1,416,736	\$ 173,991	\$ 130,826

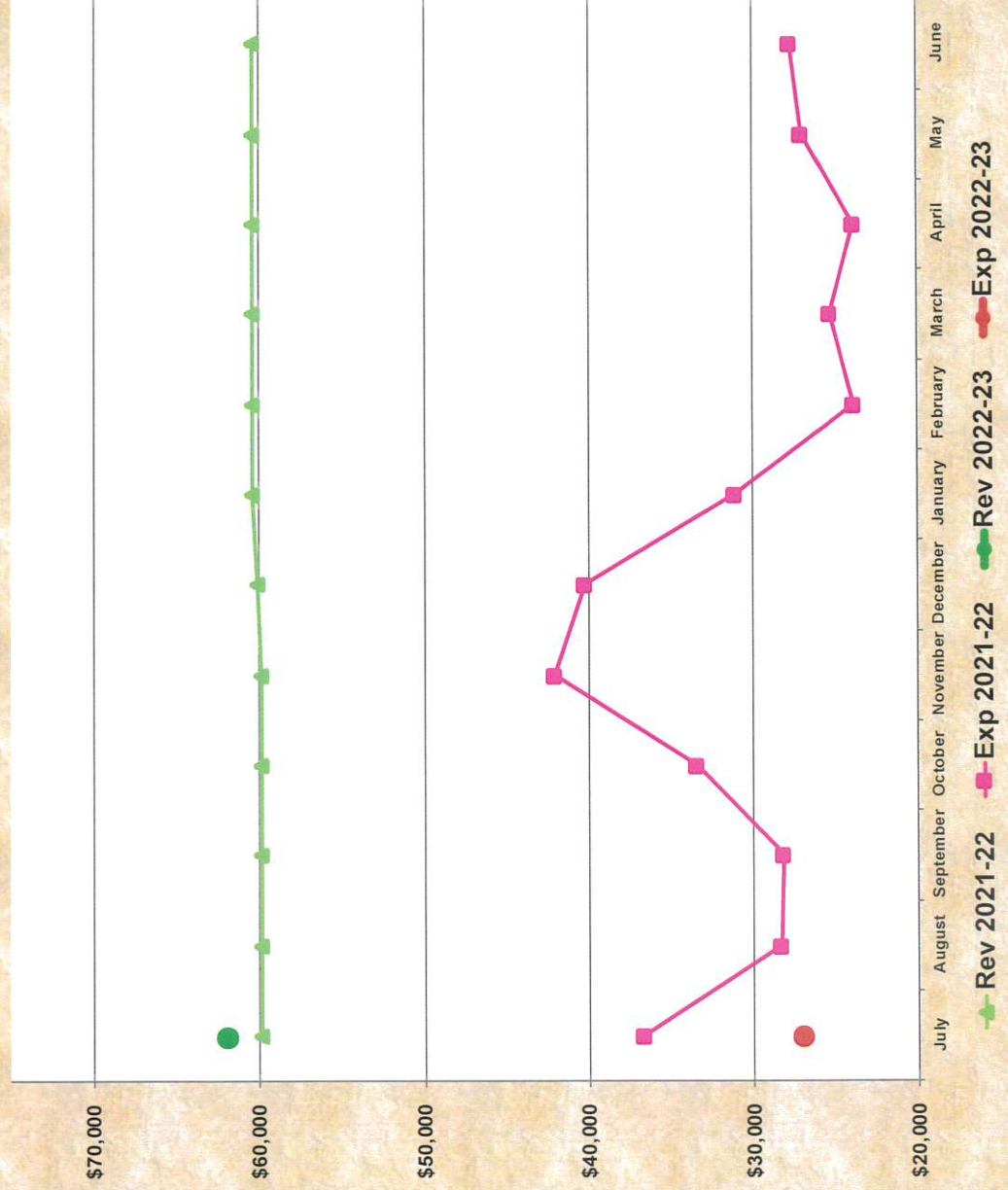


Wastewater Revenues Vs. Expenses

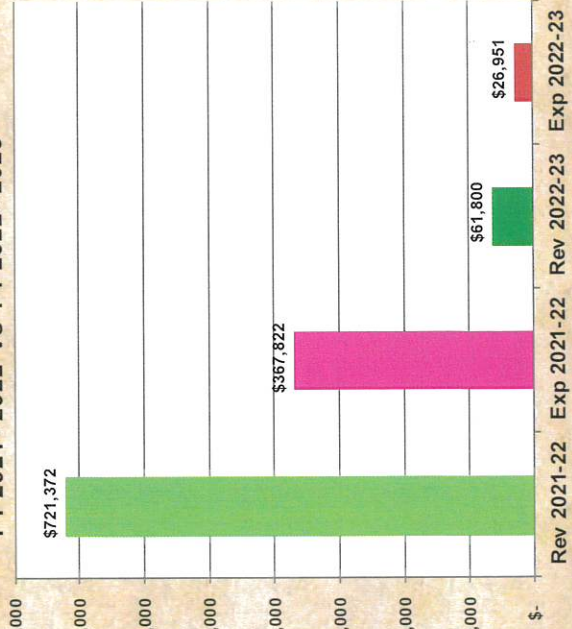
FY 2021 - 2022

WW Revenues vs. Actual Expenses				
Month	Rev 2021-22	Exp 2021-22	Rev 2022-23	Exp 2022-23
July	\$ 59,860	\$ 36,660	\$ 61,800	\$ 26,951
August	\$ 59,810	\$ 28,301		
September	\$ 59,860	\$ 28,178		
October	\$ 59,853	\$ 33,436		
November	\$ 59,853	\$ 42,083		
December	\$ 60,047	\$ 40,194		
January	\$ 60,348	\$ 31,142		
February	\$ 60,348	\$ 23,905		
March	\$ 60,348	\$ 25,332		
April	\$ 60,348	\$ 23,880		
May	\$ 60,348	\$ 27,017		
June	\$ 60,349	\$ 27,694		
Total	\$ 721,372	\$ 367,822	\$ 61,800	\$ 26,951

WW Revenues vs. Expenses
FY 2021 - 2022 Vs FY 2022 - 2023



WW Revenues vs. Expenses
FY 2021 - 2022 Vs FY 2022 - 2023

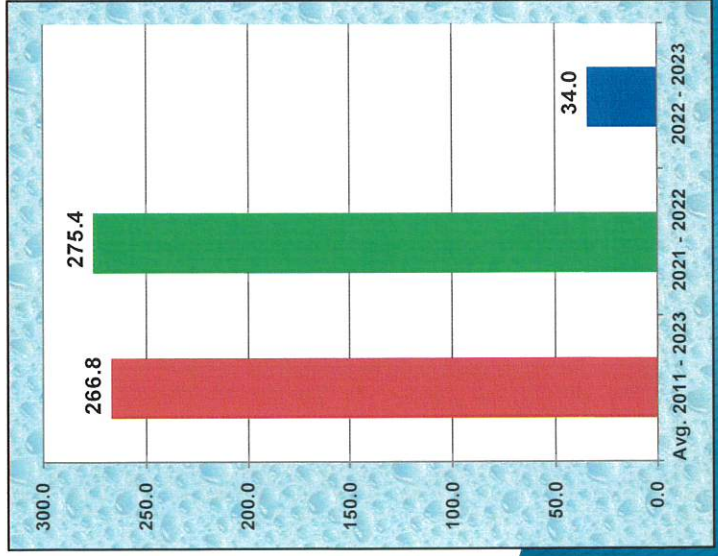
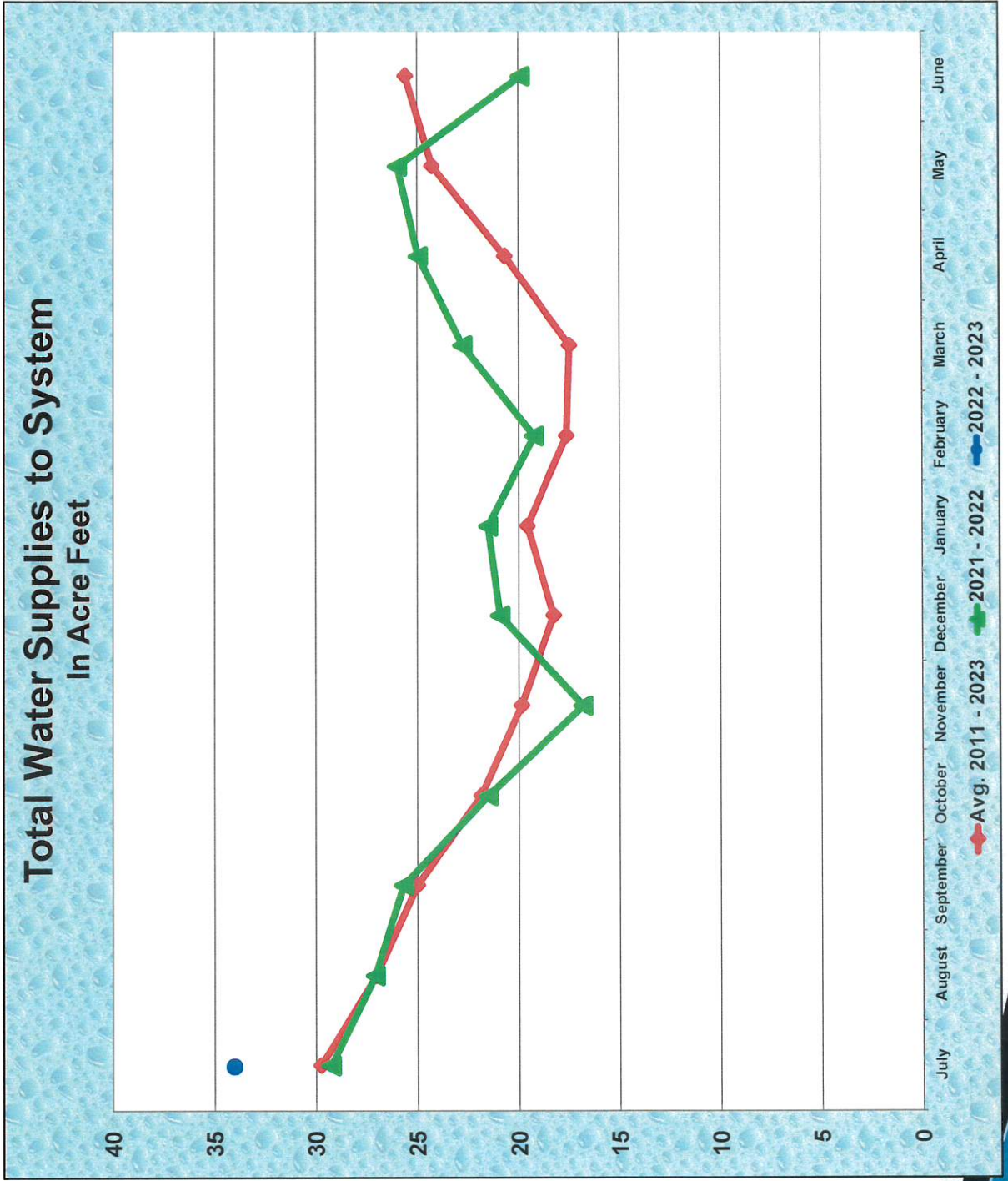


Water Data



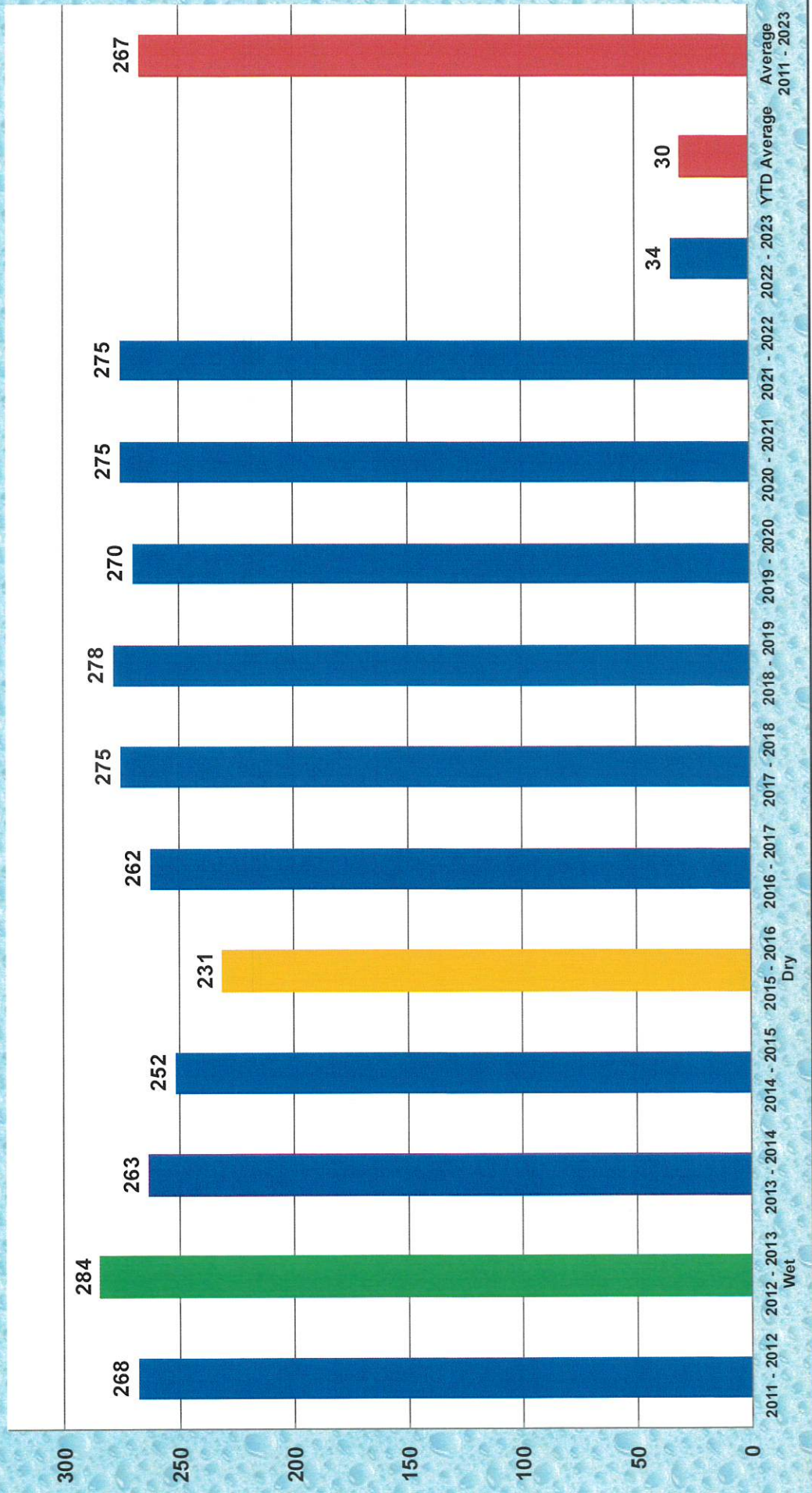
Total Water Supplies to System In Acre Feet

Total Water Supplies To System			
Fiscal Year	Avg. 2011 - 2023	2021 - 2022	2022 - 2023
July	29.8	29.3	34.0
August	27.0	27.1	
September	25.0	25.7	
October	21.9	21.5	
November	19.8	16.8	
December	18.3	20.9	
January	19.5	21.5	
February	17.6	19.2	
March	17.5	22.8	
April	20.7	24.9	
May	24.3	26.0	
June	25.6	19.9	
Total	266.8	275.4	34.0



Total Water Supplies to System In Acre Feet

Total Water Supplies to System In Acre Feet



Wastewater Data



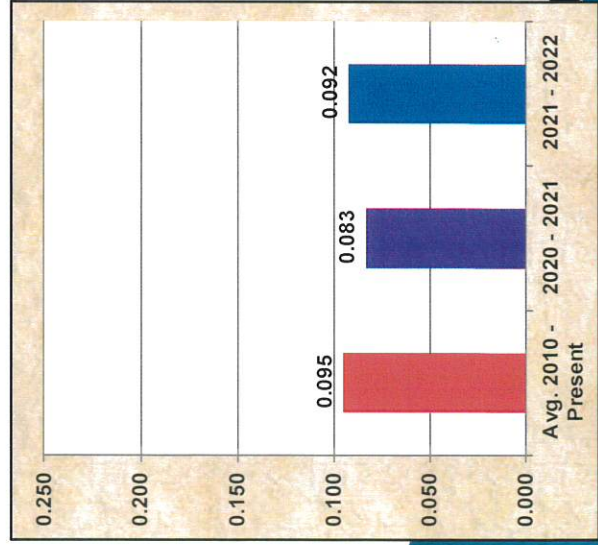
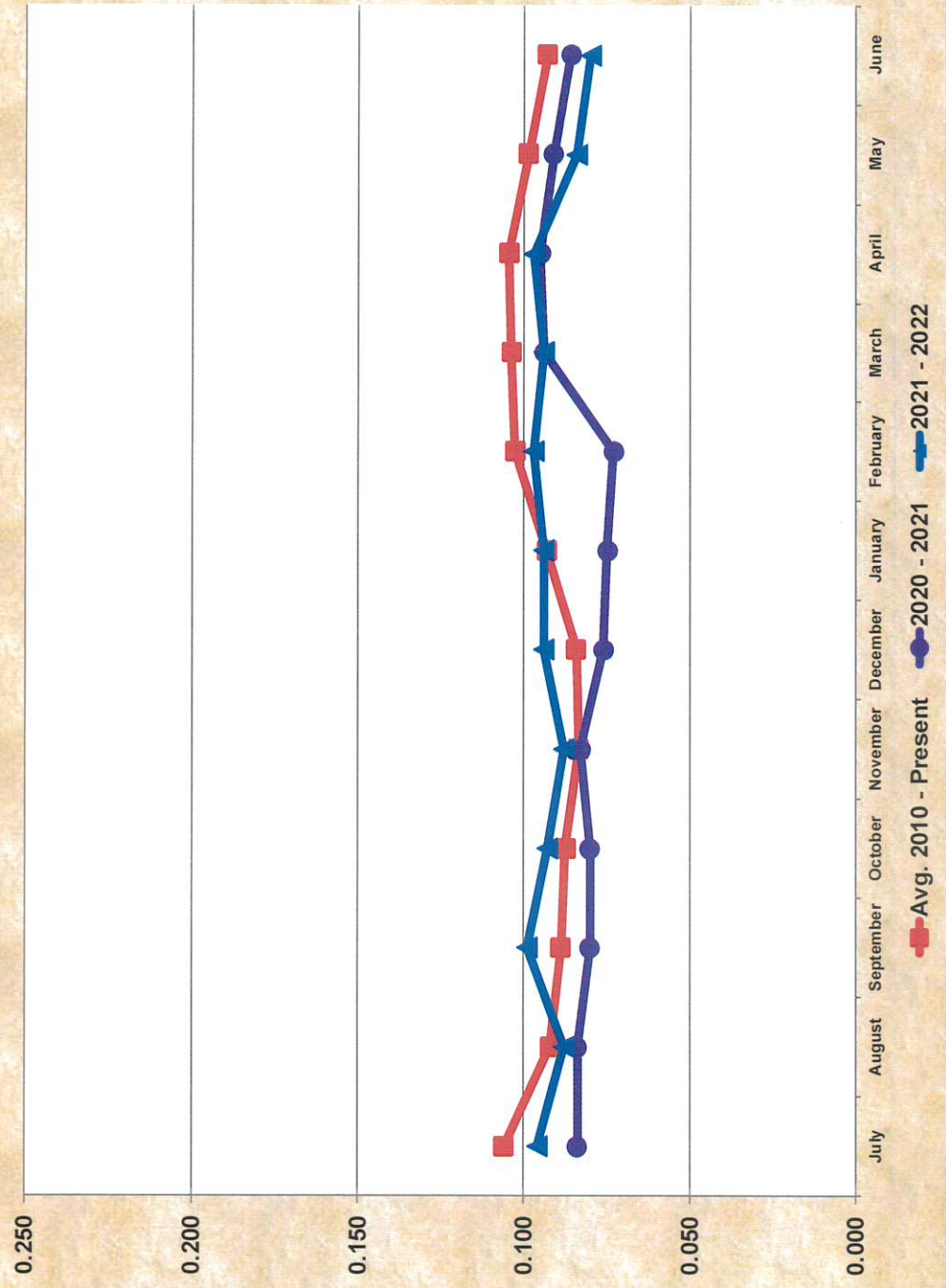
Wastewater Treatment Plant Flows

In MGD Average Daily Flows Per Month

Month	Avg. 2010 - Present	2020 - 2021	2021 - 2022
July	0.106	0.084	0.096
August	0.092	0.084	0.088
September	0.089	0.080	0.099
October	0.088	0.080	0.093
November	0.083	0.083	0.088
December	0.084	0.076	0.094
January	0.093	0.075	0.094
February	0.103	0.073	0.097
March	0.104	0.094	0.094
April	0.105	0.095	0.097
May	0.099	0.091	0.084
June	0.093	0.086	0.080
Average	0.095	0.083	0.092

Wastewater Treatment Plant Flows

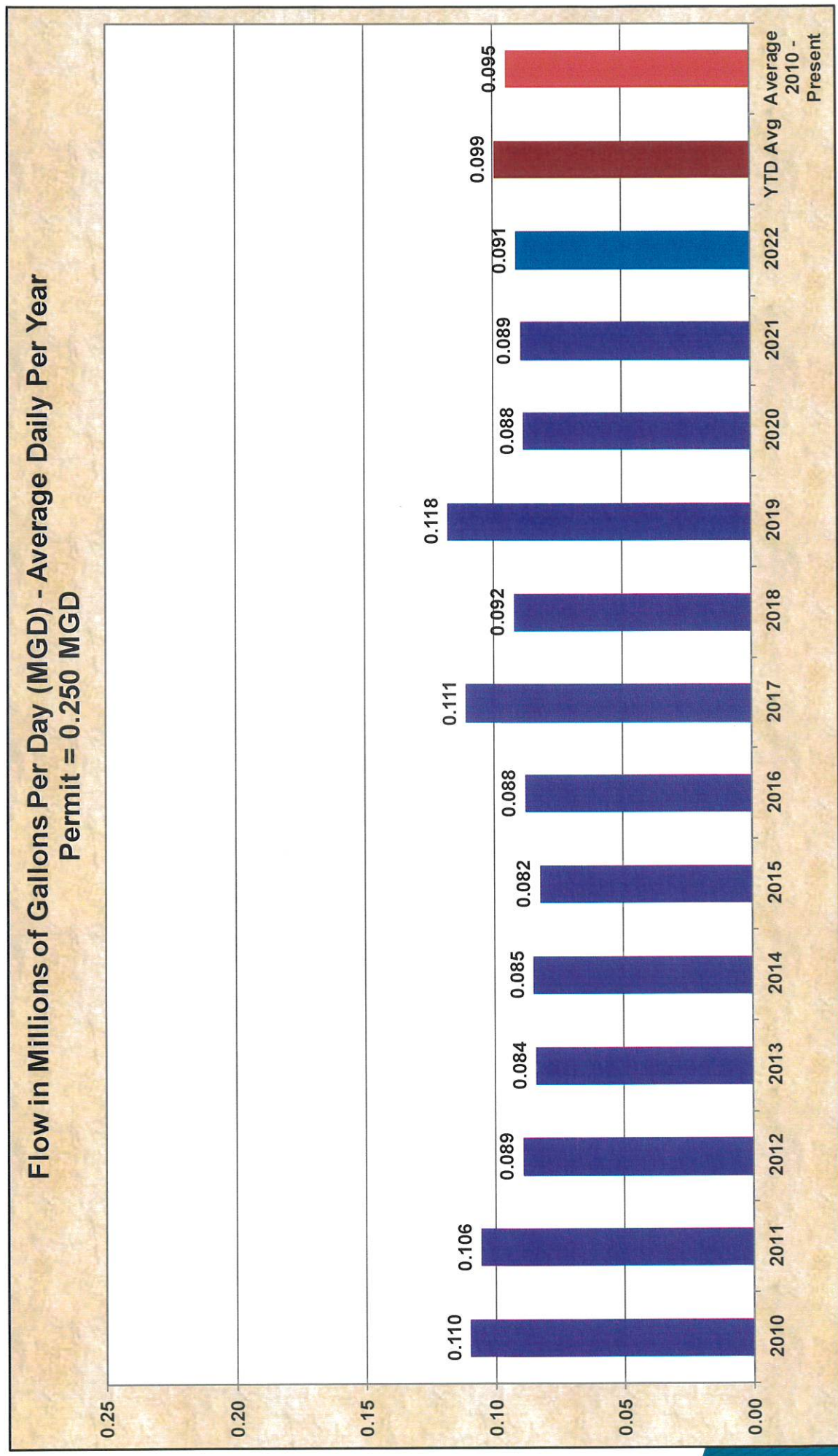
In MGD Average Daily Flows Per Month



Wastewater Treatment Plant Flows

In MGD Average Daily Flows Per Month

Calendar Year



Project Status



WWTP Project Process

- ▶ Special Board Meeting August 3, 2022
 - Discussed engineering delays and financial options
- ▶ Meeting with Art School
 - Discussed property and solar options



Strawberry Creek Diversion Project



- ▶ CEQA Exemption for project
- ▶ Discussions with property owner are continuing to obtain the required easement



**Wells 8 & 9
are being
sealed &
abandoned
to meet State
standards**



Wells 8 & 9



Foster Lake Tank #2 Recoating



Foster Lake Tank #2 Recoating



Foster Lake Tank #2 Recoating



Overview

- ▶ Continued work on the Employee Manual
- ▶ Handled various customers issues
- ▶ Held General Manager Quarterly meeting with staff
- ▶ Annual audit will begin at the end of August



Questions?





IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: August 17, 2022
Subject: Item 3 – Draft Employee Manual

Recommendation:

Board of Directors will have the Draft Employee Manual to review until the September 21, 2022, Board meeting when it will be on the agenda as an action item for approval.

Attachments:

- Draft Employee Manual, August 2022



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors
From: Leo Havener, General Manager
Date: August 17, 2022
Subject: Item 4 – Investment Policy

Recommendation:

Board of Directors will discuss modifying the existing investment policy.

Attachments:

- IWD Investment Policy

IDYLLWILD WATER DISTRICT INVESTMENT POLICY

1.0 PURPOSE AND GOALS

This statement is intended to outline the policies for maximizing the efficiency of the District's Cash Management System and for prudent investment of the District's funds and to provide guidelines for suitable investments.

The ultimate goal is to enhance the economic status of the District while protecting its funds.

The District's Cash Management System is designed to accurately monitor and forecast expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible. The District shall attempt to obtain the highest yield, provided that all investments meet the criteria established for safety and liquidity.

The investment policies and practices of the District are based on Federal, State and Local law and prudent money management. The primary goals of these policies are:

1. To assure compliance with all Federal, State and Local laws governing the investment of monies under the control of the District's Board, General Manager and CFO.
2. To protect the monies entrusted to these officers.
3. To generate the maximum amount of investment income within the parameters of this Statement of Investment Policy and the guidelines for suitable investments.

WHEREAS; The Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code Sections 53600.6 and 53630.1); and

WHEREAS; The legislative body of a local agency may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5920 et seq. And 53600; and

WHEREAS; It shall be the policy of the Idyllwild Water District to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demand of the District and conforming to all statutes governing the investment of Idyllwild Water District funds.

The treasurer or fiscal officer of the Idyllwild Water District shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; (CGC 53646(a))

2.0 SCOPE

All monies entrusted to the District will be actively managed as part of a pooled portfolio. These funds are accounted for in the "Comprehensive Annual Financial District Audit".

Funds not included in the policy include deferred compensation funds and other funds held and managed by a third party for the benefit of employees or the District.

3.0 PRUDENCE

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation,

but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (CGC 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

As specified in CGC 53600.5 when investing, reinvesting, acquiring, purchasing, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

1. **SAFETY:** Safety of principal is the foremost objective of the District. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of principal in the portfolio, whether from institutional default, broker/dealer default or erosion of market value of securities. The District shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
 - A. Credit Risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by investing, to the extent possible through or depositing monies and investments with only very safe institutions as prescribed in the California Government Code Section 53635.2 and in only very safe investments as prescribed herein and by diversifying the investments so that the failure of any one issuer would not unduly harm the District's cash flow.
 - B. The risk of market value fluctuations due to overall changes in the general level of interest rates shall be mitigated by limiting the weighted average maturity of the District's investments to one year. (NOTE: five years is the maximum maturity allowed by law for individual investments unless specifically allowed by the Board of Directors to be a longer time.) It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.
2. **LIQUIDITY:** This is the second most important objective. Investments shall be made whose maturity date is compatible with cash flow requirements of the District and which can be easily and rapidly converted to cash without substantial loss of value.
3. **RETURN ON INVESTMENT (YIELD):** Investment shall be undertaken to produce an acceptable rate of return after first considering safety of principal and liquidity.

5.0 DELAGATION OF AUTHORITY

Authority to manage the investments is derived from California Government Code Sections 53600, et seq. Management responsibility for the investments is hereby delegated to the General Manager and/or CFO, who shall follow established procedures for investments consistent with this policy. Procedures should include references to safekeeping, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except under the terms of this policy and the procedures established by the General Manager and/or the CFO. The General Manager and CFO shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of California Government Code Section 53600.3, the General Manager and/or CFO are trustees and fiduciaries subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investments, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The CFO will maintain a list of financial institutions, selected based on credit worthiness, financial strength, experience, and minimal capitalization authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. No public deposit shall be made except in a qualified public depository as established by state laws.

For broker/dealers of government securities and other investments, the General Manager and/or CFO shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the CFO shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the District's account with that firm has reviewed the District's Investment Policy and that the firm understands the policy and intends to present investment recommendations and transactions to the District that are appropriate under the terms and conditions of the Investment Policy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The District is empowered by California Government Code Section 53601 et seq. To invest in the following:

- A. Bonds issued by the Idyllwild Water District or Idyllwild Water District Improvement District NO. 1 Bonds.
- B. United States Treasury Bill, Notes and Bonds. Up to 100% of surplus funds can be invested in this type of investment. Surplus funds for the purpose of this Policy shall mean monies not expected to be expended for at least six months from the date of investment of such monies.
- C. Registered state warrants or treasury notes or bonds issued by the State of California.
- D. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California (LAIF), County Treasurers, other local or Joint Powers Agencies.
- E. Surplus funds may be invested in obligations issued by Agencies or Instrumentalities of the U.S. Government.
- F. Shares of beneficial interest issued by diversified management companies (Money Market Mutual Funds) investing in the securities and obligations authorized by this section. Such funds must carry the highest rating of at least two of the three largest national rating agencies.
- G. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of the indentures or agreements.

- H. Collateralized bank deposits (Non-Negotiable Certificates of Deposits) with a perfected security interest in accordance with the Uniform Commercial Code (UCC) or applicable federal security regulations.
- I. Any other investment security authorized under the provisions of CGC 5922 and 53601.

Also, see CGC 53601 for a detailed summary of the limitations and special conditions that apply to each of the types of investment securities.

PROHIBITED INVESTMENTS: Under the provisions of CGC 53601.6 and 53631.5, the District shall not invest any funds covered by this investment policy in inverse floaters, range notes, interest-only strips derived from mortgage pools or any investment that may result in a zero interest accrual if held to maturity.

9.0 COLLATERALIZATION

All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third-party trustee and valued monthly. The percentage of collateralization on repurchase and reverse repurchase agreements will follow the recommended amounts required under CGC 53601(1)(2).

10.0 SAFEKEEPING AND CUSTODY

All security transactions entered by the District shall be conducted on delivery-versus-payment (DVP) basis. All securities purchased or acquired shall be delivered to the District by book entry, physical delivery or by third party custodial agreement as required by CGC 53601.

11.0 DIVERSIFICATION

The District will diversify its investments by security type and institution. It is the policy of the District to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- (1) Portfolio maturates shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- (2) Maturities selected shall provide for stability of income and liquidity.
- (3) Disbursement and payroll dates shall be covered through maturities investments, marketable U.S. Treasury bills or other cash equivalent instruments such as money market mutual funds.

12.0 REPORTING REQUIREMENTS

In accordance with CGC 53646(b)(1), CFO shall submit to each member of the Board of Directors at least a quarterly investment report no later than 30 days from the end of the quarter. The report must include type of investments, issuer, maturity date, par and dollar amounts invested in all securities, market value weighted average, investments and monies held by the local agency. This includes any funds, investments, or programs, including loans, that are under the management of contracted parties. The report will also include the source of the portfolio valuation. As specified in CGC 53646(e), if all funds are placed in LAIF, FDIC-insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions.

The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the statement of investment policy or the manner in which the investments are not in compliance and, (2) that the District will meet its expenditure obligations for the next six months or an explanation as to why sufficient money will not or may not be available as required

by CGC 53646(b)(2) & (3). Subsidiary ledger of investments will be used in accordance with accepted accounting practices to maintain a complete and accurate record of all investment transactions. The CFO shall report whatever additional information or data may be required by the governing body of the District.

13.0 INVESTMENT POLICY ADOPTION

The Investment Policy was adopted by resolution No. 778, dated November 19, 2020 of the Idyllwild Water District. Moreover, this policy shall be reviewed on an annual basis by the Board of Directors.



IDYLLWILD WATER DISTRICT

Memo

To: Board of Directors

From: Leo Havener, General Manager

Date: August 17, 2022

Subject: Item 5 - Board of Directors will consider approving Bartle Wells Associates (BWA) proposal of \$30,850 for a district 5-year rate study, years 2023 – 2028, and development of a 5-year rate structure for water and wastewater services

Recommendation:

Board of Directors will consider approving Bartle Wells Associates (BWA) proposal of \$30,850 for a district 5-year rate study, years 2023 – 2028, and development of a 5-year rate structure for water and wastewater services.

Background:

The District's existing 5-year rate structure expires on June 30, 2023. Therefore, a new 5-year rate structure for water and wastewater services must be prepared for the years 2023 – 2028.

Staff received the following four (4) rate study proposals:

- | | |
|--|----------|
| • Specialized Utilities Services Program | \$23,200 |
| • Bartle Wells Associates | \$30,850 |
| • NBS | \$42,470 |
| • Raftelis Financial Consultants | \$68,990 |

Fiscal Impact:

The costs for the rate study will be paid in the following manner:

- 75% by the Water Fund = \$23,138
- 25% by the Sewer Fund = \$ 7,712

Conclusion:

Staff reviewed all four (4) rate study proposals. Based on the proposals, staff concluded that Bartle Wells Associates proposal, while not the lowest cost, BWA best fits the needs of the district and ratepayers.

Attachments:

- Specialized Utilities Services Program Proposal
- Bartle Wells Associates Proposal
- NBS Proposal
- Raffelis Financial Consultants Proposed Fee



Idyllwild Water District

Proposal to Conduct a Water and Wastewater Rate Study

Bartle Wells Associates
August 10, 2022





BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

2625 Alcatraz Ave, #602
Berkeley, CA 94705
Tel 510 653 3399
www.bartlewells.com

August 10, 2022

Leo Havener, General Manager
Idyllwild Water District
25945 Highway 243
P.O. Box 397
Idyllwild, CA 92549-0397

Re: Proposal - 2022 Water and Wastewater Rate Study

Bartle Wells Associates is pleased to submit this proposal to assist the Idyllwild Water District in conducting a water and wastewater rate study. We specialize in providing independent financial advisory and utility rate consulting services to California public agencies. We have extensive experience developing long-term financial plans and water and wastewater rate studies and have served over 600 cities and special districts throughout California. **Bartle Wells' major strengths are 1) our many years of successful rate setting experience and 2) our successful prior experience with the General Manager.**

Bartle Wells Associates has worked with many regional agencies and is very familiar with the issues that California water and wastewater agencies are facing including the drought, changes in regulations, and aging infrastructure. We have worked with clients across California to develop strategic financial plans that address the ever-increasing cost of operations and long-term capital improvements. Our recent clients include City of Hemet, Joshua Basin Water District and Big Bear City CSD. Our rate studies throughout California are based on a comprehensive analysis of each agency's customer base, consumption patterns, costs and demands to ensure rate structure recommendations reflect local needs and objectives.

We specialize in developing rate structures that minimize revenue fluctuations while improving rate equity across supply sources and increasing conservation incentive. We also have assisted agencies in implementing drought rates to recover decreased revenues related to a decline in consumption. Our overall goal for this project would be to work closely with the District to evaluate financial and rate alternatives and their impacts, gain ongoing input, and build consensus for final recommendations.

Leo, we have enjoyed working with you on a prior rate study and hope to continue our partnership. We are very interested in working with the District on this project. We propose to assign Doug Dove and Michael DeGroot to work on this project. Doug will serve as principal in charge and Michael will serve as project manager. Please contact us if you have any questions or would like any additional information.

Sincerely,

BARTLE WELLS ASSOCIATES

Douglas Dove, PE, CIPFA
President/Principal
Tel: 510.653.3399 ext. 110
E-mail: ddove@bartlewells.com

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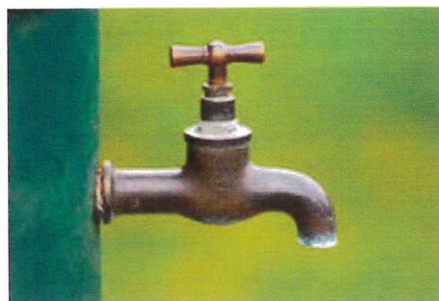
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Section 1: Firm Overview

Bartle Wells Associates (BWA) is an independent public finance advisory firm with expertise in the areas of utility rates and project financing. BWA was established in 1964 and has over 58 years of experience advising public agencies on the complexities and challenges in public finance. We have advised over 600 agencies throughout California and the western United States. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a highly qualified professional team. Our educational backgrounds include finance, civil engineering, business, public administration, public policy, and economics.

BWA specializes in three professional services: utility rate and fee studies, strategic financial plans, and project financing. We are the only independent financial advisor providing *all three* of these interrelated services to public agencies.



RATE & FEE STUDIES Our rate studies employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We develop practical recommendations that are easy to implement and often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development.

BWA has completed over 1,000 utility rate and fee studies. We have helped California communities implement a wide range of rate and fee structures and are knowledgeable about the legal requirements governing rates and impact fees including Proposition 218, Proposition 26, and Government Code 66000. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus for our recommendations.



FINANCIAL PLANS Our financial plans provide agencies with a flexible roadmap for funding long-term operating and capital needs. We evaluate the wide range of financing options available, develop a plan that recommends the best financing approach, and clearly identify the sources of revenue for funding projects and repaying any debt. We also help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed over 1,000 financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial health.

PROJECT FINANCING BWA has served as independent financial advisor on over 300 financings. To date, we have helped California agencies obtain over \$5 billion of financing via bonds, bank loans/private placements, lines of credit, low-rate State Revolving Fund Loans, and other funding programs. We work only for public agencies. We are independent financial advisors and do not buy, trade, or resell bonds. BWA is a registered municipal advisory firm with the SEC and MSRB. All of our lead consultants are MSRB Registered Municipal Advisors. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.



COLLABORATIVE APPROACH BWA has a strong track record of building consensus and public acceptance for rate and finance recommendations. BWA uses a collaborative approach to ensure final recommendations reflect the input and objectives of the agencies we serve. Our general approach is to work closely with our clients to clarify objectives, evaluate alternatives, gain ongoing input, and remain flexible to resolve unanticipated issues. We support our clients every step of the way, from project initiation through final adoption and implementation.

COMMUNITY OUTREACH Rate and fee increases can be controversial. BWA has assisted many agencies with community outreach efforts aimed at fostering understanding and acceptance for final recommendations. BWA has substantial experience working with governing boards and City councils, citizen advisory committees, community groups, and other stakeholders. We have found that gaining community and Board/Council input and buy-in during the process can pave the way for smoother adoption and implementation of rate increases, rate structure modifications, and increased investment for aging infrastructure.



We also help agencies develop and implement effective public outreach strategies and have worked in partnership our client’s public relations staff and independent public relations firms. We have a long track record of helping our clients successfully adopt rate increases in challenging political environments.

**Bartle Wells Associates is committed to providing value and the best advice to our clients.
Our strength is quality—the quality of advice, service, and work we do for all our clients.**

CONTACT US



Bartle Wells Associates
2625 Alcatraz Ave #602
Berkeley, CA 94703



(510) 653-3399



ddove@bartlewells.com



www.bartlewells.com

Bartle Wells Associates was established in 1964 and is a California Corporation and certified State of California Small Business. Our Federal Tax ID number is 94

Section 2: Client References

CITY OF CALISTOGA

Water and Wastewater Rate and Capacity Fee Study

BWA developed a comprehensive, long range wastewater financing plan and rate study for the City and the proposed wastewater rates and connection fees were adopted unanimously by the City Council. These rates and fees supported the City's \$11 million wastewater treatment facility renovation/expansion. We helped the City secure \$5 million in low-interest State Revolving Fund loans, a \$3 million Small Community Grant, and \$3 million from a statewide bond pool to fund the project. We also worked with the City's consulting engineer to secure a low-cost financing package from the US Dept of Agriculture for \$5 million of the City's water projects.

In 2018, we updated the City's 5-year water and wastewater financing plan and rate studies and in 2022, we were selected again to update the water and wastewater rate studies.

Contact:

Mike Kirn, City Manager
(707) 942-2806
mkirn@ci.calistoga.ca.us

Gloria Leon, Administrative Services Director
(707) 942-2803
gleon@ci.calistoga.ca.us

CITY OF HEMET

Water and Wastewater Rate Study

The City of Hemet is located in Western Riverside County and provides water service to about 9,700 connections and sewer collection service to about 11,200 connections. Bartle Wells Associates conducted rate studies for each utility. The City had not raised its sewer rates since 2006 and water rates since 2008. The City did not have a detailed cost of service analysis to support its water rates and tiered pricing.

Bartle Wells Associates conducted a comprehensive analysis of the City's tiered water rates. In reviewing the City's billing records, we discovered that water use was heavily skewed toward the higher tiers. A relatively small amount of water was being consumed in the lower, cheaper tiers indicating that the water rates were not encouraging conservation.

Ultimately, BWA recommended that the City transition to a single rate for all levels of water use. The City participates in a groundwater management plan and is required to purchase replenishment water from the Metropolitan Water District of Southern California. The recommended water rate was developed to cover the cost of treating and conveying the City's groundwater plus the cost of the imported water. Bartle Wells

Associates conducted extensive legal review with the City Attorney to ensure compliance with Proposition 218 cost of service requirements and to review the recent San Juan Capistrano court case. Based on the City's water service costs, the BWA and City project team determined that tiered water rates were not justifiable. The Hemet City Council praised our efforts in adapting the rates to a new legal framework and appreciated the fairness of the single uniform water rate.

Contact:

Kristen Jensen
Former City of Hemet Public Works Director
Current City of San Bernardino Public Works Director
(909) 384-5140
Jensen_kr@sbcity.org

JOSHUA BASIN WATER DISTRICT

Water Rate Study

The Joshua Basin Water District provides water service to residential and commercial customers in the community of Joshua Tree, California. BWA has assisted the District with several financial consulting assignments over the past decade. BWA assisted the District with development of a long-term financial plan and water rate study. BWA recommended a series of rate adjustments designed to a) fund the District's ongoing costs of providing service, b) provide funding for a supplemental imported water supply from the Mojave Water Agency, c) provide funding for repair and replacement of aging infrastructure, and d) comply with the requirements of Proposition 218. BWA also recommended rate structure modifications designed to a) increase conservation incentive, and b) comply with California Urban Water Conservation Council Best Management Practice regarding retail water conservation pricing. Final recommendations were developed with substantial input from the District and the District's Citizens Advisory Committee, a diverse group of local community members that has been advising the Board of Directors and providing community input on a wide range of policy issues. During the rate study, BWA facilitated workshops with the Citizen Advisory Committee and Board of Directors to gain input and build consensus for final recommendations. BWA also assisted the District with development of updated recommendations for various fees and charges including the District's capacity charges levied on new development, charges for temporary water connections, and charges for service to outside agencies.

Contact:

Anne Roman, Director of Finance
(760) 974-0081
aroman@jbwd.com

BIG BEAR CITY COMMUNITY SERVICES DISTRICT

Water, Wastewater and Solid Waste Study

In 2015, BWA assisted the district in developing water, wastewater and solid waste 5-yr financing plans and rate studies.

Most recently, in 2019, BWA performed comprehensive water, wastewater and solid waste cost-of-service rate studies. BWA recommended a series of rate increases designed to meet each utility's operating and capital funding needs. BWA also reviewed the water and solid waste rate structures and customers classes and recommended modifications designed to equitably recover the costs of providing service, comply with Proposition 218, and achieve the District's objectives.

BWA assisted the District with the Proposition 218 noticing and the rate adoption process which ultimately resulted in Board's adoption of recommended rate increases and cost-of-service based rate structure modifications.

Contact:

Shari Strain, Finance Director
(909) 585-2565

Additional client references are available upon request

Section 3: Project Team Qualifications

BWA uses a **team approach** for most projects, typically assigning two or three consultants to each assignment, including at least one principal consultant. Our general project approach is to work closely with staff and other members of the project team, identify objectives, set milestones, have frequent communication, and remain flexible to resolve unanticipated issues.

Bartle Wells Associates has a highly qualified professional team. All members of our team are experienced with sewer and water rate studies, rate modeling, urban sewer demands, familiarity with sewer rates in other communities in California, sewer rate structure and design analysis, capital project and financial planning, community involvement and public outreach, and Proposition 218 noticing requirements. All consultants are registered Municipal Advisors having completed their Series 50 Exam.

Doug Dove, President of Bartle Wells will serve as Principal in charge. He will be assisted by Michael DeGroot, who will provide project management, rate modeling and financial analysis. Doug has worked with hundreds of agencies across California, garnering a broad perspective on water and sewer rate-setting and a unique understanding. Together, Doug and Michael have almost 40 years of water rate setting experience.

DOUG DOVE, PROJECT MANAGER

President, Bartle Wells Associates

Office Location: Berkeley, California

Doug Dove is President of BWA and one of BWA's principal consultants. He has more than 30 years of professional experience, specializing in all areas of public finance, including utility rate setting, capacity fee implementation, strategic financial planning, and infrastructure financing. He has extensive experience developing strategic financial plans and utility rate studies and has assisted more than 200 California public agencies. Doug has substantial experience working with public agency staff and governing bodies to build understanding and consensus for key recommendations.



Doug will serve as the principal in charge and oversee the work. He will be involved in all aspects of the project from kickoff to implementation.

MICHAEL DEGROOT, PROJECT CONSULTANT

Consultant, Bartle Wells Associates

Office Location: Berkeley, California

Michael DeGroot is a BWA Project Consultant with nine years of experience developing long-term financial models and utility rates based on a cost of service approach. He has helped many water, wastewater and solid waste agencies achieve revenue stability and customer equity.



Michael will serve as the project manager and will be the primary day-to-day contact person.

DOUGLAS R. DOVE

President and Principal Consultant



Douglas R. Dove is President of Bartle Wells Associates and directs the operation of the firm while maintaining a principal consultant's role. With over 30 years of consulting experience, he specializes in utility rate analysis, strategic financial planning, and project financing. Mr. Dove has developed utility rate structures and financing plans for a wide variety of public infrastructure programs. He has managed the procurement of over \$1 billion in municipal debt and over \$300 million in state and federal grants and low-interest loans. Mr. Dove frequently shares his expertise and has given presentations at conferences including the Association of California Water Agencies (ACWA), the American Water Works Association (AWWA), the California Association of Sanitation Agencies (CASA), the California Municipal Rates Group (CMRG), the California Special District's Association (CSDA), the California Municipal Treasurers Association (CMTA), the California Water Environment Association (CWEA) and WateReuse. By special request in July 2015, Mr. Dove made a presentation to the California Water Resources Control Board regarding water conservation pricing. Mr. Dove is also a published author of a water rate paper in the Journal of the American Water Works Association (*Implementing Consumption-Based Fixed Rates in Davis, Calif.*).

Mr. Dove's expertise also includes assisting agencies in securing state and federal grants and loans and in issuing certificates of participation (COPs), revenue bonds, general obligation bonds, assessment district bonds, Marks-Roos revenue bonds, CFD (Mello-Roos) bonds, private placement loans and other types of debt.

Mr. Dove holds an MS in civil engineering from UC Berkeley and he is a registered Professional Engineer in California. He is also a Certified Independent Professional Municipal Advisor (CIPMA) and recently finished his term on the board of directors of the National Association of Municipal Advisors (NAMA).

Education

M.S., Civil Engineering - University of California, Berkeley

B.S., Civil Engineering – Drexel University, Philadelphia, PA

Representative Projects

- **City of Calistoga:** Long range utility financial plan, water, and wastewater rates, secured financing for WW treatment plant upgrade (\$6 million SRF loan, \$3 million Small Community Grant, \$3.5 million revenue bonds).
- **San Luis Water District:** Engineer's report and implementation of land-based water assessments to support \$30 million water revenue bond issuance.
- **City of Hemet:** Water rate studies.
- **Napa-Berryessa Resort Improvement District:** Developed financing plan for water and wastewater public-private partnership (P3). Prepared assessment engineers report. Formed an assessment district and secured \$11.1 million in federal funding from US Department of Agriculture.
- **Oro Loma Sanitary District:** Municipal advisor on sale of revenue bonds.
- **City of Davis:** Comprehensive water rate study and financing plan for surface water project, developed with a 15-member Water Advisory Committee. Completed a water capacity fee study for the City.
- **City of Rio Vista:** Water and Wastewater financing plans, rate studies and issuance of CFD bonds for new wastewater treatment plant.

- **City of Modesto:** Provided rate expert litigation support in wastewater rate litigation. Developed water and wastewater cost of service and capacity fee studies.
- **Newhall County Water District:** Provided rate expert litigation support.
- **City of Monterey:** Developed financing plan and rate study for \$20 million wastewater pipeline rehabilitation project.
- **City of Santa Clara:** Wastewater rate and capacity fee study
- **City of Hesperia:** Comprehensive water and wastewater financial plan and rate study.
- **City of Lemon Grove:** Water and wastewater rate studies and five-year financing plan.
- **City of Gilroy:** Water and wastewater rate studies.
- **City of Patterson:** Water and wastewater rate studies, impact fees and five year financing plans.
- **West Valley Sanitation District (Campbell, CA):** Wastewater rate study, financing plan and bond issuance.
- **City of Ontario/Ontario Redevelopment Agency:** financial advisor on \$134.3 million in development refunding and new money issues (2), which included financing for the Ontario Convention Center.
- **El Dorado Irrigation District:** Water and wastewater rate studies.
- **Lake Arrowhead Community Services District:** Financial master plan, \$28 million revenue bond refinancing and water and wastewater rate studies.
- **California Statewide Communities Development Authority:** Financial advisor for statewide pooled revenue bond program (over \$250 million issued for over 32 borrowers).
- **South Bay Water Recycling Program, Phases 1 & 2:** Financial plan and rate study for \$200+ million regional (San Jose area) wastewater recycling program.
- **City of Tulare:** Financial advisor to the city, sale of \$63 million in bonds (3 issues), water and wastewater rate studies.
- **City of Hanford:** Wastewater financial plan and rate study, bond and bank loan issues, procurement of California Infrastructure Bank SRF loan.
- **Big Bear City Community Services District:** Water, wastewater and solid waste rate study.

Memberships

- National Association of Municipal Advisors (former Board Member)
- League of California Cities
- American Water Works Association
- Association of California Water Agencies
- California Water Environment Association
- California Association of Sanitation Agencies
- California Special Districts Association
- WateReuse Association

Certifications

Certified Independent Professional Municipal Advisor (CIPMA), Registered Professional Engineer (PE) in California (PE# 45642) and Municipal Advisor Principal – Series 50 and 54

MICHAEL J. DEGROOT



Michael DeGroot is a project consultant and registered Municipal Advisor with Bartle Wells Associates with nine years of experience. He works closely with City staff, engineers, lawyers, and other consultants to develop equitable rate structures for water and sewer enterprises. Mr. DeGroot specializes in developing long-term financial plans, meter and commodity rates, and capacity fees for Cities and special Districts.

Representative Projects

- **Town of Colma:** Sewer rate study.
- **City of Foster City:** Water and sewer rate study and low income discount program analysis.
- **City of Pacifica:** Sewer rate and capacity fee study.
- **Granada Community Services District:** Sewer rate study.
- **Mariposa County:** Water and sewer financial plans for six utilities and funding plan for roads.
- **City of Alameda:** Sewer rate study and Proposition 218 mailing coordination.
- **Castro Valley Sanitary District:** Financial plan and financial adviser for revenue bond issue.
- **Oro Loma Sanitary District:** Financial plan and financial adviser for revenue bond issue.
- **City of Milpitas:** Water rate study.
- **West Valley Sanitation District:** Sewer rate study and financial adviser for revenue bond issue.
- **Fairfield-Suisun Sewer District:** Sewer rate and capacity fee study.
- **City of Burlingame:** Water and sewer rate study.
- **San Dieguito Water District:** Water capacity fee study.
- **City of Santa Barbara:** Water rate study and water and sewer capacity fees.
- **City of Fresno:** Water and sewer capacity fees.
- **City of Angels Camp:** Water and wastewater rate study.
- **City of Palmdale:** Sewer rate study.
- **Marina Coast Water District:** Water and wastewater capacity fee study.
- **City of Patterson:** Water and sewer rate study. Water, wastewater, and stormwater capacity fee study.
- **City of Hemet:** Water rate study, including water budget rate structure recommendation.
- **Crestline Sanitation District:** Sewer rate study.
- **Malaga County Water District:** Water and sewer rate study and capacity fees.
- **Browns Valley Irrigation District:** Water rate study.
- **Root Creek Water District:** Benefit Assessment District formation support.

Education

B.S., Business Administration – U.C. Berkeley Walter A. Haas School of Business, Berkeley, CA

Section 4: Scope of Work

SPECIFIC PROJECT APPROACH

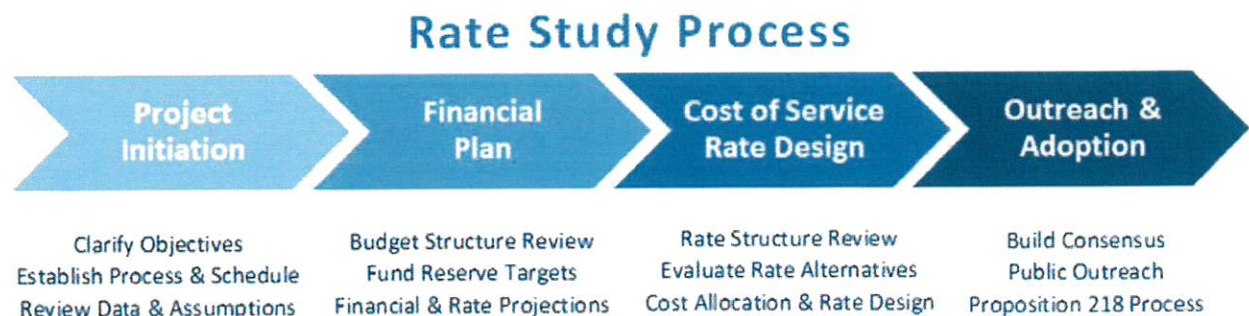
Bartle Wells Associates’ approach to this project is to provide a comprehensive review of the District’s water and wastewater finances and to develop recommendations for the water and wastewater rates to fund each utility’s cost of service. BWA uses a collaborative project approach to ensure final recommendations reflect the policy preferences and objectives of the agencies we serve. Our general project approach is to work closely with District staff, the Board of Directors and/or subcommittees, and other stakeholders; identify objectives; set milestones; have frequent communication; and remain flexible to resolve unanticipated issues. We have a long track record of completing projects on time and on schedule and for providing independent, high-quality advice and work products.

BWA’s methodology for each project is based on an inclusive review of each agency’s unique financial situation. We do not have a “one-size-fits-all” rate model. We tailor each study to fit the distinct requisites of each agency to ensure that all recommendations reflect local needs and objectives. Key issues of this study include:

- **Rate Structure Revisions:** BWA will evaluate water and wastewater rate alternatives that a) ensure revenue sufficiency b) consider drought and any other recent changes in demand for water and wastewater services, c) minimize the impact on customers, d) allocate costs equitably among all customer classes, e) promote conservation, and f) comply with the legal requirements of Proposition 218 and recent Court decisions.
- **Review Projections from Last Study:** BWA will review the projections from the last rate study and compare to the most recent data to determine each utility’s current financial standing. Our evaluation will include a comparison of revenues, cost escalator factors, wholesale water purchases, debt estimates, and water consumption.

PROPOSED SCOPE OF SERVICES

This section presents a draft work plan and scope of services that we believe forms a sound basis for completing the Water and Wastewater Rate Study. Bartle Wells Associates will work with the project team to finalize a scope of services that meets the study objectives. Our scope of work is based on four interrelated components as shown on the figure below:



TASK A. PROJECT INITIATION & DATA COLLECTION

1. Project Team Orientation

To initiate our work, hold a meeting with District staff and others as appropriate, to accomplish the following:

- Identify members of District staff, Board, engineering consultants, and others who will participate in the project.
- Determine the roles and responsibilities of all project participants.
- Identify other parties that may have a significant interest in the project, such as community groups, business organizations, developers, and large customers.
- Establish project schedule and key milestone dates.
- Confirm the key goals and expectations of the project team.

2. Investigation and Data Collection

Assemble the information necessary to understand the District's water and sewer systems, finances, customers and usage, rate and fee structures, capital improvement needs and alternatives, and legal agreements. Assistance and cooperation of District staff will be needed to assemble the relevant background information. The objectives of investigation and data collection are to develop a complete understanding of the water and wastewater enterprises and their finances, and to reach an agreement on basic assumptions to be used in the study as well as key alternatives for evaluation. Investigation will include, but is not limited to, the following areas:

- Current and historical documents including current and projected budgets, financial statements, and other financial studies or internal finance projections
- Capital improvement plans and engineering master plans
- Current system capacity including capacity available for growth
- Current and historical rates and fees
- Historical and projected growth and demand
- Long-term infrastructure replacement needs
- Key capital alternatives for evaluation
- Formal and informal financial policies
- Agreements with other agencies and/or organizations.
- Conditions leading up to this project

Task A Deliverables Include:

- Project kickoff meeting
 - List of project goals and objectives
 - Project schedule and budget
 - Project team contact list
 - Summary of current and historical rates and finances
 - List of key assumptions and alternatives underlying the rate study
-

TASK B. WATER AND WASTEWATER FINANCIAL PLANS

1. Develop Forecasts and Projections

Based on evaluation of the data assembled and input provided by the District, prepare forecasts and projections to be used in the development of financial projections for the District's water and wastewater utilities. Review projections and alternatives with District staff for agreements on assumptions, interpretation of data, and completeness of approach. Analysis will include, but is not limited to, the following areas:

- **Long Term Capital Repairs & Replacements:** Identify future capital improvement program costs or alternatives to include in the financial analysis and determine a reasonable amount to include for future, ongoing capital repairs and replacements. BWA often recommends that agencies phase in funding for long-term system rehabilitation.
- **Water & Sewer Demand, Supply, & Cost:** With District input, forecast water demand, future conservation projections, and costs. Identify potential water reduction scenarios for evaluation.
- **Cost Escalation Factors:** Review historical cost trends and work with project team to develop reasonable cost escalation factors for both operating and capital expenditures. Work with District staff to identify any anticipated changes in future staffing, benefits, and/or other operating costs.

2. Evaluate Financing Alternatives for Capital Improvements

If warranted, Evaluate options for financing capital improvement projects. Our evaluation will:

- Estimate the amount and timing of any debt, if needed, to finance capital projects.
- Evaluate the alternative borrowing methods available including bonds, COPs, state and federal loan programs, bank loans and lines of credit, and other options.
- Recommend the appropriate type of debt, its term and structure.
- Develop debt service estimates to incorporate in the financial projections.

3. Review Minimum Fund Reserve Targets

Evaluate the adequacy of the District's current utility fund reserves. If needed, establish prudent minimum fund reserve targets based on the District's operating and capital funding projections. Develop an implementation plan for achieving and maintaining the recommended reserve fund levels.

4. Develop 10-Year Financial Projections

Develop cash flow projections showing the financial position of the water and wastewater enterprises over the next 10 years. The cash flows will project fund balances, revenues, expenses, and debt service coverage, and will incorporate the forecasts developed with staff input. After developing a base-case cash flow scenario, we can develop alternatives for additional evaluation such as capital improvement alternatives, project financing alternatives, the impacts of various levels of water demand, etc. During this phase, BWA will work closely with the project team to evaluate financial and rate projections under alternative scenarios and assumptions.

5. Evaluate Rate Increase Options

Based on the cash flow projections, determine the annual revenue requirements and project the overall level of required water and wastewater rate increases. Evaluate rate adjustment alternatives, such as gradually phasing in required rate increases over a number of years. If appropriate, evaluate different levels of rate increases and their impacts on the District's ability to fund future operating and capital needs.

6. Develop Financial & Rate Models

Develop user-friendly water and wastewater financial and rate models designed to be used by District staff to update projections, change assumptions, and evaluate financial scenarios and their impacts on future utility rates. The models will detail key assumptions and can be used to evaluate alternatives and "what if" scenarios. BWA has developed numerous rate and financial models for utility enterprises. We have found that keeping a model as straightforward as possible, without unnecessary complexity, can increase the model's usability and improve effectiveness as an in-house planning tool.

Task B Deliverables Include:

- Summary of long-term capital improvement plan & key alternatives if appropriate
 - Evaluation of financing alternatives for capital improvements
 - Recommendations for minimum fund reserve targets
 - 10-year cash flow projections with supporting tables
 - User-friendly water and wastewater financial and rate models designed to enable staff to update projections and evaluate alternative financial scenarios
 - Evaluation of rate increase options
 - Meet with the District's project team to present findings, discuss alternatives, gain feedback, and develop preliminary recommendations
-

TASK C. WATER AND WASTEWATER RATE STUDIES

1. Identify & Evaluate Rate Structure Modifications & Alternatives

Review the District's current water and wastewater rate structures and discuss advantages and disadvantages compared to other rate approaches. Identify potential alternatives and modifications that could help improve rate equity, conservation incentive, or help achieve other District objectives. Discuss pros and cons of different rate structure options and their general impacts on different types of customers. Rate structure options will be refined as the study progresses based on input from the District's project team. Some potential rate structure modifications that could be evaluated based on District direction may include, but are not limited, the following:

Water Rates

- Possible modifications to the rate structure that improve distribution of costs more equitably.
- Update of emergency water shortage rates or potential drought surcharges that can be implemented to offset decreases in water sales.

Wastewater Rates

- Potential addition of a volume component for residential customers
- Possible modifications to improve equity between the various rate classes
- Adjustments to the strength factor assumptions for various customer classes.

2. Conduct Survey of Regional Water and Wastewater Rates

Review and summarize water and sewer rates of other regional and/or comparable agencies. Summarize results in easily understandable tables and/or charts. Confer with staff on agencies to include in the survey.

3. Analyze Water Consumption & Utility Billing Data

Analyze current and historical water usage and utility billing data to determine reasonable and conservative estimates of water and sewer demand to use in developing financial projections and rates. Water use can fluctuate from year to year depending on various factors such as weather and local and regional conservation efforts. Ideally, we would prefer to analyze 3 years of utility billing data in order to determine slightly conservative demand projections. Work with the District to project water and wastewater demand under various normal year and water shortage scenarios.

4. Allocate Costs to Billing Parameters for Each Utility

Allocate costs identified in the water, wastewater financial plans to appropriate fixed and variable rate components. Water rates will be based on an equitable allocation of costs to fixed and variable charges and will include a cost-basis to support any Sewer rates will be based on cost allocations to wastewater flow, BOD, and SS to develop underlying unit charges that will then be applied to the wastewater discharge characteristics of different customer classes. Rates will be designed to be equitable to all customers and comply with the substantive requirements of Proposition 218.

5. Develop Preliminary & Final Rate Recommendations with District Input

Based on evaluation of rate structure alternatives and the financial plan update, develop draft rate alternatives for input. The recommendations may include a multi-year phase in of both overall rate increases and proposed rate structure adjustments in order to help mitigate the annual impact on ratepayers. Review preliminary recommendations and key alternatives with the project team and District Board. Revise recommendations based on input received. Develop a plan for implementing rate increases and rate structure modifications.

Final rate recommendations will be designed to:

- a) fund each utility's long-term costs of providing service, including operating, capital, and deferred maintenance needs
- b) be fair and equitable to all customers,
- d) provide a prudent balance of revenue stability and conservation incentive,
- e) be easy to understand and administer, and
- f) comply with the substantive requirements of Proposition 218.
- g) adhere to industry standards, including the American Water Works Association, and recent legislation

6. Evaluate Rate Impacts on a Range of District Customers

Calculate the impacts of each rate alternative on a range of District customers (e.g. different customer classes, customers with different levels of water use, etc.). Work with the District's project team to identify customer and usage profiles to use for calculating the rate impacts. Discuss additional rate structure adjustments that may reduce the impact on certain customers if warranted.

Task C Deliverables Include:

- Evaluation of potential rate modifications
- Water and wastewater rate survey
- Analysis of historical utility billing data
- Cost allocations supporting water and sewer rate components
- Development of draft rate alternatives for District evaluation and input
- Meet with the District's project team to present findings, discuss alternatives, gain input, and develop preliminary and final rate recommendations

***TASK D. RATE IMPLEMENTATION
(MEETINGS/PRESENTATIONS, REPORTS, PROP 218 COMPLIANCE)***

Our proposal includes project team meetings as needed, 3-5 community outreach meetings, 2 more community workshop meetings prior to the Prop 218 hearing and 3 meetings with District Board.

1. Project Team Meetings (as needed)

Meet with the District's project team virtually as needed to gather information and present findings, discuss alternatives and their impacts, gain ongoing input, and develop and hone recommendations.

2. District Board Presentations & Proposition 218 Hearing (2 Board Presentations & 1 rate hearing)

Develop water and wastewater rate presentation materials in plain English - layman's terms for presentation to the Board of Directors and public. Conduct presentations and receive feedback from ratepayers Participate in an initial Board Meeting to present findings, preliminary recommendations, and key alternatives, and to obtain Board and public input. Incorporate input and hone recommendations as warranted to ensure final recommendations reflect Board preferences. Present revised, final recommendations at a subsequent Board Meeting to gain approval to move forward with the Proposition 218 process.

Attend the Proposition 218 Public Hearing Meeting and present a summary of findings and recommendations. Remain available to respond to Board and public comments. BWA has extensive experience presenting financial and rate recommendations to non-technical audiences, dealing with challenging questions, and building acceptance for final recommendations.

3. Prepare Draft & Final Reports

Develop an administrative draft report summarizing key background issues, study objectives, findings, assumptions, draft recommendations and alternatives, impacts on ratepayers, and the rate and fee surveys. The report will include: a) brief descriptions of the each utility system, service areas, and population, b) overview of historical financial operations, c) discussion of the current utility rates, d) a description of water and wastewater capital improvement programs, including potential impacts of State and Federal regulatory requirements, e) presentation of 10-year financial projections and key assumptions, f) explanation of cost allocation and derivation of recommended water and wastewater rates, g) impacts of proposed rates on a range of customer types and usage profiles, and h) results from the water and wastewater rate and fee surveys.

The report will be written for a non-technical audience and will clearly explain the rationale for recommendations and key alternatives when applicable. Submit a preliminary draft report for District review and feedback. Incorporate input into an administrative draft report for distribution to the District Board. Incorporate any revisions into a final report and provide the District with printed and electronic copies.

4. Proposition 218 Rate Notice

Proposition 218 establishes requirements for adopting or increasing property-related fees and charges. In July 2006, the California Supreme Court ruled that water rates are subject to Prop. 218 (Articles XIII C and XIII D of the state constitution). Prop. 218 requires that the District: 1) mail notification of proposed rate increases and the date, time, and place of public hearing to all affected property owners (and potentially ratepayers who are renters that pay water bills), 2) hold a public hearing not less than 45 days after the notices are mailed, and 3) subject the rate increases to majority protest; if more than 50% of property owners submit written protests, the proposed rate increases cannot be adopted. Water and sewer rates are exempt from the voting requirements of Prop. 218 provided rates do not exceed the cost of providing service and meet the substantive rate requirements of Proposition 218.

Develop a draft Proposition 218 notice for District review. Incorporate revisions and develop a final notice. BWA recommends the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for any rate adjustments. BWA has helped many agencies adopt rates via the Proposition 218 process. We have found that ratepayers are generally much more accepting of rate increases or rate structure modification when they understand the reasons underlying the adjustments.

5. Public Education and Consensus-Building

Rate and fee adjustments are often controversial. BWA has extensive experience developing clear presentations that facilitate public understanding of the need for rate increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist the District in any outreach and public education efforts.

Task D Deliverables Include:

- Project team/District Board meetings as needed to discuss findings, alternatives, recommendations and obtain input
 - Community outreach meetings as needed prior to rate hearing
 - 3 Board meetings to a) present findings and preliminary recommendations and receive input, b) present revised recommendations for additional input, and c) present a summary at the Prop. 218 Public Hearing
 - PowerPoint presentations summarizing key findings, alternatives, and recommendations
 - Draft and final reports summarizing background information, key findings, alternatives, and recommendations
 - Draft of required Proposition 218 Notice of proposed rate increases
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Section 5: Proposed Budget

This section shows a breakdown of projected hours and the estimated budget for each task. The budget can be refined with the project team to meet the District’s study objectives.

PROJECT TASK	Estimated Hours	D. Dove @ \$270/hr	M. DeGroot @ \$200/hr	Total Cost
TASK A. PROJECT INITIATION & DATA COLLECTION	20	5	15	\$4,350
1. Project Team Orientation				
2. Investigation & Data Collection				
TASK B. WATER AND WASTEWATER FINANCIAL PLANS	35	15	20	\$8,050
1. Develop Forecasts & Projections				
2. Evaluating Financing Alternatives for Capital Improvements				
3. Review Minimum Fund Reserve Targets				
4. Develop 10-Year Financial Projections				
5. Evaluate Rate Increase Options				
6. Develop Financial & Rate Models				
TASK C. WATER AND WASTEWATER RATE STUDIES	45	20	25	\$10,400
1. Identify Rate Structure Modifications & Alternatives				
2. Conduct Survey of Regional Water & Sewer Rates				
3. Analyze Utility Consumption & Billing Data				
4. Allocate Costs to Billing Parameters for Each Utility				
5. Develop Preliminary & Final Rate Recommendations				
6. Evaluate Rate Impacts on Customers				
TASK D. RATE IMPLEMENTATION (Meetings, Presentations, Report)	30	15	15	\$7,050
1. Project Team Meetings				
2. Presentations & Proposition 218 Hearing				
3. Prepare Draft & Final Reports				
4. Proposition 218 Rate Notice				
5. Public Education and Consensus-Building				
TOTAL ESTIMATED HOURS	130	55	75	\$29,850
ESTIMATED DIRECT EXPENSES				
Travel/copies/binding/phone/fax/mail/miscellaneous				\$1,000
TOTAL PROJECT COSTS				\$30,850
Contingency/Additional Analysis/Additional Meetings (Optional)				\$5,000

Section 6: Proposed Schedule

This section presents a preliminary draft schedule for completing the project with an estimated project start date of August 22, 2022, and the first year of proposed rates effective July 1, 2023. BWA will work with the project team to develop key milestones and a final schedule.

PROJECT TASK	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Project Initiation & Data Collection	*									
Water and Wastewater Financial Plans										
Water and Wastewater Rate Studies										
Draft & Final Reports/Model										
Project Team Meetings (TBD)										
Board and Community Meetings										
Proposition 218 Process & Hearing (TBD)										

Note: Individual project milestones will be established based on consultation with the project team.

* - Anticipated Project Start Date August 22, 2022

C - Project estimated completion date July 1, 2023

Availability & Fees

1. Bartle Wells Associates is prepared to begin work upon the District's authorization to proceed.
2. During the project development period, we will be available at all reasonable times and on reasonable notice for meetings and for consultation with District staff, attorneys, consulting engineers, and others as necessary.
3. Bartle Wells Associates will perform all work related to the assignment. Doug Dove, a firm principal, and president will be assigned as project leader on this assignment.
4. The fees for services outlined in this proposal will not exceed \$29,850 plus direct expenses estimated not to exceed \$1,000. The proposal also includes an optional contingency of \$5,000 at the District's discretion to account for potential additional meetings, presentations, analysis, or other additional services. The fee is based on the following assumptions:
 - The project will be completed by June 30, 2023, or other mutually agreeable date preferred by the District. BWA will work to meet all District scheduling requirements and deadlines.
 - All necessary information will be provided by the District and/or its other consultants in a timely manner.
 - BWA will develop one preliminary draft, one administrative draft, and one final version of both the calculation tables and the report. Time and expenses involved in revising tables and assumptions and additional report revisions may constitute additional services if not achievable within the budget.
 - The fee is based on project team meetings as needed, a total of 3 District Board meetings. In accordance with CDC and California State Health Department recommendations, we prefer to attend meetings via teleconference where possible.
5. Progress payments and direct expenses are payable monthly on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2022, which will remain in effect for the duration of this project.
6. In addition to the services provided under this proposal, the District may authorize Bartle Wells Associates to perform additional services for which the District will compensate us based on consultants' hourly rates at the time the work is performed, plus direct expenses
7. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.
8. Bartle Wells Associates is an independent public finance advisory firm that is registered as a Municipal Advisor with the Securities and Exchange Commission (SEC Registration No. 867-00740) and the Municipal Securities Rulemaking Board (MSRB ID K0414).
9. If the project is terminated for any reason, Bartle Wells Associates is to be reimbursed for professional services and direct expenses incurred up to the time notification of such termination is received.



BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2022

Rates Effective 1/1/2022

Professional Services

Financial Analyst I.....	\$110 per hour
Financial Analyst II.....	\$140 per hour
Consultant.....	\$170 per hour
Senior Consultant.....	\$200 per hour
Senior Project Manager.....	\$230 per hour
Principal Consultant.....	\$270 per hour

The hourly rates for professional services include all overhead and indirect expenses. Bartle Wells Associates does not charge for administrative support services. Expert witness, legal testimony, or other special limited assignments will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through completion of the project.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Printing and photocopying
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Graphic design and photography
- Special legal services
- Legal advertisements

Insurance

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

Payment

Fees are typically billed monthly for the preceding month and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ▪ \$2,000,000 General Aggregate ▪ \$2,000,000 Products Comp/Op Aggregate ▪ \$2,000,000 Personal & Advertising Injury ▪ \$1,000,000 Each Occurrence 	6/1/23
Excess/Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ▪ \$1,000,000 Aggregate ▪ \$1,000,000 Each Occurrence 	6/1/23
Automobile Liability	Hartford Insurance Company Policy #35-UWC VU2842	<ul style="list-style-type: none"> ▪ \$1,000,000 Combined Single Limit 	6/1/23
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> ▪ Bodily Injury by Accident - \$1,000,000 each accident ▪ Bodily Injury by Disease - \$1,000,000 each employee ▪ Bodily Injury by Disease - \$1,000,000 policy limit 	6/1/23
Professional Liability	Chubb & Son, Inc. BINDO94045	<p>Solely in the performance of services as municipal financing consultants for others for a fee.</p> <p>Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)</p>	6/1/23