



5880 Oak Street, Anderson, CA 96007  
Phone: (530) 357-2121 Fax: (530) 357-3723

**Board of Directors: Terry Lincoln - Chair**  
**Scott McVay, Vice Chair**  
**Directors – Pam Beaver, Beverly Fickes, Logan Johnston**

**General Manager: Paul Kelley**

**REGULAR MEETING: August 21<sup>st</sup> 2024 at 6:00PM: District Office Board Room**

### **AGENDA**

**1. CALL TO ORDER**

**2. PLEDGE OF ALLEGIANCE**

**3. ROLL CALL**

**4. OPEN TIME/PUBLIC COMMENT:** Pursuant to Gov. code S54950, persons wishing to address the Board of Directors on matters not listed on the agenda should notify the Secretary prior to the start of the meeting. To speak at this time and for any item listed on the agenda – raise your hand, and when recognized by the Chair – proceed to the podium to address the Board.

**5. CONSENT AGENDA (Action)**

The following items are expected to be routine. Any interested party may comment or request an item be removed from the consent agenda for separate discussion/action.

- a. Minutes from Meetings – Regular meeting 7/17/24
- b. Paid Bills: 7/14/24 – 8/12/24
- c. Payroll: 7-4-24, 7-18-24
- d. Activity P&L Report: Not Available this month

**6. OLD BUSINESS/NEW BUSINESS (Discussion/Action)**

- a. O.B. – USBR Account Reconciliation - (Discussion)
- b. Fiscal Year 2022 Audit For Board Review (Discussion/Action)
- c. Surplus property disposal -1996 Generac 80 KW – (Discussion/Action)

**7. GENERAL MANAGERS REPORT**

**8. OPERATIONS REPORT**

**9. STANDING COMMITTEE REPORT –**

ADA Related Disabilities:

Contact the front office and speak with a Staff Member if special consideration is needed to attend any public meeting for disability related accommodations or aide is needed. Please give 72 hours - notice prior to the meeting to allow staff to meet your requests appropriately.

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- a. Agriculture –
- b. Finance –
- c. Planning/Steering –

**10. BOARD MEMBER ITEMS**

**11. CLOSED SESSION ANNOUNCEMENT: - None**

**12. ADJOURN THE MEETING**

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## MEMO

**Date:** August 21<sup>st</sup> 2024  
**To:** Board of Directors  
**From:** General Manager – Paul Kelley  
**Re:** 5 – Consent Agenda (Action)

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### Discussion:

5.a – Minutes of The Meetings: Regular meeting 7/17/24, Special Meeting, Agriculture Committee:

Finance Committee : Planning and Steering Committee:

5.b – List of bills paid – from QuickBooks 7/14/24 – 8/12/24

5.c – Payroll since last meeting: 7-4-24, 7-18-24

5.d – Activity P&L Report: ~~July 2024~~: Not available till Next month

### Recommendation:

Review, Discussion and by Motion approve items 5.a through 5.d



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**Board of Directors: Terry Lincoln - Chair**  
**Scott McVay, Vice Chair**  
**Directors – Pam Beaver, Beverly Fickes, Logan Johnston**

**General Manager: Paul Kelley**

**REGULAR MEETING: July 17<sup>th</sup>, 2024, at 6:00PM: District Office Board Room**

**MINUTES**

- 1. CALL TO ORDER** – Chair Lincoln – 6:01 pm
- 2. PLEDGE OF ALLEGIANCE** – Director Beaver
- 3. ROLL CALL** Chair Lincoln, Vice-Chair McVay, Directors: Beaver, Fickes, Johnston  
GM – Paul Kelley, Admin Assistant – Amity Valdez
- 4. OPEN TIME/PUBLIC COMMENT:** Dennis Possehn – Report on Firewise, Happy Valley ridge east of Amber Ridge 100' wide clearing, other grant with Happy Valley Community not received.
- 5. CONSENT AGENDA** (Action)  
The following items are expected to be routine. Any interested party may comment or request an item be removed from the consent agenda for separate discussion/action.
  - a. Minutes from Meetings – Regular meeting 6/19/24, Special Meeting 4/3/24
  - b. Paid Bills: 6/14/24 – 7/11/24
  - c. Payroll: 6-6-24, 6-20-24
  - d. Activity P&L Report: June 2024

*Discussion on cost of road repairs and the District not compacting prior to contractor paving  
Director Johnston – have GM look at Vibrator plate and possibly Backhoe Roller Attachment  
Motion to Approve Consent: Fickes, 2<sup>nd</sup>: McVay – Approved Vote: 5-0 - Unanimous.*
- 6. OLD BUSINESS/NEW BUSINESS** (Discussion/Action)
  - a. O.B. – USBR Account Reconciliation - (Discussion)  
*GM Kelley gave a brief report that nothing on the reconciliation has occurred, but the Bureau is working on a date for a “Shasta Dam” tour in September.*
  - b. Ordinance 2024-10 – Workplace Violence Prevention Plan (Discussion/Action)  
*GM Kelley reviewed information in the Packet and the OSHA promulgated updated rules for a workplace violence prevention plan. The plan is to be in place by July of 2024. The District took the*

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*JPIA template, modified for District information and use, and then sent it to Union for input from Union and Staff. There were some suggestions and modifications – included in this document.  
D. Fickes – concern about phone number inconsistencies, cell phone may not need to be included.  
(edit noted)*

*Motion to approve Ordinance 2024-10 with corrections – Director McVay, 2<sup>nd</sup> Director Fickes: Vote 5-0 (Unanimous)*

**c. Drought and Water Shortage 2010 Plan Update – (Discussion)**

*GM Kelley reviewed the documents in the packet. The current plan is from 2010 and needs to be updated. There have been state law changes (in 2021) that call for updated plans and the State has provided templates for Water Districts with less than 3000 connections. Since 2010 – the USBR has updated and adopted their “USBR – Shortage Policy” impacting CVP water contractors in 2017. This document has the calculations for “historic M&I” etc.*

*The District volunteer took the state template and started editing for District specific items – it’s a first draft and work in progress. This is also the first time the USBR shortage policy has been on the public agenda for all to review, as well as the Board as the District commences the updated Drought plan.*

*GM Kelley is recommending that the board provide comments and input, and then send to the Planning and Steering Committee to have a public comment and input meeting, edit the document, and have another public comment opportunity with a plan to adopt an updated plan in late fall.*

*Director McVay asked questions about the USBR policy*

*Director Fickes asked about the particulars and edits in the Draft Plan*

*Chair Lincoln commented that the Board would provide direction to GM as recommended.*

**d. Backwash Ponds Project – PACE Engineering Amendment #2 – (Discussion/Action)**

*GM Kelley reviewed the packet memo for this item and mentioned that the updated amount for PACE services is within the grant approved document (attached). And recommended approval.*

*Motion to approve – Beaver, 2<sup>nd</sup>: McVay – Vote: 5-0 (unanimous)*

## **7. GENERAL MANAGERS REPORT**

*GM Kelley reviewed items in the report.*

*The Staff turnover includes a new Distribution Supervisor, New Administrative Assistant, and recruiting for Account Clerk.*

*Mentioned Audit for FY22 – just arrived and finally done.*

*Reminded all that Rio Alto is hosting a Bi-Annual Ethics training August 13<sup>th</sup>. (RSVP)*

*Do not forget that there is a Board of Directors election – File due August 9<sup>th</sup>.*

*Reported that the District finally got the Numbers on the “Unfunded Actuarial Pension Liability” – Three of them.*

*Once for Classic, One for Pepra, One for Past Classic/Current Retirees – it’s over \$175K... more than the budgeted 100K –*

*Also – found out the ARPA funded Meter Register/Transponder project had not included “sales” tax – this is another under budgeted item to be reviewed in October ...*

*Reported on an early conversation with Centerville and updating the agreement, and possibly a Board Subcommittee with members of the Centerville board.*

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## **8. OPERATIONS REPORT**

*In addition to the written report – the Meter reading with new staff and untrained interaction with CUSI is causing delays in customer statements and much of the other activities.*

*Distribution Supervisor Morgan Rau is getting up to speed and working on training new operators, equipment reviews and much more.*

*It was hot – the Treatment plant produced 600Af of SW!*

## **9. STANDING COMMITTEE REPORT –**

- a. *Agriculture – next meeting September 4, last meeting with Olive Growers went well. Volunteers are helping with the Happy Valley Farmers market – 2<sup>nd</sup> and 4<sup>th</sup> Saturday mornings.*
- b. *Finance – Next meeting in mid-August*
- c. *Planning/Steering – Next meeting in August with Drought Plan and framework for capital improvement plan.*

## **10. BOARD MEMBER ITEMS**

*Dir Fickes: Pointed out that the Farmers Market Flyer cost \$426 when the board approved \$80, EAGSA News – GSA email. Asked if Staff were starting at 7am – GM Kelley reported not yet, not enough staff to do that, and though allowed, it's being held for later. There have been a few leaks that did have early (7am start).*

*Dir Fickes asked why District paid for a “retest” for a Certificate when MOU says only once? GM Kelley – Using MOU section on continuing education and in this case, approved reimbursement for “retest” cost.*

*Dir Fickes – Likes the link on our website to the HV Community videos (YouTube)*

*Dir Mcvay mentioned the Farmers market and the Olive meeting and EAGSA grant processing.*

## **11. CLOSED SESSION ANNOUNCEMENT: - None**

## **12. ADJOURN THE MEETING – Chair Lincoln at 8:20pm**

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11:27 AM

08/16/24

Accrual Basis

## Clear Creek Community Services District Custom Transaction Detail Report July 14 through August 16, 2024

Type	Date	Num	Name	Memo	Amount	Balance
<b>Jul 14 - Aug 16, 24</b>						
Check	07/15/2024	July 2024	MidAmerica	Retiree HRA health Ins Disbursements	-7,379.53	-7,379.53
Bill Pmt -Check	07/16/2024		AT&T	QuickBooks generated zero amount transaction for bill payment stub	0.00	-7,379.53
Check	07/18/2024	10040	Bryant, Jane Marie	Refund of duplicate payment	-220.00	-7,599.53
Bill Pmt -Check	07/18/2024	10041	Ability Answering & Paging Se...	05-1-8495	-384.00	-7,983.53
Bill Pmt -Check	07/18/2024	10042	Ace Hardware - Acct # 2186	2186	-50.61	-8,034.14
Bill Pmt -Check	07/18/2024	10043	Ace Hardware - Acct# 2118	2118	-145.86	-8,180.00
Bill Pmt -Check	07/18/2024	10044	ACWA/JPIA - Insurance	C020	-985.46	-9,165.46
Bill Pmt -Check	07/18/2024	10045	Badger Meter, Inc.	41827	-85,662.72	-94,828.18
Bill Pmt -Check	07/18/2024	10046	Computer Logistics Corp	multiple invoices	-2,509.48	-97,337.66
Bill Pmt -Check	07/18/2024	10047	CUSI (Continental Utility Soluti...		-12.80	-97,350.46
Bill Pmt -Check	07/18/2024	10048	Fasteners Inc	373	-126.38	-97,476.84
Bill Pmt -Check	07/18/2024	10049	Ferguson Waterworks	409921	-654.82	-98,131.66
Bill Pmt -Check	07/18/2024	10050	Gerlinger Steel & Supply	10326	-28.26	-98,159.92
Bill Pmt -Check	07/18/2024	10051	Lifka, Katelyn	Reimbursement	-179.15	-98,339.07
Bill Pmt -Check	07/18/2024	10052	LocalIQ - Gannett - Record Se...	271805	-51.80	-98,390.87
Bill Pmt -Check	07/18/2024	10053	Pace Analytical Services LLC	28-100128	-540.20	-98,931.07
Bill Pmt -Check	07/18/2024	10054	Pace Engineering	office computer replacement	-5,504.63	-104,435.70
Bill Pmt -Check	07/18/2024	10055	Pace Supply Corp		-92.55	-104,528.25
Bill Pmt -Check	07/18/2024	10056	Professional Exterminator of R...	17387	-65.00	-104,593.25
Bill Pmt -Check	07/18/2024	10057	Simmons, Mason	MSimmons D1 Exam	-31.00	-104,624.25
Bill Pmt -Check	07/18/2024	10058	United Public Employees of C...	union dues	-404.00	-105,028.25
Bill Pmt -Check	07/18/2024	10059	US Bank Equipment Finance	1453267	-595.51	-105,623.76
Bill Pmt -Check	07/18/2024	10060	USA Blue Book	919740	-220.63	-105,844.39
Bill Pmt -Check	07/18/2024	10061	USBR - Water Payments	14-06-200-489-A-P	-25,392.10	-131,236.49
Bill Pmt -Check	07/18/2024	10062	Valley Pacific	C850335	-1,195.66	-132,432.15
Bill Pmt -Check	07/18/2024	10063	Verizon	242343122-00001	-52.02	-132,484.17
Bill Pmt -Check	07/18/2024	10064	Wallace, Benjamin	BWallace T1 Exam	-70.00	-132,554.17
Bill Pmt -Check	07/18/2024	10065	WaterTALENT LLC		-2,420.00	-134,974.17
Bill Pmt -Check	07/18/2024	eft3m17	AT&T	S. Booster	-5.00	-134,979.17
Bill Pmt -Check	07/18/2024	eft 9230	CalPERS Health Ins		-15,461.88	-150,441.05
Bill Pmt -Check	07/18/2024	eft 9254	CalPERS PEPRA/Classic	Active Classic CalPERS Retirement UAL 15029	-1,124.00	-151,565.05
Bill Pmt -Check	07/18/2024	eft 9253	CalPERS PEPRA/Classic	Active PEPRA CalPERS Retirement UAL 26179	-1,453.00	-153,018.05
Bill Pmt -Check	07/18/2024	eft 9252	CalPERS PEPRA/Classic	Retired Classic Retirement UAL 1668	-15,024.58	-168,042.63
Bill Pmt -Check	07/18/2024	eft 4671	Pacific Gas & Electric	wells 1 & 2	-2,133.76	-170,176.39
Bill Pmt -Check	07/18/2024	eft 6251	Pacific Gas & Electric	office/well 3	-4,577.74	-174,754.13
Bill Pmt -Check	07/18/2024	eft 7367	Waste Management	3-99477-15008	-201.51	-174,955.64
Check	07/20/2024	EFT	Paychex Invoice	Paychex Time and Attendance	-128.00	-175,083.64
Check	07/24/2024	eft 3187	CalPERS PEPRA/Classic	Classic payroll deductions PayPeriod 070524-071824	-721.81	-175,805.45
Check	07/24/2024	eft 3185	CalPERS PEPRA/Classic	PEPRA payroll deductions PayPeriod 070524-071824	-4,140.92	-179,946.37
Check	07/24/2024	eft 3186	CalPERS 457 (Reg/Roth)	payroll deductions PayPeriod 070524-071824	-825.00	-180,771.37
Check	07/24/2024	EFT	Clear Creek Employees Assoc...	Payroll deductions PayPeriod 070524-071824	-45.00	-180,816.37
Check	07/25/2024	ACH 5186	CalPERS 457 (Reg/Roth)	payroll deductions PayPeriod 062124-070424	-775.00	-181,591.37
Bill Pmt -Check	08/01/2024	auto pay	Humana - Dental Ins	412851-001	-686.01	-182,277.38
Bill Pmt -Check	08/01/2024	auto pay	UNUM Life Insurance of Co.		-1,088.95	-183,366.33
Bill Pmt -Check	08/01/2024	EFT	RCAC-Loan Fund (Dump Truck)	6332-CCGSD-01	-1,696.07	-185,062.40
Bill Pmt -Check	08/10/2024	auto pay	TDS	530-357-2121	-356.24	-185,418.64
Check	08/13/2024	ACH 8708	CalPERS 457 (Reg/Roth)	payroll deductions PayPeriod 071924-080124	-825.00	-186,243.64
Check	08/13/2024	eft 8709	CalPERS PEPRA/Classic	Classic payroll deductions PayPeriod 062124-070424	-721.81	-186,965.45
Check	08/13/2024	eft 8707	CalPERS PEPRA/Classic	PEPRA payroll deductions PayPeriod 071924-080124	-3,925.34	-190,890.79
Bill Pmt -Check	08/13/2024	10066	Ace Hardware - Acct# 2118	2118	-41.75	-190,932.54
Bill Pmt -Check	08/13/2024	10067	ACWA/JPIA - Insurance	C020	-19,502.70	-210,435.24
Bill Pmt -Check	08/13/2024	10068	Airgas USA LLC	2143697	-140.39	-210,575.63
Bill Pmt -Check	08/13/2024	10069	Alhambra (formerly Mt Shasta ...	1020179424385352	-12.50	-210,588.13
Bill Pmt -Check	08/13/2024	10070	Anderson, Brandon.	BAnderson T4 exam/cert and D3 exam	-335.00	-210,923.13
Bill Pmt -Check	08/13/2024	10071	Badger Meter, Inc.	41827	-101.46	-211,024.59

11:27 AM

08/16/24

Accrual Basis

## Clear Creek Community Services District Custom Transaction Detail Report July 14 through August 16, 2024

Type	Date	Num	Name	Memo	Amount	Balance
Bill Pmt -Check	08/13/2024	10072	Bay Alarm Company	1201366	-33.32	-211,057.91
Bill Pmt -Check	08/13/2024	10073	Beaver, Patricia A	brd mtg 071724	-100.00	-211,157.91
Bill Pmt -Check	08/13/2024	10074	Brian Brown's Printing & Design	checks and deposit books	-618.44	-211,776.35
Bill Pmt -Check	08/13/2024	10075	CA SWRCB - DW Operator Cert	JHead T3 exam	-70.00	-211,846.35
Bill Pmt -Check	08/13/2024	10076	Cintas Corporation	22228100	-291.76	-212,138.11
Bill Pmt -Check	08/13/2024	10077	Com-Pair Services	10117	-110.00	-212,248.11
Bill Pmt -Check	08/13/2024	10078	Computer Logistics Corp	multiple invoices	-1,886.26	-214,134.37
Bill Pmt -Check	08/13/2024	10079	Fasteners Inc	373	-51.68	-214,186.05
Bill Pmt -Check	08/13/2024	10080	Ferguson Waterworks	409921	-53.58	-214,239.63
Bill Pmt -Check	08/13/2024	10081	Fickes, Beverly	brd mtg 071724	-100.00	-214,339.63
Bill Pmt -Check	08/13/2024	10082	Horton McNulty & Saeteurn, LLP	FYE 2022 Audit finished product	-5,975.00	-220,314.63
Bill Pmt -Check	08/13/2024	10083	Johnston, Logan		-125.00	-220,439.63
Bill Pmt -Check	08/13/2024	10084	McVay, Scott		-125.00	-220,564.63
Bill Pmt -Check	08/13/2024	10085	Napa Auto Parts	1931	-249.20	-220,813.83
Bill Pmt -Check	08/13/2024	10086	Nor Cal Gloves	5312	-153.08	-220,966.91
Bill Pmt -Check	08/13/2024	10087	NTU Technologies, Inc.	chemicals	-13,601.00	-234,567.91
Bill Pmt -Check	08/13/2024	10088	Pace Analytical Services LLC	28-100128	-3,558.82	-238,126.73
Bill Pmt -Check	08/13/2024	10089	Pace Engineering	backwash grant	-32,116.00	-270,242.73
Bill Pmt -Check	08/13/2024	10090	Rau, Morgan	flowers lane repair food and drinks	-110.75	-270,353.48
Bill Pmt -Check	08/13/2024	10091	Reese, Smalley, Wiseman & S...	CLECR019335	-450.00	-270,803.48
Bill Pmt -Check	08/13/2024	10092	Simmons, Mason	boot allowance	-100.00	-270,903.48
Bill Pmt -Check	08/13/2024	10093	SmartSights, LLC - WIN 911	Win 911- scada	-3,110.26	-274,013.74
Bill Pmt -Check	08/13/2024	10094	Telstar Instruments, Inc.	CLECC	-1,522.49	-275,536.23
Bill Pmt -Check	08/13/2024	10095	Tenney, Melissa.	reimbursement	-65.25	-275,601.48
Bill Pmt -Check	08/13/2024	10096	Thatcher Company of Californi...	3001810	-3,539.15	-279,140.63
Bill Pmt -Check	08/13/2024	10097	Underground Service Alert of ...	133391	-2,567.74	-281,708.37
Bill Pmt -Check	08/13/2024	10098	USBR - Water Payments	14-06-200-489-A-P	-25,905.95	-307,614.32
Bill Pmt -Check	08/13/2024	10099	Valdez, Amity	drinks for extreme heat	-33.43	-307,647.75
Bill Pmt -Check	08/13/2024	10100	Valley Pacific	C850335	-1,247.02	-308,894.77
Bill Pmt -Check	08/13/2024	33651	WaterTALENT LLC		-7,381.00	-316,275.77
Bill Pmt -Check	08/14/2024	33652	Napa Auto Parts	1931	-107.24	-316,383.01
Bill Pmt -Check	08/16/2024	eft 9406	Waste Management	3-99477-15008	-319.31	-316,702.32
Bill Pmt -Check	08/16/2024	eft 1395	CalPERS PEPRA/Classic	unfunded accrued liability	-15,024.58	-331,726.90
Bill Pmt -Check	08/16/2024	eft 6078	First National Bank of Omaha -...	4418226482992665	-983.08	-332,709.98
Bill Pmt -Check	08/16/2024	auto paid	Humana - Dental Ins	412851-001	-107.24	-332,817.22
Bill Pmt -Check	08/16/2024	eft 2861	Pacific Gas & Electric	cloverdale/clearcreek	-867.60	-333,684.82
Bill Pmt -Check	08/16/2024	eft 5351	Pacific Gas & Electric	outdoor lights	-21.46	-333,706.28
Bill Pmt -Check	08/16/2024	eft 6361	Pacific Gas & Electric	clear creek /hv	-110.61	-333,816.89
Bill Pmt -Check	08/16/2024	eft 7371	Pacific Gas & Electric	pond	-471.71	-334,288.60
Bill Pmt -Check	08/16/2024	eft 9541	Pacific Gas & Electric	wtp	-4,973.48	-339,262.08
Bill Pmt -Check	08/16/2024	33653	AT&T		-683.48	-339,945.56
					<b>-339,945.56</b>	<b>-339,945.56</b>

Jul 14 - Aug 16, 24



State of California

Invoice

OFFICE OF ENERGY  
INFRASTRUCTURE SAFETY  
California Underground Facilities  
Safe Excavation Board



Date	Invoice #
7/26/2024	133391USB24

Bill To
CLEAR CRK.COMM.SVCS.DIST. ATTN: ACCOUNTS PAYABLE 5880 OAK ST. ANDERSON, CA 96007
All questions regarding this invoice should be directed to <a href="mailto:fee.dig@energysafety.ca.gov">fee.dig@energysafety.ca.gov</a> . If you have a question regarding how to make a payment, please contact Bethany Dillon at <a href="mailto:bethany.dillon@usan.org">bethany.dillon@usan.org</a> .

GM Approval *[Signature]*  
BK Initials *[Signature]*  
Job/PO # 811-located  
Amt to Pay \$ 617.11  
GL & Dept 40410-200

P.O. No.

Customer Number
133391

Terms
Due Immediately

Description	No. of Tickets	Amount
California State Fee for Regulatory Costs (Billing Year: July 1, 2024 to June 30, 2025)	945	617.11

<b>Total</b>	\$617.11
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**Please make your check payable to:**  
**Underground Service Alert of Northern**  
**California and Nevada**  
**PO Box 5040**  
**San Jose, CA 95150**

As required by California Code of Regulations 19 CCR § 4010(c)(2), a 5% late fee will be assessed on payments received after 90 days.  
Annual budget = \$5,000,000  
CA tickets for Jan-Dec 2023 = 7,656,687  
Billable tickets include: NEW

<b>Payments/Credits</b>	\$0.00
<b>Balance Due</b>	\$617.11

**Invoice 133391USB24 from Underground Service Alert**

Bethany Dillon &lt;bethany.dillon@usan.org&gt;

Fri 7/26/2024 9:09 AM

To: Invoices &lt;Invoices@clearcreekcsd.org&gt;

Cc: Melissa Tenney &lt;melissa.tenney@clearcreekcsd.org&gt;

📎 1 attachments (91 KB)

Inv\_133391USB24\_from\_Underground\_Service\_Alert\_1065421\_76308.pdf;

**Underground Service Alert****Invoice** Date: 07/26/2024  
133391USB24Amount Due: **\$617.11**

Dear Member:

Your invoice- 133391USB24 is attached.

You are receiving this invoice for regulatory fees from the Underground Safety Board, an agency of the State of California.

As you know, California Government Code 4216 is the portion of state law that governs the "call before you dig" process and outlines the responsibilities of excavators, facility operators, 811 contact centers, and regulators to protect California's underground utility infrastructure from damage that could occur during excavation. California Code of Regulations Title 19 Division 4 provides supplementary regulations to GC 4216.

19 CCR § 4010 is the regulation that specifies that facility operators who receive 500 or more new tickets from an 811 contact center in a one-year period must help fund the regulatory activities of the California Underground Facilities Safe Excavation Board (commonly known as the Underground Safety Board, or USB). The USB is a state agency that oversees the enforcement of GC 4216.

The USB has tasked USA North 811 with invoicing and collecting their regulatory fees for our members (including your company/agency). This is specified in 19 CCR § 4011. Accompanying this message is an invoice for your portion of the USB's regulatory fees for the period of 7/1/2024 to 6/30/2025, as calculated by the USB and posted on their website: <https://efiling.energysafety.ca.gov/Dockets.aspx?caselid=1257>.

Please note:

- The USB changed their billing cycle to a fiscal year of July 1 to June 30 to give member facility operators more time to add these regulatory fees into their budgets.
- This invoice is to help fund the USB's regulatory activities for the period of 7/1/2024 to 6/30/2025. Fees for that period are based upon tickets received from 1/1/2023 to 12/31/2023. A total of 944 facility operators in California received 500 or more tickets during this period. The fee amount shown on this invoice represents your company/agency's percentage-based share of the total \$5M budget.
- Questions about the fees or activities of the USB? Please email [fee.dig@energysafety.ca.gov](mailto:fee.dig@energysafety.ca.gov).  
Website: <https://energysafety.ca.gov/who-we-are/underground-safety-board/about/>
- Questions about making a payment to USA North 811 for the USB? Please email [bethany.dillon@usan.org](mailto:bethany.dillon@usan.org).

California Government Code 4216 link: [https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=GOV&division=5.&title=1.&part=&chapter=3.1.&article=2](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=5.&title=1.&part=&chapter=3.1.&article=2).

California Code of Regulations Title 19 Division 4 link:  
[https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I2EFBE0205BE511EC98C8000D3A7C4BC3&originationContext=documenttoc&transitionType=Default&contextData=\(sc.Default\)](https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I2EFBE0205BE511EC98C8000D3A7C4BC3&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default))

Respectfully,

James L. Wingate  
Executive Director  
USA North 811  
[james.wingate@usan.org](mailto:james.wingate@usan.org)

# UNDERGROUND SERVICE ALERT

—► NORTHERN CALIFORNIA & NEVADA ◄—

Underground Service Alert of  
Northern California & Nevada  
4005 Port Chicago Hwy,  
Ste. 100 Concord, CA  
94520-1122

## INVOICE

DATE	INVOICE #
7/22/2024	1333912024

POSTED

<b>BILL TO</b>
CLEAR CRK.COMM.SVCS.DIST. ATTN: ACCOUNTS PAYABLE 5880 OAK ST. ANDERSON, CA 96007

GM Approval *[Signature]*  
BK Initials *[Signature]*  
Job/PO # *811 Located*  
Amt to Pay \$ *1950.63*  
GL & Dept *40410-200*

Account Number
133391
Service Period
ANNUAL

Please see email for more detailed information.  
Email [bethany.dillon@usan.org](mailto:bethany.dillon@usan.org) with any questions.

<b>TERMS</b>
Net 30 days

P.O. NO.

TICKET TYPES	DESCRIPTION	QTY	AMOUNT
NEW	CLRCRK	945	0.00
TICKET	Total Unique Billable Tickets	945	0.00
CALIF	2024 Membership fee \$300 plus NEW unique 2023 billable tickets fee	1	1,950.63

**REMITTANCE ADDRESS:**  
  
**Underground Service Alert of  
Northern California and Nevada**  
**PO Box 5040**  
**San Jose, CA 95150**

<b>Total</b>	\$1,950.63
<b>Payments/Credits</b>	\$0.00
<b>Balance Due</b>	<b>\$1,950.63</b>

## Invoice 1333912024 from Underground Service Alert

Bethany Dillon <bethany.dillon@usan.org>

Mon 7/22/2024 11:02 AM

To:Invoices <Invoices@clearcreekcsd.org>

Cc:Melissa Tenney <melissa.tenney@clearcreekcsd.org>

1 attachments (180 KB)

Inv\_1333912024\_from\_Underground\_Service\_Alert\_1061889\_98296.pdf

### Underground Service Alert

**Invoice** Due:08/21/2024  
1333912024

Amount Due: **\$1,950.63**

Dear USA North 811 member:

Your invoice-1333912024 for 1,950.63 is attached. Please remit payment at your earliest convenience.

**\*\*SEE INVOICE FOR REMIT ADDRESS\*\***

The below definitions are to provide clarity to the annual fee calculations.

"UNIQUE BILLABLE TICKETS: Members that own multiple facility types are encouraged to create a separate station code for each facility type and provide a unique response to the electronic positive response (EPR) system for each facility type. For example, if City of Urban owns water and power, it could respond to a ticket that water was marked but power was not because it is overhead, and therefore clear, at the dig site. The excavator now knows to look for water markings at the site but not power. In previous years, utility owners have been unwilling to create separate station codes for each facility type because they did not want to be charged multiple times for the same ticket. Since 2019, only ""unique new"" tickets have counted in the billing calculations. So in the example above, even though City of Urban had the same ticket sent to both their water department and their power department, the ticket only counts as one unique ticket for the purpose of billing calculations. Also, only tickets of the type ""New"" are billable. All other ticket types (Amendment, Cancel, Damage, Exposed, No Response, Re-Mark, Renewal, and Return Trip) are delivered at no charge.

CALCULATIONS: The Board of Directors approved an operating budget of \$10,945,752 for 2024. This amount is divided among the members based on how many unique billable tickets each member received in 2023 compared to the sum of unique billable tickets received by all members. All members pay a \$300 flat fee to receive the services that USA North 811 provides (e.g., marketing and education, advocacy, etc.), regardless of how many tickets they received. This flat fee includes delivery of up to 200 unique billable tickets. Thus, small members that receive 200 tickets or fewer pay only \$300 total. The sum of all flat fees for 2024 equals \$454,500. The remaining portion of the budget amount (\$10,945,752 - \$454,500 = \$10,491,252) is divided among the members that received more than 200 unique billable tickets on a percentage basis. For example, if a member received 1% of the total tickets, they would pay 1% of the remaining budget amount in addition to their \$300 flat fee. Calculations:  $\$10,491,252 \times 0.01 = \$104,912.52$ . Add in the flat fee and the total bill for that member is  $\$104,912.52 + 300.00 = \$105,212.52$ . Average cost per ticket for all members (2024 budget / 2023 total billable tickets) = \$2.22 per ticket.

If you have any questions, please contact Bethany at [bethany.dillon@usan.org](mailto:bethany.dillon@usan.org).  
Thank you,

Bethany Dillon  
Underground Service Alert of  
Northern California & Nevada  
Tax ID# 94-3022852

---


 **SmartSights**  
 powered by WIN-911 and SyTech  
 PO Box 19229 Austin, TX 78760  
 Phone: 512.326.1011 Email: sales@smartsights.com

Invoice No./Quote No. 2462028842 1 year  
 Created Date 6/30/2024  
 Customer Care # E44E0064  
 CCS Expiration 10/28/2024  
 Contact Name Bill Palmaymesa  
 Email bill.palmaymesa@clearcreekcsd.org

Clear Creek CSD  
 Bill Palmaymesa  
 5880 Oak Street  
 Anderson, CA 96007  
 US



Clear Creek CSD  
 Bill Palmaymesa  
 5880 Oak Street  
 Anderson, CA 96007  
 US

GM Approval   
 BK Initials AW  
 Job/PO # Win 911 - Scada  
 Amt to Pay \$ 3110.26  
 GL & Dept 50517 - 300  
50517-200  
each \$1555.13

**Your WIN-911/XLReporter Customer Care is expiring.**

Two special-rate options (1-year & 3-year terms) are available to upgrade and convert your WIN-911 or XLReporter license to a subscription. The subscription license includes Customer Care with version upgrades and technical support. The three-year term conversion locks in your price for that period and reduces annual processing effort.

This document may be used as an invoice or a quote depending on your company's accounting policies.

To pay by credit card, please visit <https://smartsights.com/pay-your-invoice/>.

Please reference the invoice number on your purchase order or check.

Purchase orders and sales tax exemption forms may be sent to [orders@smartsights.com](mailto:orders@smartsights.com).

Product	Description	Quantity	Sales Price	Total Price
SC-WIN-Pro-1yr	WIN-911 Perpetual license conversion to WIN-911 Pro Subscription (1-year term). Includes 2-way communication with all notifiers: SMS, Email, Voice, and 10 Smartphone Apps.   Announcer   Remote acknowledgments, alarm requests, report requests.   Basic Escalation / Call Out List   XLReporter Integration   A single SCADA Direct Connect/OPC A&E Server connection and a single OPC DA Server connection.   Basic Customer Care with new product upgrades. License Tracking #: 8012892; System Location: Main Office	1.00	\$1,450.00	\$1,450.00
SC-WIN-Pro-1yr	WIN-911 Perpetual license conversion to WIN-911 Pro Subscription (1-year term). Includes 2-way communication with all notifiers: SMS, Email, Voice, and 10 Smartphone Apps.   Announcer   Remote acknowledgments, alarm requests, report requests.   Basic Escalation / Call Out List   XLReporter Integration   A single SCADA Direct Connect/OPC A&E Server connection and a single OPC DA Server connection.   Basic Customer Care with new product upgrades. License Tracking #: 8012891; System Location: Water Treatment Plant	1.00	\$1,450.00	\$1,450.00
Subtotal				\$2,900.00
Total Price				\$2,900.00
Tax				\$210.26
Grand Total				\$3,110.26

Remittance Address: SmartSights, LLC P.O. Box 738049 Dallas, TX 75373-8049  
 SmartSights, LLC is the merger of Specter Instruments, LLC DBA WIN-911 Software and SyTech, Inc.



powered by WIN-911 and SyTech

PO Box 19229 Austin, TX 78760  
 Phone: 512.326.1011 Email: sales@smartsights.com

Invoice No./Quote No. 2462028842 3 years  
 Created Date 6/30/2024  
 Customer Care # E44E0064  
 CCS Expiration 10/28/2024  
 Contact Name Bill Palmaymesa  
 Email bill.palmaymesa@clearcreekcsd.org

Clear Creek CSD  
 Bill Palmaymesa  
 5880 Oak Street  
 Anderson, CA 96007  
 US

Clear Creek CSD  
 Bill Palmaymesa  
 5880 Oak Street  
 Anderson, CA 96007  
 US

**Your WIN-911/XLReporter Customer Care is expiring.**

Two special-rate options (1-year & 3-year terms) are available to upgrade and convert your WIN-911 or XLReporter license to a subscription. The subscription license includes Customer Care with version upgrades and technical support. The three-year term conversion locks in your price for that period and reduces annual processing effort.

This document may be used as an invoice or a quote depending on your company's accounting policies.

To pay by credit card, please visit <https://smartsights.com/pay-your-invoice/>.

Please reference the invoice number on your purchase order or check.

Purchase orders and sales tax exemption forms may be sent to [orders@smartsights.com](mailto:orders@smartsights.com).

Product	Description	Quantity	Sales Price	Total Price
SC-WIN-Pro-3yr	WIN-911 Perpetual license conversion to WIN-911 Pro Subscription (3-year term). Includes 2-way communication with all notifiers: SMS, Email, Voice, and 10 Smartphone Apps.   Announcer   Remote acknowledgments, alarm requests, report requests.   Basic Escalation / Call Out List   XLReporter Integration   A single SCADA Direct Connect/OPC A&E Server connection and a single OPC DA Server connection.   Basic Customer Care with new product upgrades. License Tracking #: 8012892; System Location: Main Office	1.00	\$4,800.00	\$4,800.00
SC-WIN-Pro-3yr	WIN-911 Perpetual license conversion to WIN-911 Pro Subscription (3-year term). Includes 2-way communication with all notifiers: SMS, Email, Voice, and 10 Smartphone Apps.   Announcer   Remote acknowledgments, alarm requests, report requests.   Basic Escalation / Call Out List   XLReporter Integration   A single SCADA Direct Connect/OPC A&E Server connection and a single OPC DA Server connection.   Basic Customer Care with new product upgrades. License Tracking #: 8012891; System Location: Water Treatment Plant	1.00	\$4,800.00	\$4,800.00
Subtotal				\$9,600.00
Total Price				\$9,600.00
Tax				\$696.00
Grand Total				\$10,296.00

Remittance Address: SmartSights, LLC P.O. Box 738049 Dallas, TX 75373-8049  
 SmartSights, LLC is the merger of Specter Instruments, LLC DBA WIN-911 Software and SyTech, Inc.

Dear Valued Customer,

Thank you for your partnership with SmartSights, powered by WIN-911 and XLReporter.

The technology you and your team rely on to increase efficiency and productivity is even better, allowing you access to the latest improvements without costly upgrades. You can easily transition to a SmartSights subscription with a special rate for customers with a current Customer Care agreement.

### ***Why transfer your perpetual license to a subscription?***

- Have immediate access to the latest updates and enhancements with free version upgrades.
- Always have access to live technical support via phone, video, email, or through remote sessions with guaranteed SLA response time.
- Access functionality that is only available in a subscription license
  - New: Automated Failover utility (Basic, Pro, & Ultimate)
  - New: Integration of XLReporter with WIN-911 for out-of-the-box reporting (Pro & Ultimate)
  - New: Dashboards to more easily understand trends and analysis for better alarm management (Ultimate)
- With increased remote functionality, available with a SmartSights subscription, you can receive real-time alerts, reports, and compliance data from anywhere at any time.
- Mobile app access for all WIN-911 Pro & Ultimate users
- All major future developments, security patches, and features will be built into the Subscription solutions.

### ***How do I transfer my license after purchasing the subscription conversion?***

Transitioning to a subscription can be completed with a few simple steps. After agreeing to the conversion, you will receive an email containing everything you need to upgrade and convert your WIN-911 or XLReporter license. This email will include:

- A link to download the latest release of WIN-911 and XLReporter with instructions for installing and upgrading.
- Your new Customer Care Code
- A new License Activation Key with instructions for installing your new subscription license.

Customer Care renewals for your perpetual license are still available, providing you with technical support for your current license version. Customer Care for perpetual licenses does not include version upgrades. Additional details on our [Product Lifecycle](#) and [Customer Care Plans](#) are available via links or at [SmartSights.com](http://SmartSights.com).

Please contact your SmartSights account manager or email [sales@smartsights.com](mailto:sales@smartsights.com) if you want more information or have any questions.

Thank you for your continued business!

SmartSights Team  
512-326-1011  
[customer.care@smartsights.com](mailto:customer.care@smartsights.com)





REESE, SMALLEY, WISEMAN & SCHWEITZER, LLP

P.O. BOX 994647  
REDDING, CA 96099-4647  
(530) 241-1611

Clear Creek CSD  
Attn: Paul Kelley  
5880 Oak Street  
Anderson, CA 96007

GM Approval *[Signature]*  
BK Initials *SMD*  
Job/PO # *Legal*  
Amt to Pay \$ *450.00*  
GL & Dept *50520-100*

EIN: 68-0144543  
Statement Date: July 26, 2024  
Statement No. 119964  
Account No. CLECR.019335

Matter: GENERAL



Previous Balance \$300.00

**Professional Services Rendered through 07/25/2024**

		Hours	
06/28/2024	RLM Emails with client re SB929 requirements.	0.30	
07/01/2024	RLM Review of draft letter from client re FEMA review for backwash ponds; review of docs re same; edits to letter to DLaMalfa re same; emails with client re same.	<u>1.80</u>	<u>450.00</u>
	Total for Professional Services Through 07/25/2024	2.10	450.00
	Total Current Work		450.00

**Payments**

07/19/2024 Payment #10031 -300.00

**Balance Due** \$450.00

**\*\* WE NOW ACCEPT CREDIT/DEBIT CARDS AND PAYPAL \*\***  
PLEASE VISIT OUR WEBSITE AT [RSWSLAW.COM](http://RSWSLAW.COM)

# CHECK REGISTER

COMPANY BANK ACCOUNT	NAME	ID	CHECK DATE	CHECK NUMBER	DIRECT DEPOSIT AMOUNT	NEGOTIABLE CHECK AMOUNT
		10010	07/11/24	10271	4,136.57	
		20070	07/11/24	10272	1,688.68	
		20080	07/11/24	10273	1,696.34	
		20090	07/11/24	10274	2,754.26	
		30040	07/11/24	10275	2,263.07	
		20060	07/11/24	10276	1,902.66	
		30010	07/11/24	10277	4,599.48	
		11050	07/11/24	10278	1,350.02	
		11010	07/11/24	10279	1,778.60	
		11060	07/11/24	10280	1,204.90	
				BANK ACCOUNT TOTAL	23,374.58	0.00
				<i>10 Transaction(s)</i>		
				COMPANY TOTAL	23,374.58	0.00
				<i>10 Transaction(s)</i>		

# CHECK REGISTER

COMPANY BANK ACCOUNT	NAME	ID	CHECK DATE	CHECK NUMBER	DIRECT DEPOSIT AMOUNT	NEGOTIABLE CHECK AMOUNT
		11050	07/25/24	1	1,459.51	
		11050	07/25/24	2	363.94	
		10010	07/25/24	3	4,136.56	
		20070	07/25/24	4	1,868.23	
		30041	07/25/24	5	2,342.05	
		20080	07/25/24	6	2,215.89	
		20090	07/25/24	7	2,147.70	
		30040	07/25/24	8	2,587.74	
		20060	07/25/24	9	2,749.60	
		30010	07/25/24	10	3,422.30	
		11010	07/25/24	11	1,778.62	
		11060	07/25/24	12	1,859.31	
				BANK ACCOUNT TOTAL	26,931.45	0.00
				<i>12 Transaction(s)</i>		
				COMPANY TOTAL	26,931.45	0.00
				<i>12 Transaction(s)</i>		



5880 Oak Street, Anderson, CA 96007  
Phone: (530) 357-2121 Fax: (530) 357-3723

---

## MEMO

**Date:** August 21<sup>st</sup> 2024  
**To:** Board of Directors  
**From:** General Manager – Paul Kelley  
**Re:** 6 - Old business/New Business (Discussion/Action)

---

### **Discussion:**

#### **6.a – USBR Report – Account Reconciliation (Discussion)**

This item for discussion on Account Reconciliation update, and other USBR water related items

### **Recommendation:**

Review, Discussion, provide direction to GM.

---

### **Discussion/Action:**

#### **6.b – Fiscal Year 2022 Audit and Board Report (Discussion/Action)**

Audit completed by Auditor Horton, McNulty & Saeteurn LLP

Draft letter of services by CPA for discussion and direction

See item memo for more background and discussion.

### **Recommendation:**

Review, Discussion, Provide Direction and Accept the Audit

---

#### **6.c Surplus Property disposal – 1996 Generac 80 KW (Discussion/Action)**

The District yard has held the old (yellow colored) generator – 1996 Generac 80 KW – that was previously at the Treatment plant. The generator was moved when replaced by a newer version after the Carr fire and is not State air regulation compliant. The GM is informing the board that the “Scrap” section of the surplus policy is being used to sell for a nominal amount the Generator to a party in another State where the generator is compliant.

See item memo for more background and discussion.

**Recommendation:**

Review, Discussion, Provide Direction and authority for GM to dispose of the 1996 Generac out of state



5880 Oak Street, Anderson, CA 96007  
Phone: (530) 357-2121 Fax: (530) 357-3723

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## MEMO

**Date:** August 21<sup>st</sup> 2024  
**To:** Board of Directors  
**From:** General Manager – Paul Kelley  
**Re:** **6a** – USBR report and Account Reconciliation

---

### **Discussion:**

#### **6.a –**

This item for discussion on Account Reconciliation update, and other USBR water related items

There is nothing to report on the Account Reconciliation.

The Bureau has scheduled a Shasta Dam Tour: September 20<sup>th</sup>. Please RSVP to GM to pass it along to the Bureau.

If more, then reported at meeting.

### **Recommendation:**

Review, Discussion, provide direction to GM.

---



5880 Oak Street, Anderson, CA 96007  
Phone: (530) 357-2121 Fax: (530) 357-3723

---

## MEMO

**Date:** August 21<sup>st</sup> 2024  
**To:** Board of Directors  
**From:** General Manager – Paul Kelley  
**Re:** **Fiscal Year 2022 Audit and Board Report** (Discussion / Action)

---

### Discussion/Action:

#### **6b – Fiscal Year 2022 Audit and Board Report** (Discussion / Action)

Audit completed by Auditor Horton, McNulty & Saeteurn LLP

This FY22 audit is for the time period of July 1 2023 through June 30 2024. At the time, the District was using the “Freys BUCS” accounting system, and near the end of FY22, the District chose to move to QuickBooks for its accounting system starting July 1 2022.

There was staff turnover during the middle of 2022, and a full time Bookkeeper/Accountant was hired in November of 2022. The General Manager also started at the end of October of 2022.

The FY22 audit was also reviewed by the Finance committee at their August 14<sup>th</sup> meeting.

In the Report to the Board, They asked about Timing of the Audit completion, and the Significant risks identified as “management override of internal controls was identified”

The lateness of the Audit has a lot to do with the challenges of staff turnover, providing reports from a previous period (FY22) when none of the current staff were with the district. The Auditor had informed the District in early 2023 to inform that their firm had lost a partner (auditor) and there was some family crisis that would delay the audit. This Auditor acknowledgement should have been in the “report to the board”.

The risks section should have identified examples of management override instead of the blanket statement without back up information. Especially since this “risk” is identified to current staff, who were not at the District when this alleged risk may have occurred.

In the Financial statements and Auditor’s report, the auditor offers a qualified opinion. Therefore this is no material weaknesses or significant deficiencies that may need a management letter or response. In this audit, the qualified opinion they can’t get enough evidence to verify certain aspects of the financial statements, but the missing information doesn’t have a significant impact. And in the “Basis of Qualified opinion”, they identify the accounts receivable amount that could not be verified or reconciled.

The Bookkeeper/Accountant at the Finance committee recounted how it was difficult to find complete records of reconciliation of A/R in FY 22, while looking for them in the FY 24 time frame.

The lateness of this audit causes ripple effects – of journal entries needed for FY22, that impacts FY23 while trying to close out FY24 while in the first quarter of FY25.

The Bookkeeper/Accountant has been looking for CPA help as recommended by the bookkeeper, and after little success was able to meet with Dave Wallace, CPA. Mr. Wallace supplied the attached recommendations to account records. The Finance committee reviewed this list and suggested the GM get a cost quote from Mr. Wallace for the first four items on this list. Primarily to help with FY22 reconciliation, Accounts Receivable, Pre-Audit FY23 (to help speed the process of attaining the FY23 audit), and some occasional account maintenance support.

This is for the Board's information of process to move forward.

The GM drafted the attached letter to auditor HM&S related to a few items mentioned in the Audit and the desire for the District to get the FY23 audit done by the end of the year so that the FY24 audit can be on schedule.

Attached: Letter from the District to Auditor in response to the FY22 audit.

**Recommendation:**

Review, Discussion, provide direction to GM, and on Letter, and accept the FY22 audit from HM&S.





**Clear Creek Community Services District**

Anderson, California

REPORT TO THE BOARD OF DIRECTORS

June 30, 2022





To the Board of Directors  
Clear Creek Community Services District  
Anderson, California

We have audited the financial statements of Clear Creek Community Services District (the District), as of and for the year ended June 30, 2022, and have issued our report thereon dated July 23, 2024. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated September 26, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and state regulations governing special districts. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses in the Schedule of Findings of the audit report.

### **Planned Scope and Timing of the Audit**

Due to significant delays in receiving audit requests, and challenges in the District's management team locating support needed, our audit was delayed. We conducted our audit consistent with the planned scope we previously communicated to you.

### **Compliance With All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Safeguards have been implemented to reduce the threats on our independence. These safeguards include continuing education related to independence and ethics requirements; external peer review of our firm's quality control system; our firm's internal policies and procedures which are designed to monitor compliance with the independence requirements; and the involvement of another firm member who is responsible for completing an independent technical review of the financial statements and significant audit conclusions.

### **Significant Risks Identified**

Management override of internal controls was identified as a significant risk. Although a risk not solely specific to the District, override of internal controls warrants attention as intentional override may be more difficult to detect than an unintentional error. To address this risk, we maintained professional skepticism throughout the audit, and incorporated an element of unpredictability in designing our audit procedures.

### **Qualitative Aspects of the District's Significant Accounting Practices**

**Significant Accounting Policies** Management has the responsibility to select and use appropriate accounting policies. As described in note 1 to the financial statements, the District adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, as of July 1, 2021. This statement improves accounting and financial reporting for leases by governments. Accordingly, the District's financial statements have been presented in accordance with the guidance from this statement. No matters have come to our attention that would require us, under professional standards, to inform you about: (1) the methods used to account for significant unusual transactions, and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

**Significant Accounting Estimates** Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the annual depreciation is based on the estimated useful lives of the assets, which are described in note 1 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation expense and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the net OPEB liability and related balances are based on an actuarial determination of various actuarial assumptions, as described in note 8 to the financial statements. We evaluated the key factors and assumptions used to develop the OPEB balances and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Management's estimate of the net pension liability which is based on the Schedules of Employer Allocations for Components of Net Pension Liability and Collective Pension Amounts received from CalPERS.

**Financial Statement Disclosures** Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to the net pension liability and net OPEB liability.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We did not identify any significant unusual transactions.

### **Identified or Suspected Fraud**

For the purposes of this communication, professional standards require us to communicate to you any identified or suspected fraud detected during the audit. We did not identify any fraud, although there is always a risk that fraud may exist that has not been identified.

### **Significant Difficulties Encountered During the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements identified in the attached schedule were brought to the attention of, and corrected by, management.

### **Disagreements With Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

### **Representations Requested From Management**

We have requested certain written representations from management that are included in the management representation letter dated July 23, 2024.

### **Management's Consultations With Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

### **Modification of the Auditors' Report**

We have made a modification to our auditors' report. The audit opinion will be qualified due to the following matter:

The District's accounts receivable, related to water sales, is carried at \$197,426 on the statement of net position as of June 30, 2022. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the District's accounts receivable as of June 30, 2022, because the District's billing software reports do not reconcile to the general ledger; the District was unable to provide deposit support and was unable to reconstruct a reconciliation to determine the cause of the differences. Consequently, we were unable to determine whether further adjustments to these amounts were necessary.

**Restriction of Use**

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

*Horton McNulty & Gaetavn, LLP*

July 23, 2024  
Chico, California

Clear Creek Community Services District  
Schedule of Uncorrected Misstatements

**DO NOT RECORD IN GENERAL LEDGER**

Year Ended June 30, 2022	Statement of Net Position
Overstatement of cash and investments	(2,973)
Understatement of inventory	18,964
Overstatement of interest payable	33,296
Understatement of accrued expenses (payroll)	(15,972)
Understatement of accounts payable	(32,540)
<b>Net Uncorrected Misstatements</b>	<b>\$ 775</b>

Client: 31611 - Clear Creek Community Services District  
 Engagement: 31611 - 06-30-22 - Audit & SCR - Clear Creek Community Service District  
 Period Ending: 6/30/2022  
 Trial Balance: TB - Annual Trial Balance - 2 Year  
 Workpaper: AJE-02 - Adjusting Journal Entries Report

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 100</b>			
Adjustment to record changes to OPEB liabilities and related expenses.			
21020	OPEB Liability	33,910.00	
21502	DEFERRED OUTFLOW - OPEB	121,011.00	
22204	DEFERRED INFLOW - OPEB		3,438.00
56406	RETIREE HEALTH INSURANCE		151,483.00
<b>Total</b>		<b>154,921.00</b>	<b>154,921.00</b>
<b>Adjusting Journal Entries JE # 101</b>			
Adjusts Filter Plant loans principal payments to the correct coding.			
21045	FILTER PLANT LOAN	9,046.00	
21050	FILTER PLANT EXPAN	91,526.00	
56800	DEBT SERVICE INTEREST EXPENSE		100,572.00
<b>Total</b>		<b>100,572.00</b>	<b>100,572.00</b>
<b>Adjusting Journal Entries JE # 102</b>			
Adjusts portion of payment attributable to the PY to offset the respective payable.			
21000	ACCOUNTS PAYABLE	25,357.00	
51300	WATER PURCHASE		25,357.00
<b>Total</b>		<b>25,357.00</b>	<b>25,357.00</b>
<b>Adjusting Journal Entries JE # 103</b>			
Adjusts RCAC loan principal and interest payments to correct coding.			
24000	NOTES PAYABLE	14,036.00	
56900	DEBT SERVICE INTEREST EXPENSE	5,044.00	
54930	DUMPTRUCK-TRACTOR/TRAILER		4,621.00
54930	DUMPTRUCK-TRACTOR/TRAILER		14,036.00
55360	BANK CHARGES		423.00
<b>Total</b>		<b>19,080.00</b>	<b>19,080.00</b>
<b>Adjusting Journal Entries JE # 104</b>			
Adjusts expense items out of fixed assets - per client, should not have been capitalized.			
54750	O & M MATERIALS - DISTRIBUTION	3,871.00	
54855	VEHICLE MAINT/REPAIR - DISTRIB	1,061.00	
11174	AUTOMOTIVE EQUIPMENT		1,061.00
12802	BOOSTER STATION		3,871.00
<b>Total</b>		<b>4,932.00</b>	<b>4,932.00</b>
<b>Adjusting Journal Entries JE # 105</b>			
Records current year depreciation expense.			
59000	DEPRECIATION	279,520.00	
12100	ACCUM DEP. WATER DIST. SYSTEM		39,259.00
12200	ACCUM DEP. - WATER TREAT PLANT		91,656.00
12300	ACCUM DEP. - SHOP EQUIPMENT		5,419.00
12400	ACCUM DEP. - AUTO EQUIPMENT		52,653.00
12700	ACCUM DEP. - BUILDINGS		8,398.00
12701	ACCUMULATED DEPRECIATION WELLS		16,356.00
12702	ACCUMULATED DEPR. B.S./TANK		10,169.00
12703	ACCUMULATED DEPR. PIPELINE		12,274.00
12704	ACCUM DEPR BACKWASH POND		41,336.00
<b>Total</b>		<b>279,520.00</b>	<b>279,520.00</b>
<b>Adjusting Journal Entries JE # 106</b>			
Records adjustments to pension liability and deferred inflows/outflows.			
21501	DEFERRED OUTFLOW - PENSION	286,742.00	
21503	NET PLAN LIABILITY	690,872.00	
22203	DEFERRED INFLOW - PENSION		863,751.00
56410	PERS CONTRIBUTION		113,863.00
<b>Total</b>		<b>977,614.00</b>	<b>977,614.00</b>
<b>Adjusting Journal Entries JE # 107</b>			
To adjust for vacation liability to bring to actual			
21010	ACCRUED VACATION PAYABLE	101,899.00	
54200	LABOR - DISTRIBUTION		101,899.00
<b>Total</b>		<b>101,899.00</b>	<b>101,899.00</b>
<b>Adjusting Journal Entries JE # 108</b>			
Reclass principal payment against the balance of the loan.			
21110	STATE REVOLVING FUND LOAN	11,221.00	
21030	BACKWASH POND LOAN PRINCIPAL		11,221.00
<b>Total</b>		<b>11,221.00</b>	<b>11,221.00</b>
<b>Adjusting Journal Entries JE # 109</b>			
To adjust A/R to match 2022 CUBIC Report an adjust allowance.			
41100	DOMESTIC WATER SALES	151,611.00	
59001hms	BAD DEBT EXPENSE	18,780.00	
13710	A/R WATER		151,611.00
13711hms	A/R ALLOWANCE		18,780.00
<b>Total</b>		<b>170,391.00</b>	<b>170,391.00</b>
<b>Adjusting Journal Entries JE # 110</b>			
To record a prior period adjustment for a USBR contract not recognized in prior year.			
31500	PRIOR PERIOD ADJUSTMENT	652,080.00	
21040	WIN ACT CONTRACT REPAYMENT		652,080.00
<b>Total</b>		<b>652,080.00</b>	<b>652,080.00</b>
<b>Adjusting Journal Entries JE # 111</b>			
Reclass payments made to WIN Act Repayment to go against the liability.			
21040	WIN ACT CONTRACT REPAYMENT	102,106.00	
58600	WIN ACT		102,106.00
<b>Total</b>		<b>102,106.00</b>	<b>102,106.00</b>
<b>Adjusting Journal Entries JE # 113</b>			
To reclass accrued health insurance to expenses as it looked extremely low			
56401	HEALTH/DISABILITY INSURANCE	89,171.00	
23095	HEALTH INSURANCE DEDUCTION		89,171.00
<b>Total</b>		<b>89,171.00</b>	<b>89,171.00</b>



Client: 31611 - Clear Creek Community Services District  
 Engagement: 31611 - 06-30-22 - Audit & SCR - Clear Creek Community Service District  
 Period Ending: 6/30/2022  
 Trial Balance: TB - Annual Trial Balance - 2 Year  
 Workpaper: AJE-02 - Adjusting Journal Entries Report

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 114</b>			
To correct voided check #29940 that was never actually voided from the expense and cash.			
13075	CHECKING/TC	86,919.00	
51360	WATER ARREARAGES REPAYMENT		86,919.00
<b>Total</b>		<u>86,919.00</u>	<u>86,919.00</u>
<b>Adjusting Journal Entries JE # 115</b>			
To release prior year contribution to trust.			
23085	OPEB CONTRIBUTION	100,000.00	
58325	OPEB VALUATION		100,000.00
<b>Total</b>		<u>100,000.00</u>	<u>100,000.00</u>



**Clear Creek Community Services District**

Anderson, California

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITORS' REPORTS

June 30, 2022



# Clear Creek Community Services District

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June 30, 2022

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Clear Creek Community Services District  
Anderson, California

### Report on the Audit of the Financial Statements

#### *Qualified Opinion*

We have audited the financial statements of Clear Creek Community Services District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2022, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and the state regulations governing special districts.

#### *Basis for Qualified Opinion*

The District's accounts receivable, related to water sales, is carried at \$197,426 on the statement of net position as of June 30, 2022. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the District's accounts receivable as of June 30, 2022, because the District's billing software reports do not reconcile to the general ledger; the District was unable to provide deposit support and was unable to reconstruct a reconciliation to determine the cause of the differences. Consequently, we were unable to determine whether further adjustments to these amounts were necessary.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the California State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**INDEPENDENT AUDITORS' REPORT**  
(Continued)

***Responsibilities of Management for the Financial Statements***

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and the state regulations governing special districts; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the California State Controller's *Minimum Audit Requirements for California Special Districts* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the California State Controller's *Minimum Audit Requirements for California Special Districts*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

## **INDEPENDENT AUDITORS' REPORT**

(Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## INDEPENDENT AUDITORS' REPORT

(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



July 23, 2024  
Chico, California

**FINANCIAL SECTION**



**Required Supplementary Information**

## **Clear Creek Community Services District**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

This section of Clear Creek Community Services District's (the District's) basic financial statements presented management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2022. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

#### **INTRODUCTION TO THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements, which are comprised of the basis financial statements. This annual report is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basis Financial Statements – and Management's Discussion and Analysis – for States and Local Governments*.

The required financial statements include the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows. Notes to the financial statements and this summary support these statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

#### **Statement of Net Position**

This statement includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting as of the statement date. The difference between these items is represented as net position. The net position section of the statement identifies major categories of restrictions on assets and reflects the overall financial position of the District as a whole.

#### **Statement of Revenues, Expenses, and Changes in Net Position**

This statement presents the revenues earned and the expenses incurred during the year using the accrual basis of accounting. Under accrual basis, all increases or decreases in net position are reported as soon as the underlying event occurs, regardless of the timing of the cash flow. Consequently, revenues and/or expenditures reported during this fiscal year may result in changes to cash flows in the future period.

#### **Statement of Cash Flows**

This statement reflects inflows and outflows of cash, summarized by operating, capital, financing, and investing activities.

#### **Notes to the Financial Statements**

This additional information is essential to a full understanding of the data reported in the basis financial statements.

The District is a political sub-division of the State of California. It provides water services to its residents and is governed by an elected Board of Directors.

**Clear Creek Community Services District**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

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**ANALYTICAL OVERVIEW**

**Business-Type Activities**

The Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position present a summary of the District's business-type activities that are composed of the District's enterprise fund.

June 30	2022	2021	Change
Current and other assets	\$ 1,844,327	\$ 1,306,564	\$ 537,763
Capital assets - net	4,701,673	4,981,193	(279,520)
<b>Total Assets</b>	<b>6,546,000</b>	<b>6,287,757</b>	<b>258,243</b>
<b>Deferred Outflows of Resources</b>	<b>1,108,275</b>	<b>700,522</b>	<b>407,753</b>
Other liabilities	938,949	869,984 *	68,965
Long-term debt, due in more than one year	3,015,109	4,325,588 *	(1,310,479)
<b>Total Liabilities</b>	<b>3,954,058</b>	<b>5,195,572 *</b>	<b>(1,241,514)</b>
<b>Deferred Inflows of Resources</b>	<b>1,616,776</b>	<b>749,587</b>	<b>867,189</b>
<b>Net Position</b>			
Net investment in capital assets	2,985,306	3,036,016	(50,710)
Restricted	586,206	660,313	(74,107)
Unrestricted	(1,488,071)	(2,653,209) *	1,165,138
<b>Total Net Position</b>	<b>\$ 2,083,441</b>	<b>\$ 1,043,120 *</b>	<b>\$ 1,040,321</b>

*\*As restated for prior-period adjustment.*

**Summary**

Total net position of the District has increased this year by \$1,040,321, related to the income operations. Current assets increased by \$537,763.

Liabilities have decreased this year by \$1,241,514 as a result of a decrease in the net pension liability offset by decreases in other liabilities from regularly scheduled debt payments.

Unrestricted net position has increased \$1,165,138 due to the income from operation. The overall change to the net position is an increase of \$1,040,321, resulting in a June 30, 2022, balance of \$2,083,441.

**Clear Creek Community Services District**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

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**COMPARATIVE ANALYSIS OF CURRENT AND PRIOR YEAR ACTIVITIES AND BALANCES**

June 30	2022		2021		Change		
Operating revenues	\$	2,842,160	\$	2,420,337	\$	421,823	Note 1
Operating expenses		2,164,855		3,448,326 *		(1,283,471)	Note 2
<b>Net Operating Income (Loss)</b>	\$	677,305	\$	(1,027,989) *	\$	1,705,294	
Property taxes and other income	\$	415,492	\$	491,760	\$	(76,268)	Note 3
Interest and other expenses		52,476		61,898		(9,422)	Note 4
<b>Nonoperating Revenues</b>	\$	363,016	\$	429,862	\$	(66,846)	

Note 1 – Increase is related to an increase in water services to customers.

Note 2 – Decrease relates to one-time costs incurred in the previous year.

Note 3 – Decrease is due to a decrease in property taxes and other miscellaneous revenues.

Note 4 – Decrease due to minimal changes in other expenses.

**Capital Assets**

Capital assets are discussed in detail in note 4 of the financial statements. During the year, the District did not purchase any capital assets.

**Debt Administration**

The District issued no new debt in the fiscal year 2022. The District made all scheduled repayments of existing debt. Each of the District's debt issues is discussed in detail in note 5 to the financial statements.

**ECONOMIC OUTLOOK AND MAJOR INITIATIVES**

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts, and historical growth patterns in the communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The District continues to be encouraged about its future growth and development, even with the current economic slowdown. The District will continue to maintain a watchful eye over expenses and remains committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

**Clear Creek Community Services District**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Continued)

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**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or questions for additional financial information should be addressed to:

Paul Kelley, General Manager  
Clear Creek Community Services District  
5880 Oak Street  
Anderson, California 96007-9216  
(530) 357-2121

## **Basic Financial Statements**

**Clear Creek Community Services District**  
STATEMENT OF NET POSITION

June 30, 2022

---

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$	699,892
Accounts receivable - customer accounts		197,426
Inventory		101,575
Cash and investments - restricted		416,466

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**Total Current Assets** 1,415,359

**Noncurrent Assets**

Investments		16,240
Cash and cash equivalents - restricted		412,728
Nondepreciated capital assets		69,196
Depreciated capital assets - net		4,632,477

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**Total Noncurrent Assets** 5,130,641

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**TOTAL ASSETS** 6,546,000

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred outflows of resources related to pensions		696,774
Deferred outflows of resources related to OPEB		411,501

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**TOTAL DEFERRED OUTFLOWS OF RESOURCES** \$ 1,108,275

*The accompanying notes are an integral part of these financial statements.*

**Clear Creek Community Services District**  
**STATEMENT OF NET POSITION**  
(Continued)

June 30, 2022

**LIABILITIES**

**Current Liabilities**

Accrued expenses	\$ 141,383
Compensated absences	100,940
Customer deposits	112,234
Long-term debt, due within one year	584,392

**Total Current Liabilities** 938,949

**Long-Term Liabilities**

Long-term debt, due in more than one year	1,681,950
Net pension liability	1,057,048
Net OPEB liability	276,111

**Total Long-Term Liabilities** 3,015,109

**TOTAL LIABILITIES** 3,954,058

**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows of resources related to pensions	980,640
Deferred inflows of resources related to OPEB	636,136

**TOTAL DEFERRED INFLOWS OF RESOURCES** 1,616,776

**NET POSITION**

Net investment in capital assets	2,985,305
Restricted	586,206
Unrestricted	(1,488,070)

**TOTAL NET POSITION** \$ 2,083,441

*The accompanying notes are an integral part of these financial statements.*



## Clear Creek Community Services District

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Year Ended June 30, 2022

<b>Operating Revenues</b>	
Domestic water sales	\$ 2,350,128
Agricultural water sales	34,288
Water services	212,213
Other operating revenues	245,531
<b>Total Operating Revenues</b>	<b>2,842,160</b>
<b>Operating Expenses</b>	
Source of supply	385,868
Water treatment	235,226
Transmission conduit	4,656
Transmission and distribution	364,165
Customer accounts	171,529
Administrative and general	458,955
Distribution system maintenance	42,682
Well field development and regulatory	222,254
Depreciation	279,520
<b>Total Operating Expenses</b>	<b>2,164,855</b>
<b>Income From Operations</b>	<b>677,305</b>
<b>Nonoperating Revenues (Expense)</b>	
Interest revenue	908
Interest expense	(52,476)
Property taxes	388,623
Other revenues	25,961
<b>Total Nonoperating Revenues (Expense)</b>	<b>363,016</b>
<b>Change in Net Position</b>	<b>1,040,321</b>
<b>Net Position - As Previously Reported</b>	<b>1,695,200</b>
Prior-period adjustment	(652,080)
<b>Net Position - As Restated</b>	<b>1,043,120</b>
<b>Net Position - End of Year</b>	<b>\$ 2,083,441</b>

*The accompanying notes are an integral part of these financial statements.*

**Clear Creek Community Services District**  
**STATEMENT OF CASH FLOWS**

Year Ended June 30, 2022

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 2,932,019
Payments to suppliers	(1,217,198)
Payments to and on behalf of employees	(1,123,596)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>591,225</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Property taxes received	388,623
Other revenue received	25,961
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>414,584</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Interest paid	(52,476)
Principal paid on long-term debt	(330,915)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(383,391)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	908
<b>Net Change in Cash and Cash Equivalents</b>	<b>623,326</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>905,760</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 1,529,086</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>	
Current assets	\$ 699,892
Current assets - restricted	416,466
Noncurrent assets - restricted	412,728
<b>Total Cash and Cash Equivalents</b>	<b>\$ 1,529,086</b>

*The accompanying notes are an integral part of these financial statements.*

**Clear Creek Community Services District**  
STATEMENT OF CASH FLOWS  
(Continued)

Year Ended June 30, 2022

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**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 677,305
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	279,520
Changes in:	
Accounts receivable - customer accounts	85,563
Deferred outflows of resources	(407,753)
Accounts payable	(25,357)
Accrued expenses	(62,857)
Compensated absences	(101,899)
Customer deposits	4,296
Net pension liability	(690,872)
Net OPEB liability	(33,910)
Deferred inflows of resources	867,189
<b>Total Adjustments</b>	<b>(86,080)</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 591,225</b>

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*The accompanying notes are an integral part of these financial statements.*

# Clear Creek Community Services District

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clear Creek Community Services District (the District) was formed in the 1960's as a political subdivision of the State of California. It provides water services to its residents over an area of 33.88 square miles.

The District operates under an elected Board of Directors. The accounting methods and procedures adopted by the District conform to generally accepted accounting principles (GAAP) as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP, and used by the District are discussed below.

**Implementation of New Accounting Standard** The District adopted the provisions of GASB Statement No. 87, *Leases*, as of July 1, 2021. This statement improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement has been applied as of the beginning of the period of implementation. Upon analysis of the District's existing operating leases, it was determined that the resulting balances would be immaterial. As a result, the District has not recognized any initial right-to-use lease assets or lease liabilities during the current period.

**Basis of Accounting** The activities of the District are accounted for as an enterprise fund. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with these activities are reported. Proprietary fund equity is classified as net position.

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** Cash and cash equivalents includes amounts in demand deposits as well as short-term investments with a maturity date of three months to one year from the date acquired by the District.

**Clear Creek Community Services District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Accounts Receivable – Customer Accounts** Accounts receivable represents revenues earned but not collected. Receivables are uncollateralized. Any losses on uncollectible receivables are recognized when such losses become known or indicated. The allowance for doubtful accounts totaled \$110,429 at June 30, 2022. The allowance is based on analysis of specific customers, taking into consideration the amount of past due accounts and an assessment of the customers' ability to pay.

**Inventory** Inventory represents pipes, meters, and various related materials that have been stated at cost determined by the first-in, first-out method. The costs of inventories are recorded as expenses when consumed rather than when purchased.

**Capital Assets** Capital assets are defined by the District as assets that have an original cost or value of \$3,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at cost while equipment contributed to the District is recorded at fair market value as of the date of donation. Maintenance and repair costs are expensed as incurred unless they extend the useful life of the asset.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated lives range from 10 to 50 years for buildings and improvements, and 5 to 10 years for office equipment, and machinery and equipment.

**Restricted Assets** The use of certain assets of the District are restricted by specific provisions of loan agreements, grants, or projects, or are related to customer deposits. Assets so designated are identified as restricted assets on the statement of net position. Restricted assets are classified as noncurrent if they are for acquisition or construction of capital assets, for liquidation of long-term debt, or are for other than current operations.

**Compensated Absences** Vested or accumulated sick leave, compensatory time, and vacation pay is recorded as an expense and liability as the benefits accrue to employees.

**Customer Deposits** Customer deposits represents amounts received from customers that are held as security for water service and are expected to be used toward any final billing and returned to customers upon termination of service.

**Deferred Outflows/Inflows of Resources** In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period which will only be recognized as an outflow of resources (expense) in the future. District contributions subsequent to the measurement date related to the pension and OPEB plans, are reported as deferred outflows of resources in the statement of net position. District contributions subsequent to the measurement date will be amortized during the next fiscal year.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and would only be recognized as an inflow of resources (revenue) at that time.

## Clear Creek Community Services District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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Changes in proportion and differences between the District's contributions and proportionate share of pension contributions, the District's proportionate share of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the differences between the District's expected and actual experience, are reported as deferred inflows of resources or deferred outflows of resources in the statement of net position. These amounts are amortized over the estimated service lives of the pension plan participants.

Differences between projected and actual earnings on OPEB plan investments, changes in assumptions, and the differences between the District's expected and actual experience, are reported as deferred inflows of resources or deferred outflows of resources in the statement of net position. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan.

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

**Net Other Postemployment Benefits (OPEB) Liability** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position** Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. The District's net position is classified as follows:

*Net Investment in Capital Assets:* Net investment in capital assets represents the District's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

*Restricted Net Position:* Restricted net position represents resources which are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

*Unrestricted Net Position:* Unrestricted net position represents resources available for transactions relating to the general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose.

**Clear Creek Community Services District**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

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**Classification of Revenues** The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from exchange-type transactions, such as providing services and producing and delivering goods in connection with the District’s principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. These are nonexchange transactions, such as interest income and property tax revenue.

**Restricted Resources** When both restricted and unrestricted net position is available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Property Taxes** The County of Shasta assesses, bills, and collects ad valorem property taxes for the District. Ad valorem property taxes levied in July 2021 are for the purpose of financing the budget of the 2022 fiscal year. Property tax revenue recognized for the 2022 fiscal year was levied in July 2021.

Key dates in the property tax cycle are as follows:

<b>Fiscal year ended June 30, 2022</b>	<b>Revenues</b>
Property taxes levied	July 1, 2021
Property taxes payable	November 1, 2021 and February 1, 2022
Property taxes delinquent	December 10, 2021 and April 10, 2022
Lien date	March 1, 2022

**Budgetary Accounting** The District Manager submits a proposed operating budget to the District’s Board of Directors for the fiscal year commencing the following July 1. The operating budget includes proposed expenses and the means of financing them. A public hearing is conducted to obtain taxpayer comments. Prior to September 7, the budget is legally enacted through action of the Board of Directors. The annual appropriations lapse at fiscal year-end.

**Clear Creek Community Services District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**2. CASH AND CASH EQUIVALENTS**

The following is a summary of cash and cash equivalents:

June 30, 2022

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<b>Cash and Cash Equivalents</b>		
Deposits (1)	\$	699,592
Petty cash		300
<b>Total Cash and Cash Equivalents</b>	\$	<b>699,892</b>

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(1) **Deposits** The carrying amount of deposits includes checking accounts, savings accounts, nonnegotiable certificates of deposit, and money market accounts at financial institutions, if any.

The District segregates certain cash and cash equivalents that have legal or designated restrictions as to their use. The District is required under the terms of certain long-term debt covenants to segregate and maintain certain funds for debt service. The District also holds funds that may only be used for specific repairs. The District's Board of Directors has designated certain funds to be used for the specific purposes noted below. As a result, these funds are not available for general District expenses. Such designation can be removed at the discretion of the Board of Directors.



**Clear Creek Community Services District**  
 NOTES TO THE FINANCIAL STATEMENTS  
 (Continued)

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The following is a summary of restricted cash and cash equivalents:

June 30, 2022

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**Restricted Cash and Cash Equivalents**

**Deposits (1):**

**Externally Restricted**

Debt service	\$	102,863
DWR filter plant debt reserves		263,614
Bureau of Reclamation muletown conduit reserve		36,880
State Loan Repayment		5,366
Carr Fire repairs		177,483

**Total Externally Restricted** 586,206

**Board Designated**

Miscellaneous		10,284
Expansion and modernization		104,399
Backwash pond savings account		15,067
Operational reserve		1,004
Customer deposits		112,234

**Total Board Designated** 242,988

**Total Restricted Cash and Cash Equivalents** \$ 829,194

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**Current Restricted Cash and Cash Equivalents** \$ 416,466

**Noncurrent Restricted Cash and Cash Equivalents** \$ 412,728

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**Collateral for Deposits**

Under the *California Government Code*, California banks and savings and loan associations are required to secure deposits made by state or local governmental units by pledging government securities as collateral. The market value of the pledged securities must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**Clear Creek Community Services District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**3. INVESTMENTS**

**Credit Risk – Investments**

*California Government Code*, Section 53601, limits investments in commercial paper to “prime” quality of the highest ranking or of the highest letter and numerical rating as provided by nationally recognized statistical rating organizations (NRSRO), and limits investments in medium-term notes to a rating of A or better. The District has no investment policy that would further limit its investment choices. The District’s investments are unrated.

**Fair Value Measurements**

The District categorizes the fair value measurements of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; level 2 inputs are significant other observable inputs; and level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2022:

- Publicly traded stock of \$16,240 is valued daily based on the closing market price in the active exchange markets (level 1 inputs).

**Concentration of Credit Risk – Investments**

*California Government Code*, Section 53601, places the following concentration limits on the District’s investments:

No more than 10% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises and where otherwise noted; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 40% may be invested in bankers’ acceptances and no more than 30% may be invested in bankers’ acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% may be invested in reverse repurchase agreements; no more than 30% may be invested in medium-term notes; no more than 20% may be invested in mortgage passthrough and related securities; and no more than 30% may be invested in certain unsecured, unsubordinated obligations.

**Clear Creek Community Services District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

**4. CAPITAL ASSETS**

Capital assets activity is as follows:

Year Ended June 30, 2022	Beginning Balance	Additions	Deductions	Ending Balance
<b>Nondepreciated Capital Assets</b>				
Land	\$ 69,196	\$ -	\$ -	\$ 69,196
<b>Depreciated Capital Assets</b>				
Buildings and improvements	11,561,004	-	-	11,561,004
Machinery and equipment	740,063	-	-	740,063
<b>Total Depreciated Capital Assets</b>	<b>12,301,067</b>	<b>-</b>	<b>-</b>	<b>12,301,067</b>
<b>Totals at Historical Cost</b>	<b>12,370,263</b>	<b>-</b>	<b>-</b>	<b>12,370,263</b>
<b>Less: Accumulated Depreciation</b>				
Buildings and improvements	6,783,197	221,448	-	7,004,645
Machinery and equipment	605,873	58,072	-	663,945
<b>Total Accumulated Depreciation</b>	<b>7,389,070</b>	<b>279,520</b>	<b>-</b>	<b>7,668,590</b>
<b>Total Depreciated Capital Assets - Net</b>	<b>4,911,997</b>	<b>(279,520)</b>	<b>-</b>	<b>4,632,477</b>
<b>Capital Assets - Net</b>	<b>\$ 4,981,193</b>	<b>\$ (279,520)</b>	<b>\$ -</b>	<b>\$ 4,701,673</b>

**5. LINE OF CREDIT**

In December 2021, the District obtained a \$250,000 line of credit from Tri-Counties Bank to cover water transfer agreement costs, which bears interest at 2.00% over the Wall Street Journal Prime Rate. As of June 30, 2022, the interest rate was 6.75%. Accrued interest payments are due monthly, beginning January 20, 2022. The line of credit matures December 20, 2026, on which date all principal and accrued interest will be due and payable. There was no balance on the line of credit as of June 30, 2022.

**6. CHANGES IN LONG-TERM DEBT**

The following is a summary of changes in long-term debt:

Year Ended June 30, 2022	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due Within One Year
State water resource loan	\$ 380,846	\$ -	\$ 11,221	\$ 369,625	\$ 11,412
WIIN Act contract repayment	652,080 *	-	102,106	549,974	350,000
Filter plant expansion	1,456,501	-	202,279	1,254,222	208,260
RCAC equipment loan	107,830	-	15,309	92,521	14,720
<b>Total</b>	<b>\$ 2,597,257 *</b>	<b>\$ -</b>	<b>\$ 330,915</b>	<b>\$ 2,266,342</b>	<b>\$ 584,392</b>

\*As restated for prior-period adjustment.

## Clear Creek Community Services District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

#### State Water Resource Loan

The District was ordered to construct and operate backwash recycling procedures at the filter plant. Total project costs equaled \$933,143, with half of the money provided through a grant and the other half, \$431,170, from a 1.7% low interest loan through the State Revolving Fund, State Water Resources Control Board.

Loan payments began in June 2019, with a loan duration of 30 years. Construction began in 2016 and was completed in early 2018.

Future payments of principal and interest to maturity are as follows:

Year Ending June 30	State Water Resource Loan		
	Principal	Interest	Total
2023	\$ 11,412	\$ 6,277	\$ 17,689
2024	11,606	6,083	17,689
2025	11,803	5,886	17,689
2026	12,004	5,685	17,689
2027	12,208	5,481	17,689
2028-2032	64,225	24,220	88,445
2033-2037	69,871	18,574	88,445
2038-2042	76,016	12,429	88,445
2043-2047	82,702	5,743	88,445
2048	17,778	296	18,074
<b>Totals</b>	<b>\$ 369,625</b>	<b>\$ 90,674</b>	<b>\$ 460,299</b>

#### WIIN Act Contract Repayment

Related to the WIIN Act contract discussed in note 11, the District entered into a repayment contract with the United States Bureau of Reclamation. The terms of the contract require annual interest-free payments starting in December 2021. The payable matures in December 2023, as follows:

Year Ending June 30	WIIN Act Contract Repayment		
	Principal	Interest	Total
2023	\$ 350,000	\$ -	\$ 350,000
2024	199,974	-	199,974
<b>Totals</b>	<b>\$ 549,974</b>	<b>\$ -</b>	<b>\$ 549,974</b>

**Clear Creek Community Services District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

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**Filter Plant Expansion Loans**

Under the Safe Drinking Water Bond law of 1988, the Department of Water Resources provided two loans totaling \$4,600,000.

Upon completion of the project, the District commenced semiannual payments to the State for a period not to exceed 30 years until the principal amount of the loans is paid in full.

These are level annual repayments of principal and interest on the loans, based on a standard semiannual payment loan amortization method to be determined by the State. The standard loan amortization method incorporates the outstanding loan principal and the loan interest rates of 2.973% and 2.542% of the first and second loans, respectively.

Loan principal and interest payments are due and payable within 30 days from the date of the invoice. The first semiannual payment was due and payable October 1, 1997. The remaining amounts shall be made semiannually thereafter, commenced on April 1, 1998, until the principal amount of the loans is repaid in full. The final semiannual payment will be in an amount equal to the then unpaid portion of the principal amount of the loans plus interest accrued.

Future payments of principal and interest to maturity are as follows:

Year Ending June 30	Filter Plant Expansion Loans		
	Principal	Interest	Total
2023	\$ 208,260	\$ 34,957	\$ 243,217
2024	214,418	28,799	243,217
2025	220,759	22,458	243,217
2026	227,286	15,930	243,216
2027	228,406	9,209	237,615
2028-2029	155,093	2,422	157,515
<b>Totals</b>	<b>\$ 1,254,222</b>	<b>\$ 113,775</b>	<b>\$ 1,367,997</b>

## Clear Creek Community Services District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

#### Rural Community Assistance Corporation (RCAC) Equipment Loan

In November 2020, the District purchased a dump truck and a trailer for \$97,581, financed by a \$120,000 loan from the Rural Community Assistance Corporation (RCAC). The remaining loan proceeds were used for loan closing costs, modifications to the equipment, and other District maintenance costs. The interest rate on the loan is charged at 5% annually. The first payment of principal and interest was due October 13, 2020, with each payment due monthly thereafter until maturity, on September 1, 2027.

Future payments of principal and interest to maturity are as follows:

Year Ending June 30	RCAC Equipment Loan		
	Principal	Interest	Total
2023	\$ 14,720	\$ 3,936	\$ 18,656
2024	16,845	3,507	20,352
2025	17,707	2,646	20,353
2026	18,613	1,740	20,353
2027	19,565	787	20,352
2028	5,071	43	5,114
<b>Totals</b>	<b>\$ 92,521</b>	<b>\$ 12,659</b>	<b>\$ 105,180</b>

#### 7. NET PENSION LIABILITY

Qualified employees are covered under a cost-sharing multiple-employer defined benefit pension plan maintained by the California Public Employees' Retirement System (CalPERS).

##### Summary

Net pension liability, deferred outflows or resources, deferred inflows of resources, and pension expense are reported as follows:

June 30, 2022	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS Public Agency Pool	\$ 1,057,048	\$ 696,774	\$ 980,640	\$ 106,172

Net pension liability, deferred outflows of resources, and deferred inflows of resources are reported in the accompanying statement of net position; pension expense is reported in the accompanying statement of revenues, expenses, and changes in net position.

**Plan Description** All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Annual Comprehensive Financial Report (ACFR), which is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

## Clear Creek Community Services District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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**Benefits Provided** The California Public Employees' Pension Reform Act (PEPRA) took effect January 1, 2013 and changed the way CalPERS retirement and health benefits are applied and placed limits on member compensation. Employees hired after PEPRA are eligible for retirement as early as age 52 with five years of service, and employees hired prior to PEPRA are eligible for retirement as early as age 50 with five years of service. For employees hired before PEPRA, at age 55, the employee is entitled to a monthly benefit of 2.7% of the highest three years of compensation for each year of service. For employees hired after PEPRA, at age 62, the employee is entitled to a monthly benefit of 2.0% of the highest three years of compensation for each year of service.

Retirement after age 55 will increase the percentage rate to a maximum of 2.7% for employees hired before PEPRA and to a maximum rate of 2.5% at age 67 for employees hired after PEPRA. The plan also provides death and disability benefits. Retirement benefits fully vest after five years of credited service. Upon separation from CalPERS, members' accumulated contributions are refundable with interest credited through the date of separation.

**Contributions** For employees hired before PEPRA, active plan members are required to contribute 7.0% of their salary. For employees hired after PEPRA, active plan members are required to contribute 6.25% of their salary. Also, the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. For employees hired before PEPRA, the required employer contribution rate for the fiscal year ended June 30, 2022, was 14.020% (miscellaneous) or 8.650% (miscellaneous, second tier) of annual payroll. For employees hired after PEPRA, the required employer contribution rate for the fiscal year ended June 30, 2022, was 7.590% of annual payroll. The District's contributions to CalPERS for the fiscal year ended June 30, 2022, were \$220,035, and equaled 100% of the required contributions.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension** At June 30, 2022, the District reported a net pension liability of \$1,057,048 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating districts and the State, actuarially determined. At June 30, 2022, the District's proportion was 0.05567%.

**Clear Creek Community Services District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

For the year ended June 30, 2022, the District recognized pension expense of \$106,172. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 118,535	\$ -
Net difference between projected and actual earnings on pension plan investments	-	922,750
Changes in proportion	337,924	33,208
Differences between actual and proportionate share of contributions	20,280	24,682
District contributions subsequent to the measurement date	220,035	-
<b>Total</b>	<b>\$ 696,774</b>	<b>\$ 980,640</b>

The \$220,035 reported as deferred outflows of resources related to the pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

<b>Years Ending June 30</b>	
2023	\$ (63,077)
2024	(72,006)
2025	(113,819)
2026	(254,999)
<b>Total</b>	<b>\$ (503,901)</b>



**Clear Creek Community Services District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

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**Actuarial Assumptions** The total pension liability in the June 30, 2022, actuarial valuation were determined using the following actuarial assumptions:

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Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by age and service
Investment rate of return	7.00%

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CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 1997, through June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

## Clear Creek Community Services District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

The tables below reflect long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	Assumed Asset	Real Rate of Return	
	Allocation	Years 1 - 10	Years 11+
Global equity	50%	4.80%	6.00%
Fixed income	28%	1.00%	2.62%
Inflation assets	0%	0.77%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
<b>Total</b>	<b>100%</b>		

**Discount Rate** The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at a statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability if it were calculated using a discount rate that is one percent point lower (6.15%) or one percent point higher (8.15%) than the calculated rate:

	1% Decrease (6.15%)	Current Discount Rates (7.15%)	1% Increase (8.15%)
June 30, 2022			
District's proportionate share of the net pension liability	\$ 1,925,064	\$ 1,057,048	\$ 339,471

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

**Clear Creek Community Services District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description**

The District has established a Retiree Healthcare Plan (HC Plan) under the CalPERS Public Employees' Medical and Hospital Care Act (PEMHCA), and participates in an agent multiple-employer defined benefit retiree healthcare plan. The HC Plan provides lifetimes healthcare insurance for eligible employees and their eligible family members through the District's group health insurance plan, which covers both active and retired members. The HC Plan does not issue a separate stand-alone financial report.

**Benefits Provided**

The HC Plan provides employees who retire directly from the District, at the applicable minimum CalPERS retirement age of 50 or 52 (as described in note 7), with a minimum of ten years of CalPERS service credit (at least five years of which must be service to the District), payments for CalPERS medical insurance premiums for employee plus dependents, starting at 50% of the employer contribution and increasing 5% per year, up to 100% in the 20<sup>th</sup> year of service. The maximum benefits are set annually. At the measurement date of June 30, 2021, the monthly benefit caps were \$816 single, \$1,548 retiree plus spouse, and \$1,983 family.

**Employees Covered**

Employees covered by the benefit terms of the HC Plan consisted of:

June 30, 2022

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Inactive HC Plan members or beneficiaries currently receiving benefit payments	7
Active HC Plan members	9
<b>Total</b>	<b>16</b>

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**Contributions**

Benefit provision are established and may be amended by the District's Board of Directors. The HC Plan provides for the District to contribute 100% of the cost of health insurance premiums for retiree and their eligible family members. For the fiscal year ended June 30, 2022, the District contributed \$98,826 representing premium payments on behalf of retired employees.

**Net OPEB Liability**

The District's net OPEB liability for the HC Plan is measured as the total OPEB liability, less the HC Plan's fiduciary net position. The net OPEB liability of the HC Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The June 30, 2022, total OPEB liability was based on the actuarial methods and assumptions as shown below.

**Clear Creek Community Services District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2021
Measurement date	June 30, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	6.22%
Inflation	2.50%
Salary increases	3.00%
Healthcare cost trend rate	5.60% <sup>(1)</sup>

*(1) Decreasing to an ultimate rate of 4.70% in year 2048 and later.*

Mortality is based on CalPERS 2017 Experience Study. CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. The table includes mortality improvements using the MW Scale 2022 generationally.

**Long-Term Expected Rate of Return**

As of June 30, 2022, the long-term expected rates of return for each major investment class in the HC Plan's portfolio are as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	
		Years 1 - 5	Years 6+
Global equity	49%	4.40%	4.50%
Fixed income	23%	-1.50%	0.40%
REITs	20%	3.00%	3.70%
Treasury Inflation Protected Securities	5%	-1.80%	0.50%
Commodities	3%	0.80%	1.10%
<b>Total</b>	<b>100%</b>		

**Clear Creek Community Services District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

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**Discount Rate**

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB Statement No. 75 requires that the discount rate used for valuing liabilities is based on the yield or index rate for the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to fund the OPEB liabilities, GASB Statement No. 75 allows use of a rate up to the expected rate of return on the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate. As the District holds a prefunding trust, the discount rate is based on the expected rate of return on HC Plan investments. As of June 30, 2022, the discount rate is 6.22%.

**Changes in the Net OPEB Liability**

The changes in the net OPEB liability for the HC Plan are as follows:

Year Ended June 30, 2022	
<b>Total OPEB Liability</b>	
Service cost	\$ 64,196
Interest	103,339
Difference between expected and actual experience	194,640
Changes of assumptions	127,558
Benefit payments - including refunds of employee contributions	(106,428)
<b>Net Change in Total OPEB Liability</b>	383,305
<b>Total OPEB Liability - Beginning of Year</b>	1,465,292
<b>Total OPEB Liability - End of Year (a)</b>	1,848,597
<b>Plan Fiduciary Net Position</b>	
Contributions - employer	206,429
Net investment income	317,651
Benefit payments - including refunds of employee contributions	(106,428)
Administrative expense	(437)
<b>Net Change in Plan Fiduciary Net Position</b>	417,215
<b>Plan Fiduciary Net Position - Beginning of Year</b>	1,155,271
<b>Plan Fiduciary Net Position - End of Year (b)</b>	1,572,486
<b>Net OPEB Liability - End of Year ((a) - (b))</b>	\$ 276,111
Plan fiduciary net position as a percentage of the total OPEB liability	85.06%
Covered-employee payroll	\$ 920,890
District's net OPEB liability as a percentage of covered-employee payroll	29.98%

**Clear Creek Community Services District**  
NOTES TO THE FINANCIAL STATEMENTS  
(Continued)

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the District's net OPEB liability calculated using the discount rate of 6.22%, as well as the District's net OPEB liability if it were calculated using a discount rate that is one percentage point lower (5.22%) or one percentage point higher (7.22%) than the current rate:

June 30, 2022	1% Decrease (5.22%)	Current Discount Rate (6.22%)	1% Increase (7.22%)
Net OPEB liability	\$ 529,655	\$ 276,111	\$ 68,973

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the District's net OPEB liability calculated using the healthcare cost trend rate of 5.60%, as well as the District's net OPEB liability if it was calculated using a healthcare trend rate that is one percentage point lower (4.60%) or one percentage point higher (6.60%) than the current rate:

June 30, 2022	1% Decrease (4.60%)	Health Cost Trend Rates (5.60%)	1% Increase (6.60%)
Net OPEB liability	\$ 52,030	\$ 276,111	\$ 554,288

**Plan Fiduciary Net Position**

Detailed information about the HC Plan's fiduciary net position is available from CalPERS which issues a publicly available financial report on CERBT that can be obtained at [www.calpers.ca.gov](http://www.calpers.ca.gov).

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

For the year ended June 30, 2022, the District recognized OPEB expense of (\$52,656). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 167,682	\$ 477,524
Net difference between projected and actual earnings on HC Plan investments	-	158,612
Change in assumptions	144,993	-
District contributions subsequent to the measurement date	98,826	-
<b>Total</b>	<b>\$ 411,501</b>	<b>\$ 636,136</b>

**Clear Creek Community Services District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
(Continued)

Amounts reported as deferred inflows and deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30	
2023	\$ (133,127)
2024	(130,636)
2025	(107,102)
2026	(51,669)
2027	44,625
Thereafter	54,448
<b>Total</b>	<b>\$ (323,461)</b>

**9. RESTRICTED NET POSITION**

Restricted net position consists of assets that are restricted by external parties. These purposes and amounts are outlined in note 2.

**10. RISK MANAGEMENT**

The District has obtained general liability, auto liability, public officials' liability, workers' compensation, and property coverage through the Association of California Water Agencies - Joint Powers Insurance Authority (JPIA), a joint powers authority of the California public water agencies.

June 30, 2022	JPIA Pooled Amount	Commercial Insurance Additional Coverage
General, auto, and public officials' liability	\$ 5,000,000	\$ 55,000,000
Cyber	\$ -	\$ 5,000,000 *
Workers' compensation	\$ 2,000,000	\$ 2,000,000
Property coverage	\$ 100,000	\$ 500,000,000

*\*\$5,000,000/occurrence, \$5,000,000 aggregate*

Each member's share of pooled insurance costs depends on the losses of all members. In addition, the cost to a member district will also depend on the loss experience of that district. Districts with a consistent record of costly claims will pay more than districts with a consistent record of less serious claims activity. Settled claims resulting from the risks identified above have not exceeded insurance coverage in the past three years. No significant reductions in insurance coverage from the prior year have been made.

## Clear Creek Community Services District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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A representative of each member district, appointed by the board of directors of that district, serves on the board of directors of the JPIA. The board of directors is responsible for deciding the risks the JPIA will underwrite, monitoring the costs of claims, and arranging financial programs. Each member of the board of directors has an equal vote in matters concerning the JPIA.

The District's share of year-end assets, liabilities, and fund equity is not calculated by the JPIA. Separately issued financial statements can be requested from the JPIA.

#### 11. COMMITMENTS AND CONTINGENCIES

##### Federal Financial Assistance Program

The District participated in a federal financial assistance program for the repair and rehabilitation to the backwash pond due to damage caused by the Carr Fire in 2018. The program is subject to financial and compliance audits by the grantor or their representatives, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

##### WIIN Act

The WIIN Act is a comprehensive federal legislation relating to water infrastructure. Section 4011 of Subtitle J outlines the authority and direction for the Secretary of the Interior to negotiate contracts for repayment terms, which may include prepayments, lump sum, or accelerated payments, on existing water service contracts. The contract amendment results in a perpetual repayment contract providing for Project Water Service and Facilities Repayment with the United States Bureau of Reclamation. While the amendment guarantees a perpetual contract, it does not guarantee a water allocation. A coalition of California environmental interest groups is challenging the validity of the perpetual contracts of nearly one hundred water purveyors throughout California, including the District. The outcome is uncertain and could result in reverting to the previous water service contract.

##### Project Commitments

Project commitments are as follows:

	<b>Remaining Project Commitment</b>
June 30, 2022	
<b>Backwash repair and rehabilitation project</b>	<b>\$ 489,901</b>

##### Water Purchase Commitment

In March 2022, the District entered into a water transfer agreement with the McConnell Foundation to purchase 1,100 acre feet of water at a total cost of \$275,000. The terms of the agreement were later amended to increase the allocation to 1,120 acre feet for a total cost of \$280,000. The District's remaining purchase commitment as of June 30, 2022 is \$267,203.



## Clear Creek Community Services District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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#### 12. PRIOR-PERIOD ADJUSTMENT

Net position in the statement of net position as of July 1, 2022, decreased by \$652,080, as a result of an understatement of long-term debt as of June 30, 2021. The adjustment increased expense during the year ended June 30, 2021, by \$652,080, related to converting the District's water contract with the United States Bureau of Reclamation to a perpetual contract.

#### 13. SUBSEQUENT EVENTS

##### Construction Commitment

In December 2023, the District entered into a construction contract related to the backwash pond repairs totaling \$4,778,680, which will be fully funded with grant funding.

#### 14. AUDIT REQUIREMENTS FOR CALIFORNIA SPECIAL DISTRICTS

Pursuant to *California Government Code*, Section 26909(b), the audit report is required to be filed with the California State Controller's Office within 12 months of the fiscal year-end under examination. The District did not comply with this requirement for the fiscal year ended June 30, 2022.

#### 15. FUTURE GASB IMPLEMENTATION

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This statement improves financial reporting by establishing a definition for SBITA and providing uniform guidance for accounting and financial reporting for transactions that meet this definition. This statement establishes that a SBITA results in a right-to-use asset—an intangible asset—and a corresponding subscription liability. It provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2022, will have on the District's financial statements, if any.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2023, will have on the District's financial statements, if any.

## Clear Creek Community Services District

### NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement outlines a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The District's management has not yet determined the impact that the implementation of this standard, which is required on July 1, 2024, will have on the District's financial statements, if any.

**Required Supplementary Information**

**Clear Creek Community Services District**

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Years Ended June 30	2022	2021	2020	2019
District's proportion of the net pension liability	0.05567%	0.04144%	0.04134%	0.04156%
District's proportionate share of the net pension liability	\$ 1,057,048	\$ 1,747,920	\$ 1,655,329	\$ 1,564,994
District's covered-employee payroll	\$ 1,030,360	\$ 1,130,360	\$ 1,100,107	\$ 1,175,201
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	93.51%	158.89%	140.86%	151.03%
Plan fiduciary net position as a percentage of the total pension liability	83.92%	72.76%	73.13%	71.95%

Years Ended June 30	2018	2017	2016	2015
District's proportion of the net pension liability	0.04126%	0.04201%	0.01802%	0.01663%
District's proportionate share of the net pension liability	\$ 1,626,577	\$ 1,459,355	\$ 1,236,614	\$ 1,034,741
District's covered-employee payroll	\$ 1,036,236	\$ 658,572	\$ 585,429	\$ 388,187
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	246.99%	238.15%	211.23%	266.56%
Plan fiduciary net position as a percentage of the total pension liability	67.69%	68.33%	72.89%	76.49%

See the accompanying notes to the required supplementary information.

### Clear Creek Community Services District

#### SCHEDULE OF DISTRICT'S CONTRIBUTIONS – CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Years Ended June 30	2022	2021	2020	2019
Contractually required contribution	\$ 220,035	\$ 229,216	\$ 156,457	\$ 240,637
Contributions in relation to the contractually required contribution	(220,035)	(229,216)	(156,457)	(240,637)
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,030,360	\$ 1,130,360	\$ 1,100,107	\$ 1,175,201
Contributions as a percentage of covered-employee payroll	21.36%	20.28%	14.22%	20.48%
<b>Years Ended June 30</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 215,778	\$ 169,347	\$ 118,900	\$ 93,933
Contributions in relation to the contractually required contribution	(215,778)	(169,347)	(118,900)	(93,933)
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,036,236	\$ 658,572	\$ 585,429	\$ 388,187
Contributions as a percentage of covered-employee payroll	20.82%	25.71%	20.31%	24.20%

See the accompanying notes to the required supplementary information.

## Clear Creek Community Services District

### SCHEDULE OF CHANGE IN DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS

Years Ended June 30	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service cost	\$ 64,196	\$ 62,326	\$ 74,074	\$ 71,741	\$ 60,882
Interest	103,339	99,514	147,921	137,704	141,292
Difference between expected and actual experience	194,640	-	(760,890)	-	(256,202)
Changes of assumptions	127,558	-	34,415	-	60,264
Benefit payments - including refunds of employee contributions	(106,428)	(111,714)	(76,316)	(66,554)	(66,228)
<b>Net Change In Total OPEB Liability</b>	383,305	50,126	(580,796)	142,891	(59,992)
<b>Total OPEB Liability - Beginning of Year</b>	1,465,292	1,415,166	1,995,962	1,853,071	1,913,063
<b>Total OPEB Liability - End of Year (a)</b>	1,848,597	1,465,292	1,415,166	1,995,962	1,853,071
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	206,429	111,714	34,423	202,761	388,138
Net investment income	317,651	39,437	65,441	70,678	64,009
Benefit payments	(106,428)	(111,714)	(76,316)	(66,554)	(66,228)
Other expenses	-	-	-	(1,175)	-
Administrative expense	(437)	(547)	(233)	(474)	(345)
<b>Net Change in Plan Fiduciary Net Position</b>	417,215	38,890	23,315	205,236	385,574
<b>Plan Fiduciary Net Position - Beginning of Year</b>	1,155,271	1,116,381	1,093,066	887,830	502,256
<b>Plan Fiduciary Net Position - End of Year (b)</b>	1,572,486	1,155,271	1,116,381	1,093,066	887,830
<b>Net OPEB Liability - End of Year ((a) - (b))</b>	\$ 276,111	\$ 310,021	\$ 298,785	\$ 902,896	\$ 965,241
Plan fiduciary net position as a percentage of total OPEB liability	85.06%	78.84%	78.89%	54.76%	47.91%
Covered-employee payroll	\$ 920,890	\$ 921,757	\$ 1,165,401	\$ 995,360	\$ 995,360
District's net OPEB liability as a percentage of covered-employee payroll	29.98%	33.63%	25.64%	90.71%	96.97%

*See the accompanying notes to the required supplementary information.*

**Clear Creek Community Services District**  
**SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB**

Years Ended June 30	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 88,478	\$ 91,560	\$ 91,504	\$ 151,451	\$ 161,555
Contributions in relation to the actuarially determined contribution	98,826	206,428	111,714	34,423	202,761
<b>Contribution Deficiency (Excess)</b>	<b>\$ (10,348)</b>	<b>\$ (114,868)</b>	<b>\$ (20,210)</b>	<b>\$ 117,028</b>	<b>\$ (41,206)</b>
Covered-employee payroll	\$ 920,890	\$ 921,757	\$ 1,165,401	\$ 995,360	\$ 995,360
Contributions as a percentage of covered-employee payroll	10.73%	22.40%	9.59%	3.46%	20.37%

See the accompanying notes to the required supplementary information.

**Clear Creek Community Services District**  
 SCHEDULE OF INVESTMENT RETURNS - OPEB

Years Ended June 30	2022	2021	2020	2019	2018
Annual money-weighted rate of return - net of investment expense	23.26%	6.73%	11.68%	12.85%	14.34%

*See the accompanying notes to the required supplementary information.*



**Clear Creek Community Services District**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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**1. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

**Changes in Benefit Terms**

There were no significant changes of benefit terms during the measurement period ended June 30, 2021.

**Changes in Assumptions**

There were no changes in major assumptions during the measurement period ended June 30, 2021.

**2. NET OPEB LIABILITY**

**Changes in Benefit Terms**

There were no significant changes in benefit terms during the measurement period ended June 30, 2021.

**Changes in Assumptions**

During the measurement period ended June 30, 2021, the discount rate decreased from 7.00% to 6.22% and the healthcare cost trend rate increased from 5.40% to 5.60%.

**OTHER REPORTS SECTION**



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

To the Board of Directors  
Clear Creek Community Services District  
Anderson, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clear Creek Community Services District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 23, 2024.

***Report on Internal Control Over Financial Reporting***

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings as item 2022-001 to be material weaknesses.

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

(Continued)

***Report on Compliance and Other Matters***

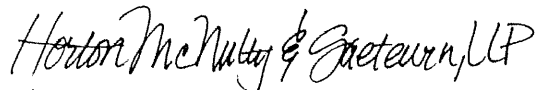
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

***District's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our engagement and described in the accompanying schedule of findings. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of This Report***

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



July 23, 2024  
Chico, California

## FINDINGS SECTION

## Clear Creek Community Services District

### SCHEDULE OF FINDINGS

June 30, 2022

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#### INTERNAL CONTROL (Financial Reporting and Records Retention)

2022-001

##### Material Weakness

**Condition** Current-year audit procedures identified several internal control-related matters as follows:

- The District's internal controls did not identify material adjustments needed to properly state the financial statements on the accrual basis.
- Bank reconciliations and other account reconciliations were not completed throughout the year.
- The District was unable to provide deposit support or an accurate accounts receivable reconciliation for testing the accounts receivable balance.
- The District does not have a formal process in place over termination of employees. The terminated employee's file reviewed was incomplete.

**Criteria** Accounting records must be maintained on the accrual basis of accounting to prepare financial statements in conformity with accounting principles generally accepted in the United States of America. Timely and complete reconciliation of all accounts must be in place. In addition, controls over records retention should be in place. Internal control over financial reporting and records retention should be established and maintained to reduce the risk of misstatement to an acceptable level.

**Effect** Material misstatements were not identified by the District's internal control structure and records were incomplete.

**Cause** The District experienced a turnover in key personnel. In addition, the general ledger software in use during the year under audit was not conducive to performing reconciliations within the software.

**Repeat Finding** This finding is related to item 2021-001 that is included in the summary schedule of prior audit findings.

**Recommendation** We recommend that management use the accrual basis of accounting to record all transactions and implement procedures to ensure that all activity relating to the accounting period regularly reconciled and accurately captured. All related support and records should be maintained.

**Response** The District's management will implement procedures to comply with the recommendation.

**Clear Creek Community Services District**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2022

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**INTERNAL CONTROL (Financial Reporting)**  
2021-001

**Material Weakness**

**Condition** Current-year audit procedures identified material adjustments needed to properly state the financial statements on the accrual basis. Bank reconciliations and other account reconciliations were not completed throughout the year.

**Criteria** Accounting records must be maintained on the accrual basis of accounting to prepare financial statements in conformity with accounting principles generally accepted in the United States of America. Timely and complete reconciliation of all accounts must be in place. Internal control over financial reporting should be established and maintained to reduce the risk of misstatement to an acceptable level.

**Effect** Material misstatements were not identified by the District's internal control structure.

**Cause** The District experienced a turnover in key personnel. In addition, the general ledger software in use during the year under audit was not conducive to performing reconciliations within the software.

**Repeat Finding** No, this is not a repeat finding.

**Recommendation** We recommend that management use the accrual basis of accounting to record all transactions and implement procedures to ensure that all activity relating to the accounting period regularly reconciled and accurately captured.

**Current Status** See current-year finding, item 2022-001, in the schedule of findings.

August 8, 2024

To: Paul Kelley and the Board of Directors

From: Dave Wallace, CPA

Re: Recommendations Related to Accounting Records

I reviewed the District's FYE 2022 audit, the FYE 2023 balance sheet and statement of profit & loss and the answers you provided to my questions on the documents. I appreciate your candor and have used this information to recommend the following steps to address issues related to the accounting records:

**Reconciliation of FYE 2022** – *(Provide a quote for this service)*

The accounting software (QuickBooks) needs to be reconciled and adjusted to the audited account balances at 6/30/2022. This will require the District to obtain, from the auditors, final audited account balances at 6/30/2022 for the balance sheet accounts. The District can make these adjustments as of July 1, 2022, and should reverse any current opening balance entries. In addition, copies of the auditor's workpapers for all balance sheet accounts that show the details will need to be obtained and used to determine any necessary reversing entries of accruals. Those workpapers will also be used during the pre-audit to provide the necessary information to support those account balances going forward. This process can be done either internally or externally.

**Customer Accounts Receivable** – *(Provide a quote for this service)*

The customer accounts receivable detail on June 30, 2022, will need to be revised and adjusted as of July 1, 2022, in order to have accurate customer balances moving forward and to receive a clean audit opinion for June 30, 2023. One method that can be used to reconstruct the receivable balances is a review of subsequent customer receipts. This will require an analysis of payments by customers made after June 30, 2022, that apply to the prior fiscal year.

This method is not without weaknesses as prior unpaid balances may be lost and any prepaid accounts will not be recognized. The District can elect to confirm those balances with customers to improve accuracy. Confirmations can be a time-consuming process as some customers will not respond to or recall their unpaid balance. This process can be done either internally or externally.

**Pre-Audit of FYE 2023** – *(Provide a quote for this service)*

The District is required to maintain the records under generally accepted accounting principles. In order to comply with that requirement, the auditor made in excess of \$5 million in audit adjustments in FYE 2022. The independence of the auditor may be impaired any time they are required to make significant audit adjustments. In addition, the District pays the auditor additional fees for these corrections.

Many districts now have a qualified individual or firm review the accounting records of a district prior to submission to the auditor to avoid this issue. The pre-auditor will prepare workpapers for



the auditor and make any necessary adjustments. Pre-auditor fees are much less per hour than the independent auditor. The audit fees should be reduced because of the work done in a pre-audit.

In my observations of the FYE 2023 balance sheet and income statement, I noted that any pre-audit will be challenging due to the timing of the changes in various software during the fiscal year, changes in accounting methods, and posting errors.

**Account Maintenance** – *(quote for this service)*

Many districts have retained the services of a CPA or experienced accountant to periodically review the accounting records prior to a pre-audit. Many times, the same individual or firm will perform both services. The frequency of the reviews depends on the quality of the information to be reviewed. Monthly or quarterly reviews can be considered.

**Training** – *(Thanks for note and comment – employees have ability to find and enroll in training and have it paid for by district)*

All employees deserve to be adequately trained and provided with continuing education in their profession. This training can be provided by a reviewer, a pre-auditor, formal classes or online. The training should be at a district's expense and part of an employee's goals developed during an annual performance evaluation.

**Best Practices in Supervision and Accountability in General** – *(Thanks, comment noted. The employees of the District have the resources to accomplish their job, and ability to request more resources (like the Bookkeeper requesting CPA assistance, and the District approving a Budget for this). Much has changed at the District since June 30<sup>th</sup> 2022 (the subject of the FY 22 audit). Only one employee of 11 is at the District now and at the District all of FY22. New Accounting Software, plus a fulltime bookkeeper, and General manager. All updated oversight and controls for AP, budgeting, quarterly budget review by finance committee and board, and transparency on the District website.*

The accountant or bookkeeper of an organization is responsible for the accuracy of the accounting records. As with any employee, the accountant or bookkeeper should be provided with adequate resources, training, and the time to perform their responsibilities. Responsibilities assigned to an employee should include certain authorities at the same time to help the employee perform their responsibilities. Good internal controls involve all employees of an organization, and management and the governing board are responsible for setting an ethical tone in any organization.

Pam Beaver  
Director

Logan Johnston  
Director

Scott McVay  
Vice-Chair



Beverly Fickes  
Director

Terry Lincoln  
Chair

Paul Kelley  
General Manager

Horton McNulty & Saeteurn, LLP  
55 Independence Cir #102  
Chico CA 95973

Kalah Horton ,

August 21 2024

Thank you for the completion of the Clear Creek Community Services District Fiscal Year 2022 Audit submitted by your firm July 23 2024.

At the August 21 2024 regular board meeting, the Board of Directors accepted the Audit and authorized the sending of this letter to your at HM&S, LLP.

In the "Report to the Board" document on page one there is a comment about the delays of the audit were caused by the "challenges in the District's management team locating support needed ...". The District acknowledges that by the time this audit started, none of the management team to provide information was in place during FY22, and gathering information for this time frame was challenging. We would like to remind you that another factor for the lateness was that your firm had informed the District early in 2023 that the FY22 audit would be late because your firm had reduced resources through the loss of a partner and other matters that meant the audit would start months later than the planned March of 2023.

On page two of the Report the Board, there is a reference to "management override of internal controls was identified as a significant risk" without any material examples of management override to substantiate this item. As mentioned above, by the time this Audit was completed – in early FY25 – there are no members of the management team from FY22.

In the Financial Statements and information of the audit, there is a qualified opinion with a basis being that accounts receivable amount did not have appropriate evidence for the carrying amount. As mentioned prior – records in FY22 while in FY24 was challenging for personnel who were not with the District during FY22 and this item needs further attention and the District appreciates HM&S's recommendation to get CPA help with this and other matters that can get the FY 2023 audit on schedule.

The Board would note and call to your attention, that receiving the FY22 Audit, that has journal entry recommendations that impact FY23 in FY25 makes fiscal management challenging. Audits that are over a year late also impact the Districts reporting to the

State Controller, The Shasta County Assessor, and all lending agencies or institutions. The District is pursuing CPA help to get these matters resolved quickly and would like to know how and what needs to be done to get the FY23 audit done by the end of this calendar year. Since we will expect that the FY24 Audit will be on the March – June 2025 schedule.

Please contact the District General Manager Paul Kelley to discuss the audit schedule and resources needed to get the Clear Creek CSD audits on the schedule noted in the engagement letter with HM&S.

Thank you again for your diligence on the FY 2022 audit and attention to this matter.

Sincerely,

Terry Lincoln  
Chair  
Clear Creek Community Services District Board of Directors.

Cc: Clear Creek Community Services District Board of Directors  
GM Paul Kelley



5880 Oak Street, Anderson, CA 96007  
Phone: (530) 357-2121 Fax: (530) 357-3723

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## MEMO

**Date:** August 21<sup>st</sup> 2024  
**To:** Board of Directors  
**From:** General Manager – Paul Kelley  
**Re:** **6c – Surplus Property disposal – 1996 Generac 80 KW** (Discussion/Action)

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### **6.c – Surplus Property disposal – 1996 Generac 80 kw** (Discussion/Action)

The District yard has held the old (yellow colored) generator – 1996 Generac 80 KW – that was previously at the Treatment plant. The generator was moved when replaced by a newer version after the Carr fire and is not State air regulation compliant.

While looking at cleaning up the District facilities and yard, this generator has been sitting there and the GM asked consultant Tony Thomasy to investigate the removal or sale of this generator. The District could use a stationary generator for the Office/Shop complex, especially if the portable generator is needed at the So. Booster or other locations.

The Shasta County air district was contacted as well as the State air board. Both stated the generator is not California compliant and cannot be made so.

The Shasta County AQMD – Senior Air Pollution Inspector stated:

*“Section 93115.6(3) of the Stationary Diesel ATCM prohibits the sale new emergency standby diesel engines unless they meet current standards. Look at the definition of new in Section 93115.4(a)(50).”*

*I would recommend selling the engine out of state. “*

And the State Air board stated: *“The prohibition of sale is based on California regulations. It is possible that you may be able to sell it out of state. However, you should check with the other state to be sure it is allowed.”*

This renders the generator as useless/valueless in CA, but has some value outside the State and we have been contacted by a party that has an out of state buyer for the generator. This could help the District remove the generator at no cost.

During a review of the Surplus Property Disposal Policy, this item would fall in the Page 3 # 6 category of “Sale of Unserviceable Junk or scrap property”. Since the item is not permitted in California, it is scrap.

This item is for the GM to inform the board that the “Scrap” section of the surplus policy is being used to sell for a nominal amount the Generator to a party in another State to be transported at their expense.

### **Recommendation:**

Review, Discussion, By approve the GM determination of scrap for the subject generator and sell/transfer out of State.



## **SURPLUS PROPERTY DISPOSAL POLICY**

**Document Type:** District Surplus Property Disposal Policy

**Administering Entity:** : Board of Directors and General Manager

**Date Approved:** August 30, 2023, Ordinance 2023-12

**Prior Amendment Date:** June 15, 2011, Ordinance 2011-04

**Approved By:** Board of Directors

**Indicative Time for Review:** Every Five Years

**Responsibility for Review:** : Board of Directors and General Manager

### **Purpose for Surplus Property Disposal Policy**

This policy sets the authority and guidelines of disposing of surplus property belonging to CCCSD that is no longer needed or has no practical use to CCCSD any longer. The General Manager is responsible for the orderly disposition of surplus property. The disposal of CCCSD surplus property for personal gain or to benefit the interest of any person or party other than the CCCSD, including the handling or disposal of trash or junk is strictly prohibited. CCCSD employees shall not claim ownership of, give away, recover or salvage any materials abandoned, disposed of or stored on CCCSD property outside of these guidelines. This prohibition includes giving any such property or proceeds to any person or party other than for the benefit and interest of CCCSD. Nor shall they authorize any other person or party to accept, receive or take any such surplus property to benefit their own interest, except as provided herein.

### **POLICY**

The General Manager shall present a list of items to the CCCSD Board of Directors intended to be declared as surplus and shall determine the fair market value for each individual item. The list shall contain a full description of the item and the fair market value.

Items that may be declared as surplus property may include any item of CCCSD property including, but not limited to:

- Machinery
- Motor Vehicles
- Furniture
- Supplies
- Equipment, such as computers and printers, phones, cameras, scanners, monitors, etc.
- Land-the sale of land requires authorization by an Ordinance and must follow all state laws.

The General Manager may sell or otherwise dispose of such surplus property by any of the following methods:

1. **Sealed Bid or Public Auction**-the procedure for conducting a sale by these methods shall be determined by the General Manger, however the following must be included in the procedure:
  - a) At lease one (1) notice, seven (7) days before the sale, shall be posted in three (3) public places within the CCCSD area, containing a general description of the type of property to be sold and the time and place of such bid opening or auction.
  - b) The terms of all sales shall be cash.
  - c) The sale by sealed bid or auction shall be to the highest responsible bidder.
  - d) A receipt shall be given to the purchaser.

If conducting an auction, the General Manager may contract for professional auction services if deemed necessary. The minimum bid price shall be set to recover as much of the CCCSD's administrative costs as possible regarding the bid process and sale.

2. **Sale in Open Market**-For sale of surplus property in the open market, the General Manager shall investigate the condition of the market for the type of surplus item and determine the fair market value for that item, the CCCSD's administrative costs regarding advertising and related costs. The General Manger may then sell the surplus property by advertising in the most appropriate means which will bring the greatest number of potential purchasers. The following must be included in the procedure:
  - a) The sale shall be posted in three (3) public places within the CCCSD area three (3) days before the sale, containing a general description of the item to be sold and the time and place where the item may be examined and the place where the purchase price is to be paid in full and the place where the item may be picked up.
  - b) The terms of all sales shall be cash.
  - c) A receipt shall be given to the purchaser.

3. **Internet Auction Sale**-The General Manager shall determine the fair market value of surplus property and utilize an internet auction service to sell such property. The following must be included in the procedure:
  - a) Notice of sale/auction of surplus property shall be posted on CCCSD's website and at the District Office.
  - b) In all cases the minimum shall be based on fair market value plus the costs of using the auction service.
  
4. **Trade-In Surplus Property**-The General Manager may trade in surplus property after determining the fair market value of the item and determining the trade-in value to be reasonable, that will be applied toward the purchase of a similar type of property. Typical situations where this might apply might be the trade in of a used motor vehicle or machinery or equipment for which trade-ins are commonly permitted by the seller.
  
5. **Donation of Surplus Property with Minimal or No Salvage Value**-In all cases where the fair market value has minimal or no salvage value the General Manger may donate such items to other like agencies or non-profit groups and organizations with CCCSD's boundary. The General Manger shall follow these procedures:
  - Place a notice of the items to be donated on CCCSD's website
  - Provide a description of the items to be donated
  - Request that interested non-profit organizations or groups within CCCSD's boundaries call the District office and request to be put on the list for consideration of receiving the donated items.
  - Effort will be made to rotate donations equitably among the list of non-profit groups or organizations, so they same ones are not always the recipient of donated items.
  
6. **Sale of Unserviceable Junk or Scrap Property**-When any surplus property is deemed to be unserviceable, junk or scrap or otherwise no longer suitable for its original purpose, the General Manger shall dispose of such items by destruction, scrap, trade or sale of property at the best competitive price available.

### **PROHIBITED PARTICIPATION**

In order to avoid conflict of interest issues, as well as the appearance of any conflict-of-interest issues, no sale or other disposition shall be made hereunder to a CCCSD Director, employee, a District consultant or to any member of the immediate family of any such persons. However, the General Manger may determine, in his/her sole discretion, to permit bids and/or sales to employees in the case of items for sale of \$500.00 or less. Any such determination shall be made subject to applicable laws, rules and regulations. Such requirements include but are not limited to the restriction that any employee who participated in or otherwise influenced the determinations involved in the sale shall not be permitted to participate in said sale.

Employees violating this policy may be subject to disciplinary action in accordance with CCCSD policies.

## **NOTIFICATIONS**

The General Manager will post all surplus property items for sale on CCCSD's website in addition to the advertising requirements in the above sections.

A CCCSD Director or other interested member of the public may ask that the CCCSD Board discuss a particular surplus property item in a public meeting prior to sale as long as that request is made in writing 72 hours prior to the scheduled sale and/or auction.

All property is Public Record and reported to Shasta County annually on Form 571-L Business Property statement. Make sure that the sale of surplus property is reported correctly to the county on this form.







5880 Oak Street, Anderson, CA 96007  
Phone: (530) 357-2121 Fax: (530) 357-3723

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## MEMO

**Date:** August 21<sup>st</sup> 2024  
**To:** Board of Directors  
**From:** General Manager Paul Kelley  
**Re:** 7 – General Manager Report

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### Report:

A quick activity report, more by the General Manager verbally at the meeting:

Starting the week of July 17th, 2024

- Staff – Changes at the District
  - The District new operators are still gaining experience, and some are to get Certified. The District has posted recruitment for experienced operators.
  - The new Distribution Supervisor started July 8<sup>th</sup>
  - The Account Clerk recruitment was successful and we have a new Clerk Starting August 26<sup>th</sup>.
- The CUSI – new customer database software is looked at to help with meter Reading
  - The new challenge is getting CUSI to port information accurately to QuickBooks.
- In Coordination with Shasta water managers the Bureau has set the Shasta tour September 20th
- Worked on the three grant projects: - (Update on this agenda)
  - Backwash ponds –
    - Concrete work is starting.
  - Emergency Electrical/SCADA – Closed out
  - ARPA This has been submitted to County for reimbursement and some reimbursements
    - Meter Registers and Endpoints to be worked with Badger and then installed
  - This Prospective grant – EPA Water Infrastructure Resiliency grant – applied for study money to accomplish a “Wildfire and Drought Resiliency Assessment”. EPA Informed we did not get it.
- Equipment for the District –
  - New Distribution Supervisor – to help with equipment needs for the District
  - With all the turnover we can delay the vac-trailer pursuit – but all still recommend moving forward – it’s a reduction in liability, and need for heavier equipment and all districts have gone this rout.
- The Audit for FY 22 – Arrived in late July and is on this agenda
  - Concern to get the Audits for Fy23 and FY24 underway.
- GM has worked on the website and updates.
- Other/More – Verbal



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## MEMO

**Date:** August 21<sup>st</sup> 2024  
**To:** Board of Directors  
**From:** Chief Plant Operator: Bill Palmaymesa & Distribution Field Supervisor: Morgan Rau  
General Manager Paul Kelley & Administrative Assistant Amity Valdez  
**Re:** 8 – Operation Report

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### Administration

There were 255 Accounts that are 90+ days delinquent totaling 76,530.49  
There were 202 Accounts that are 60-90 Days delinquent totaling \$14,372.34  
There were 435 Accounts that are 30-60 Days delinquent totaling \$36,480.90

**WTP OPERATIONS** - The WTP produced 776af of SW; Clear Creek CSD used 538AF of SW in June (448AF – M&I, 90 – Ag). 1369AF total SW for WY24/25. Well Water Production- 0 af . (Palmaymesa)

- Staff has been busy with routine maintenance, monitoring, and operation of the WTP. Staff has been working with the OIT, mainly with WTP operations. Whiskeytown Lake has experienced a algae bloom, causing short filter runs and a excessive number of backwashes. The WTP has been producing 7-8 MG/Day on average.
- The Filter to Waste Recycle (FTWR) meter was replaced. This project included replacing old 2” pipe with 4” pipe and meter. The original pipe work was 4” and was downsized to 2”for a unknown reason in 2010.
- Train #3 FTW Control Valve actuator has been replaced. This actuator was from the 1996 WTP project and was leaking oil.
- BW Pond Repair Project: The pond excavation, underdrain, french drain and overflow structure is complete. Concrete forms are being placed now and the first pour is set to take place the week of August 19<sup>th</sup>.
- Train#6 (Filter#8) remains offline, and the valves locked out. This is due to the damaged media bed, sand in the underdrain system and leaking control valves.

**Distribution Operations Report:** Distribution Supervisor: Morgan Rau

- Working with computer logistics on UMS and Beacon for a more productive upcoming meter read.
- Clear Creek has had large leaks in the last month, one involving replacement of over 20 feet of 10inch water main, including two 4inch service line repairs.
- All water samples have come back absent (clean samples).
- New traffic control equipment was ordered to assist with future road and lane closures.
- Falling back to old areas of leak repairs to do pick up and rehab for a more aesthetic finish to work areas.
- Working on meter inventory for start up on replacement of registers and end points.
- We have had one of our operators: Ben Wallace pass his Class A CDL. This will be very beneficial to the team.

- The yard clean up and organization in our maintenance yard as well as in our repair shop is still on going.
- Safety training for distribution crew has been completed and up to date.
- The Division needs experienced Operators

Note:

The District opened a recruitment for “All Distribution Operator Classifications – D2 and better preferred”

The Board asked to make sure that if we look for adding an experienced operator, we have the room in the budget. The Distribution Salary budget in FY25 was based on the cost of all positions filled at the highest step, plus overtime projections and on-call costs. And all positions at the full cost the division – knowing that the previous D3/T3 was usually ½ in each division. The FY25 budget put that cost a full cost – since position was vacant at the time of creating the budget.

Prior to posting the position, the actual cost of the current employees (in steps less than 4) – was calculated. Then adding in a D3 or D3/T3 – the cost came in less than budgeted. Also, in consideration of the impact that three operators leaving within weeks had on the District (April/May 2024)– it was felt that District should open a recruitment process.



5880 Oak Street, Anderson, CA 96007  
Phone: (530) 357-2121 Fax: (530) 357-3723

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**MEMO**

**Date:** August 21<sup>st</sup> 2024  
**To:** Board of Directors  
**From:** General Manager – Paul Kelley  
**Re:** 9 – Standing Committee Report

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**Report:** From members of the Committees listed:

**Note:**

- 9.a – Agriculture – Meeting scheduled September 4
- 9.b – Finance – Report on meeting the 14<sup>th</sup> of August
- 9.c – Planning / Steering – Meeting August 20 -