

Regular Meeting of the Board of Directors

9751 Merced Falls Road
March 15, 2021 at 1:00 p.m.

Mission Statement: *The Lake Don Pedro CSD is dedicated to providing our customers with ample quantities of high quality water meeting all standards, in a fiscally responsible manner.*

AGENDA

1. CALL TO ORDER: Presiding Officer: Establish Quorum, Pledge of Allegiance:

2. PUBLIC COMMENT:

Any person may address the Board at this time on any matter within the jurisdiction of the Board that is NOT ON THE AGENDA A maximum of three minutes is allowed each person and a maximum of 20 minutes per topic. Any person wishing to address the Board on an item ON THE AGENDA will be given the opportunity at that time. Speakers are encouraged to consult District Management or Directors prior to agenda preparation regarding any District matters, as no action will be taken on non-agenda issues.

3. PRESENTATION ONLY:

- a. Presiding Officer's Report
- b. General Manager's Report:
 - Grant / Study Updates
 - Current District Projects
 - Operations Updates
 - Administrative Updates

4. APPROVAL OF CONSENT AGENDA: The following items may all be approved in one motion or considered separately as determined appropriate by the President

- a. Read and file the Treasurer's Report for the period ending February 28, 2021 including summary of claims paid
- b. Approval of the Minutes of the Special Meeting of February 16, 2021

5. DISCUSSION AND ACTION ITEMS:

- a. Review and acceptance of the fiscal year 2020 audit presented by Blomberg & Griffin Accounting Corporation
- b. Discussion / Approval Resolution 2021-xxx regarding the Alamo Altitude Valve Estimate Received
- c. Discussion /Approval Resolution 2021 – xxx regarding the Arbolada Pump Replacement
- d. Information / Discussion LDPCSD CIP Plant Septic Upgrades
- e. Information / Discussion Update Don Pedro Sewage Treatment Plant
- f. Discussion regarding the Development of a 2021 Drought Plan

Meeting agendas and written materials supporting agenda items, if produced, can be received by the public for free in advance of the meeting by any of the following options:

- A paper copy viewed at the District office, 9751 Merced Falls Rd., La Grange, CA 95329 during business hours or mailed pursuant to a written request and payment of associated mailing fees
- An electronic copy received by email. Note - a form requesting email delivery of agendas and/or meeting materials must be completed a minimum of one week in advance of the meeting
- Viewed on the Board page of the District's website
- A limited number of copies of agenda materials will also be available at the meeting

Americans with Disabilities Act Compliance: If you require special assistance to participate in Board Meetings, please contact the LDPCSD Board Secretary at (209) 852-2251 Ext. 2. Advance notification will enable the District to make reasonable arrangements to insure accessibility

CLOSE OPEN SESSION

6. CLOSED SESSION:

- a. CLOSED SESSION - PERSONNEL MATTERS (Government Code §54957)
Public Employee Performance Evaluation, General Manager

CLOSE CLOSED SESSION / RECONVENE TO OPEN SESSION

7. ADJOURNMENT:

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Lake Don Pedro Community Services District

GENERAL MANAGER'S REPORT

March 11th, 2021

Our District continues to forge ahead performing smaller capital improvement projects and system upgrades within our approved fiscal year operating budget. The unexpected forced Intake upgrades this past Fall depleted capital funds within the District's savings. Fortunately, the District was financially prepared for this distribution failure, and we can now continue to move forward with business as usual. I am eager to find additional funding options that may assist the District with larger system upgrades in the near future.

In addition to finding me in my office, I can be reached at the following:

- District phone – (209) 984-6082
- E-mail - Patrick@ldpcsd.org

Grant/Study Updates

- **WATER RATE INCREASE** – No movement at this time. **NOTIFICATION**
- **USDA INTAKE GRANT** – The District's USDA application is in a great spot at this time. The State Engineer has confirmed that he is satisfied with the Preliminary Engineering Report and is ready for us to submit an application through Rural Development Apply. Our Environmental specialist received good news last week that the USDA is not requiring an Environmental Assessment. A much quicker, more cost effective Categorical Exclusion will be sufficient. From an environmental and engineering standpoint, we are nearing the end of the application process. **NOTIFICATION**
- **CAL OES POWER RESILIENCY** – The District recently submitted an appeal to our original denial for assistance. The appeal was denied, and it was explained that there were an unexpected amount of applications received. **NOTIFICATION**

Current District Projects

- **BARGE RENOVATION** – The Barge is COMPLETE! I am in the process of determining the most cost effective place for the Barge to be stored.
- **CIP PLANT SEPTIC UPGRADE**- Please see attached Staff Report.
- **EMERGENCY LEAK CREW** - District staff have replaced five service leaks since our last meeting. No main leaks to report.
- **DISTRICT WELLS** – Operations staff were directed to monitor all Wells weekly. Draw down, run times, and yields will be recorded moving forward in preparations of potential drought conditions this coming summer. All Wells are operational at this time. Scada upgrades have been completed at Ranchito I. We are awaiting a replacement meter for Ranchito II.
- **VALVE REPAIR/EXERCISING** - Operations staff recently identified a non-operable hydrant valve on Romero St. Staff exercised the valve multiple times and were able to make operable. A valve turning truck would be extremely useful.
- **ALAMO ALTITUDE VALVE REPLACEMENT**- Please see attached Staff Report.
- **ARBOLODA HYDRO PNEUMATIC STATION**- Please see attached Staff Report.
- **HYDRANT REPAIRS** – District staff recently replaced non-operable fire hydrant on Castillo Way. Since our last meeting operations staff have repaired an additional three hydrants.
- **TANK SITE SECURITY FENCING**- Merced Fence Company is currently digging holes for fence posts at the two remaining unfenced sites within our District. Arboloda, and Enebro. The projects are expected to be completed in the next month.

Operations

- **SYSTEM METER AUDIT** – The meter audit continues. 28 water meters were recently purchased. District staff have replaced 200, under functioning meters since we began our audit January of 2020.
- **SERVICE ORDERS** - 42 service order requests have been completed this past month within the District, along with numerous USA tickets. Requests included meter reads, meter replacements, customer leaks, and potential pressure issues.

- **SITE INSPECTIONS** - Staff performs weekly inspections on all water storage facilities and Production Wells within our District weekly. District staff are in the process of obtaining flow meter sizes, and lay lengths at all pertinent locations. District flow meters at water storage facilities are very old. To properly account for our water these need to be upgraded. We plan on upgrading all water storage meters in budget fiscal year 2021-22.
- **VEHICLES/EQUIPMENT** – All District vehicles and equipment are working properly at this time. Each operations staff member has been assigned a vehicle and piece of equipment to maintain and document monthly.
- **MONTHLY METER READS** - Staff performed 1453 monthly meter reads for billing. With the increasing number of new meter’s installed staff have been spending more time reading these manually. I am currently working with National Meter to upgrade meters that will continue to communicate with the Districts antiquated “drive by” reading system.
- **WATER SAMPLES** - Working with our water lab under the guidance of the SWRCB, District staff grab water samples on the 1st or 3rd Tuesday of each month.

Administration

- **ANNUAL AUDIT** – Bloomberg and Associates recently concluded the District’s annual audit. Please see attached Staff Report.
- **GRAND JURY** – I met with Mariposa Grand Jury on 3/10/21. A full report from GJ will be provided when complete.
- **MAR-TECH**- I recently negotiated a disputed invoice and the District received a credit of \$1325.
- **HAZARD MITIGATION PLAN**- I was recently notified that Resolution 2019-4 had not been received by county officials along with CAL OES. The signed resolution was submitted immediately.
- **ILLEGAL MARIJUANA CULTIVATION SITES**- Mariposa County officials have requested the District’s assistance in discontinuing water services to illegal grows within District boundaries. In collaboration with Sherriff Deputies the District will begin shutting off water services serving illegal grows within Mariposa County.

Sincerely,

Patrick McGowan
General Manager

Water Distribution System:

	Date (mo/dy/yr)	Plant Eff Meter Reading (ccf)	(A) Plant Eff Meter Corrected (ccf)	Central Tank Level (feet)	(B) Central Tank Volume (cu. ft.)	Enebro Tank Level (feet)	(C) Enebro Tank Volume (cu. ft.)	Alamo Tank Level (feet)	(D) Alamo Tank Volume (cu. ft.)	Coronado Tank Level (feet)	(E) Coronado Tank Volume (cu. ft.)	Lazo Tank Level (feet)	(F) Lazo Tank Volume (cu. ft.)	Aroblada Tank Level (feet)	(G) Arbolada Tank Volume (cu. ft.)	Sturtevant Tank Level (feet)	(H) Sturtevant Tank Volume (cu. ft.)	Customer Meters Total Readings (ccf)	(I) Customer Meters Corrected (ccf)
Current	02/24/21	931,831	931,831	29.40	249,749	20.80	17,876.00	6.60	25,399.00	26.50	58,463.00	18.60	10,649.00	27.20	60,008.00	25.60	56,478.00	7,596	7,596
Last:	01/28/21	920,108	920,108	24.50	208,124	20.80	17,790.00	6.10	23,475.00	23.70	52,286.00	20.70	11,851.00	27.10	59,787.00	26.80	59,125.00	8,675	8,675
Difference:			11,723	4.90	41,625.00	0.00	86.00	0.50	1,924.00	2.80	6,177.00	-2.10	-1,202.00	0.10	221.00	-1.20	-2,647.00		-1,079

Other metered and unmetered uses (J):

Item	Method Measured	Quantity (ccf)								
Fire fighting										
Other hydrant usage	20 minutes flush	26.73	(ccf)							
Main flushing Backwash	5 (90,000) gallons	801	(ccf)							
Bulk water sales				Pumped from Lake	Pumped from Wells	Total Pumped	Change in RW Storage	Used at Plant	Loss in Transmission	
Repaired leaks		250		25.83	3.09	28.92	0.00	1.38	3.82	
Water quality testing										
Tank drainage or overflow										
Other: Main Breaks	Water in mainline	901	(ccf)							
Other: Plant Instrumentation	.47 gallons a minute 24/7	24.43	(ccf)							
Other:										
Total (ccf): (G)		2003	(ccf)							
Totals for Zone:										
Flows into System (A):		11,723.00	(ccf)							
Change in Storage (B+C+D+E+F+G+H)		461.84	(ccf)							
Flows Out of Zone (I+J):		9,599	(ccf)							
Real and Apparent Treated Water Loss	CCF =	1,662.00		AC-FT=	3.82	for period:1/28/21	through	02/24/21	System Loss, %	14.2%

EXCHEQUER

MARCH 2021

MERCED IRRIGATION DISTRICT DAILY WATER TABULATION AND USE REPORT FOR THE MONTH OF MARCH

DATE	EXCHEQUER RESERVOIR FT ELEVATION	(+ or -) FT ELEVATION	EXCHEQUER RESERVOIR AF STORAGE	(+ or -) FT STORAGE AF CHANGE	AVE. PH DRAFT CFS 24 HOURS	ACRE FEET DISCHARGED 24 HOURS	AVERAGE INFLOW CFS 24 HOURS	TOTAL ACRE FT DISCHARGED YEAR TO DATE	DISCHARGE DEMAND CFS	PRECIPITATION (IN.)		DATE	TEMPERATURE F°			EXCHEQUER ACRE FEET SPILLED	EXCHEQUER ACRE FEET BYPASSED	WEATHER	AVERAGE DISCHARGE C F S	EXCHEQUER DISCHARGE ACRE FEET	LEAKAGE WEIR C F S	GROSS GENERATION K W H
										DAILY	SEASON TOTAL		HIGH	LOW	OBS							
1	742.48	-0.03	389,446	-102	307	609	270	27,744		0.00	9.41	1	70	46	51	0	50	CLEAR	332	659	BRT	210,000
2	742.47	-0.01	389,412	-34	274	544	273	28,338		0.00	9.41	2	69	49	53	0	50	CLOUDY	300	594	BRT	170,000
3	742.52	0.05	389,583	171	238	471	275	28,859		0.00	9.41	3	63	44	46	0	50	CLEAR	263	521	BRT	150,000
4	742.53	0.01	389,617	34	255	505	261	29,414		0.00	9.41	4	66	45	50	0	50	CLEAR	280	555	BRT	160,000
5	74,247.00	-0.06	389,412	-205	336	667	260	30,131		0.00	9.41	5	70	50	53	0	50	PT CLOUDY	362	717	BRT	220,000
6	742.54	0.07	389,651	239	214	425	287	30,606		0.00	9.41	6	64	43	45	0	50	CLEAR	240	475	BRT	130,000
7	742.52	-0.02	389,583	-68	322	638	314	31,294		0.00	9.41	7	65	45	48	0	50	PT CLOUDY	347	688	BRT	190,000
8	742.32	-0.20	388,896	-687	713	1,413	341	32,757		0.00	9.41	8	61	44	49	0	50	CLEAR	738	1,463	BRT	460,000
9	742.07	-0.25	388,038	-858	851	1,687	319	34,494		0.41	9.82	9	60	44	47	0	50	CLOUDY	876	1,737	BRT	520,000
10	742.02	-0.05	387,867	-171	552	1,094	329	35,638		0.22	10.04	10	51	44	45	0	50	PT CLOUDY	577	1,144	BRT	340,000
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E-mail (as attachment only): nemeth@water.ca.gov

**LAKE DON PEDRO
COMMUNITY SERVICES DISTRICT**

Treasurer's Report

Reporting Period: February 2021

The district ended the month of February 2021 with the following balances in our accounts:

* All bank accounts verified against bank statements

Restricted:		
Investment - LAIF	\$	174,692
Total Restricted:		<u>\$ 174,692</u>
Unrestricted:		
Checking	\$	52,294
Money Market - Working Capital	\$	605,588
Petty Cash	\$	<u>125</u>
Total Unrestricted:		<u>\$ 658,007</u>
 Total Restricted & Unrestricted:		 <u>\$ 832,699</u>

The district ended February 2021 with the following amounts affecting our financial status:

	Feb-2021	Year to Date
<u>Sales & Business Revenue:</u>	<u>\$ 113,747</u>	<u>\$ 1,048,416</u>
<u>Total Operating Expenses:</u>	<u>\$ (84,381)</u>	<u>\$ (900,766)</u>
<u>Non-Operating Income/Expense:</u>	<u>\$ (18,747)</u>	<u>\$ (68,318)</u>
<u>Water Drought Income/Expense:</u>	<u>\$ -</u>	<u>\$ (7,043)</u>
<u>Change in Net Assets (P&L):</u>	<u>\$ 10,619</u>	<u>\$ 72,289</u>
 <u>Net Cash Flow:</u>	 <u>\$ (185,731)</u>	 <u>\$ (277,162)</u>

Accounts Receivable:

Billing Time Frame	Utility Billing	Availability Billing	A/R Other	A/R Accrue
Current	\$ 34,069	\$ -	\$ 97	\$ 96,945
> 30 Days	\$ 9,882	\$ -	\$ -	\$ -
> 60 Days	\$ 4,528	\$ -	\$ -	\$ -
> 90 Days	\$ 2,719	\$ -	\$ -	\$ -
> 120 Days	\$ 11,321	\$ 183,360	\$ 35,241	\$ -
Credits	\$ (22,265)			
Total	\$ 40,254	\$ 183,360	\$ 35,338	\$ 96,945
Total Combined	\$ 320,559		\$ 35,338	
 G/L Balance	 \$ 320,559		 \$ 35,338	
Difference	\$ -		\$ -	

* Amount of availability payments received: \$94,456

* Amount of availability payments outstanding: \$88,904

Accounts Payables:

Payable Time Frame	A/P Trade	A/P Accruals	A/P Water Accrual
Current	\$ 146,439	\$ -	\$ 4,775
> 30 Days	\$ -	\$ -	\$ 5,555
> 60 Days	\$ -	\$ -	\$ -
> 90 Days	\$ -	\$ -	\$ -
Credits	\$ -	\$ -	\$ -
Total	\$ 146,439	\$ -	\$ 10,330
 G/L Balance	 \$ 146,439	 \$ -	 \$ 10,330
Difference	\$0	\$0	\$0

A/P Trade includes the following invoices:

- City National Bank for \$59,503.04
- Merced Irrigation District \$48,866.31

“ I certify that the District investments have been made in accordance with the Investment Policy. I further certify that the District has adequate revenue to cover its operating expenses for the next six months, in accordance with California Government Code Sections 53646 (b) (2) and (3) respectively”.

Name	Title	Date
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**Statement of Revenues and Expenses (P&L)
February 2021 & Year-To-Date Versus 6/30/21 Approved Budget**

		Feb-21	February vs Budget %	2020-2021 YTD	YTD vs Budget %	2020-2021 Budget	Remaining Budget
Revenue							
01-0-3010-301	Meter Reconnection Fee	-	#DIV/0!	100	#DIV/0!	-	(100)
01-0-3010-302	Donated Capital - Meters Curre		0.00%	70,000	77.78%	90,000	20,000
01-0-4010-400	Water Sales Residential	15,276	4.34%	257,895	73.28%	351,920	94,026
01-0-4010-402	Water Availability Revenue	15,280	7.88%	120,819	62.27%	194,023	73,204
01-0-4010-403	Water Service Charges	81,889	8.10%	652,311	64.49%	1,011,541	359,230
01-0-4020-410	Interest Income - LAIF	-	0.00%	1,278	27.99%	4,567	3,289
01-0-4020-413	Int Inc Penalties - Customer	2,365	9.88%	13,107	54.74%	23,942	10,835
01-0-4020-414	Transfer Fee Income	1,150	17.02%	6,350	93.96%	6,758	408
01-0-4020-415	Other Income	116	0.79%	7,268	49.57%	14,663	7,395
01-0-4020-416	Meter Set Fee	-	0.00%	8,000	73.52%	10,882	2,882
01-0-4020-428	USDA Grant Revenue			60,000			
01-0-4020-900	Hydrant Service Charge	72	26.28%	288	105.11%	274	(14)
01-0-4020-901	Hydrant Rental	80	12.48%	400	62.40%	641	241
01-0-4020-902	Hydrant Consumption	-	0.00%	513	25.35%	2,024	1,511
01-0-4020-999	Avail Fee Income	-	0.00%	1,741	86.00%	2,024	283
01-0-4040-100	Lease Fee	900	2.43%	19,023	51.32%	37,070	18,047
TOTAL REVENUE		117,128	6.69%	1,219,092	69.65%	1,750,329	531,237
Expenses							
01-1-5010-100	Regular Pay - Plant	13,700	7.97%	110,841	64.44%	172,000	61,159
01-1-5010-101	Overtime Pay	1,402	5.61%	19,444	77.78%	25,000	5,556
01-1-5010-102	Sick Pay	586	8.93%	4,848	73.87%	6,562	1,714
01-1-5010-104	Vacation Pay	721	8.25%	7,116	81.40%	8,742	1,626
01-1-5010-105	Holiday Pay	1,393	20.91%	7,061	106.01%	6,661	(400)
01-1-5010-200	PERS	1,268	7.52%	10,733	63.67%	16,857	6,124
01-1-5010-201	FICA/Medicare	1,316	7.86%	11,401	68.06%	16,751	5,350
01-1-5010-202	SUI	63	3.55%	1,185	66.87%	1,772	587
01-1-5010-203	Health Insurance	4,311	7.40%	37,216	63.86%	58,279	21,063
01-1-5010-204	Workers Compensation	645	7.46%	5,776	66.77%	8,651	2,875
01-1-5010-206	Dental Insurance	315	8.41%	2,522	67.30%	3,748	1,226
01-1-5010-546	Travel, Meetings & Mileage	-	0.00%	-	0.00%	250	250
01-1-5020-510	Repair & Maintenance - Plant	1,867	9.33%	12,154	60.77%	20,000	7,846
01-1-5020-511	Repair & Maintenance - Vehicle	2,263	15.08%	11,306	75.37%	15,000	3,694
01-1-5020-512	Repair & Maintenance - Distribution	2,386	5.13%	49,326	106.00%	46,534	(2,792)
01-1-5020-515	R&M Transmission - Intake	-	0.00%	1,150	23.00%	5,000	3,850
01-1-5020-517	R&M Transmission - Well #2	720	10.74%	4,763	71.07%	6,702	1,939
01-1-5020-520	Small Tools & Equipment	2,570	54.62%	7,197	152.93%	4,706	(2,491)
01-1-5020-521	Vehicle Equipment Fuel	907		10,558			
01-1-5020-522	Gas, Oil & Lubricant - Plant	497	3.76%	2,615	19.79%	13,211	10,596
01-1-5020-524	Health & Safety	468	6.12%	5,516	72.15%	7,645	2,129
01-1-5020-529	Telephone - T & D	883	8.97%	6,493	65.91%	9,852	3,359
01-1-5020-544	Water Testing Fees	650	3.78%	9,748	56.75%	17,176	7,428
01-1-5020-545	Water System Fees	-	0.00%	3,104	56.18%	5,525	2,421
01-1-5020-548	Water Testing Materials	-	0.00%	-	0.00%	1,344	1,344
01-1-5021-521	Water Treatment Chemicals	-	0.00%	29,291	66.82%	43,837	14,546
01-1-5021-524	P G & E Power - Office	161	7.04%	3,979	173.55%	2,293	(1,686)
01-1-5021-525	P G & E Power - Intake	6,283	7.14%	61,863	70.34%	87,954	26,091
01-1-5021-526	P G & E Power - Well	29	21.86%	3,609	2754.82%	131	(3,478)
01-1-5021-527	P G & E Power - Water Treatment	1,821	5.88%	21,071	68.10%	30,944	9,873
01-1-5021-528	P G & E Power - Distribution	1,921	5.62%	27,162	79.52%	34,157	6,995
01-1-5021-529	P G & E Power - Well 2	57	6.68%	1,778	209.19%	850	(928)
01-1-5021-530	P G & E Power - Medina	163	3.19%	3,651	71.57%	5,102	1,451
01-1-5021-532	P G & E Power - Well 5/6	163	3.19%	3,651	71.57%	5,102	1,451
01-1-5021-561	Purchased Water Actual-mid-p	(2,869)	-3.17%	59,108	65.39%	90,389	31,281
01-1-5023-533	Outside Services	295	6.61%	5,770	129.40%	4,459	(1,311)
01-1-5023-535	Fire Protection/Weed Control	-	0.00%	80	86.96%	92	12
01-1-5023-537	Pest Control	34	0.62%	4,638	84.82%	5,468	830
01-1-5023-538	Engineering Services	-	0.00%	5,575	27.88%	20,000	14,425
01-1-5023-539	Employee Education	-	0.00%	170	18.27%	932	762
01-1-5024-540	Memberships	459	34.00%	730	54.11%	1,350	620

		Feb-21	February vs Budget %	2020-2021 YTD	YTD vs Budget %	2020-2021 Budget	Remaining Budget
01-1-5024-542	Publications	-	0.00%	-	0.00%	709	709
01-1-5024-543	Licenses, Permits & Cert.	140	44.73%	1,355	432.91%	313	(1,042)
01-1-5032-583	Depreciation Expense	16,500	6.98%	139,639	59.03%	236,561	96,922
01-2-6010-100	Regular Pay - Administration	15,296	7.15%	128,040	59.83%	214,008	85,968
01-2-6010-101	Overtime Pay	143	8.35%	1,157	67.72%	1,708	551
01-2-6010-102	Sick Pay	300	5.84%	2,995	58.29%	5,139	2,144
01-2-6010-104	Vacation Pay	515	7.02%	4,638	63.30%	7,327	2,689
01-2-6010-105	Holiday Pay	676	14.84%	3,718	81.62%	4,555	837
01-2-6010-200	PERS	1,433	6.89%	12,113	58.25%	20,793	8,680
01-2-6010-201	FICA/Medicare	1,240	6.96%	10,791	60.61%	17,804	7,013
01-2-6010-202	SUI	43	3.08%	1,082	78.27%	1,383	301
01-2-6010-203	Health Insurance	4,582	8.32%	36,704	66.62%	55,098	18,394
01-2-6010-204	Workers Compensation	64	7.45%	510	59.63%	856	346
01-2-6010-206	Dental Insurance	319	8.39%	2,548	67.08%	3,799	1,251
01-2-6010-207	Vision Care	-	0.00%	100	43.67%	229	129
01-2-6010-546	Travel, Meetings & Mileage	-	0.00%	-	0.00%	25	25
01-2-6020-512	Propane	-	0.00%	625	90.40%	691	66
01-2-6020-515	Customer Billing Supplies	-	0.00%	1,877	81.70%	2,297	420
01-2-6020-529	Telephone - Admin	554	12.04%	4,369	94.90%	4,604	235
01-2-6020-530	Office Supplies	233	6.56%	1,589	44.74%	3,552	1,963
01-2-6020-531	Postage	488	6.20%	5,405	68.63%	7,876	2,471
01-2-6023-531	Computer IT	1,825	9.13%	14,432	72.16%	20,000	5,568
01-2-6023-532	R & M Equipment	-	0.00%	-	0.00%	4,000	4,000
01-2-6023-533	Outside Services	3,100	5.87%	18,166	34.41%	52,788	34,622
01-2-6023-535	Office Cleaning Serv	-	0.00%	1,080	64.59%	1,672	592
01-2-6023-536	Legal Services	-	0.00%	3,829	38.15%	10,036	6,208
01-2-6023-537	Audit Services	-	0.00%	-	0.00%	8,018	8,018
01-2-6023-539	Employee Education	-	0.00%	-	0.00%	617	617
01-2-6024-540	Memberships	-	0.00%	6,175	100.88%	6,121	(54)
01-2-6024-542	Publications	-	0.00%	599	59.93%	1,000	401
01-2-6024-543	Licenses, Permits & Cert.	-	0.00%	60	50.00%	120	60
01-2-6024-547	County Fees	-	#DIV/0!	-	#DIV/0!	-	-
01-2-6024-999	County Avail Fee	-	0.00%	1,752	86.21%	2,032	280
01-3-6025-100	Regular Pay	400	7.94%	3,300	65.48%	5,040	1,740
01-3-6025-201	FICA/Medicare	31	7.93%	252	65.40%	386	134
01-9-6030-546	Travel, Meetings & Mileage	-	0.00%	193	19.53%	986	793
01-9-6030-569	Credit Card Service Charges	755	9.95%	6,824	89.95%	7,587	763
01-9-6030-572	Business Insurance Expense	4,798	8.00%	50,284	83.81%	60,000	9,716
01-9-6030-576	Misc Other Expense	32	1.95%	376	23.28%	1,615	1,239
01-9-6030-577	Retired Employee Health	1,790	6.19%	16,959	58.66%	28,911	11,952
01-9-6030-580	Retired EE Benefit Expense	3,790	#DIV/0!	3,790	#DIV/0!	-	(3,790)
01-9-6031-580	Interest Long Term Debt	-	0.00%	18,091	49.97%	36,205	18,114
01-9-6032-583	Depreciation Expense	16	7.29%	139	63.29%	220	81
TOTAL EXPENSES		106,509	6.46%	1,079,760	65.53%	1,647,709	567,949
CAPITAL IMPROVEMENT PROJECTS (IN PROGRESS)							
01-9-6030-590	NBS Rate Evaluation	-	0.00%	18,234	43.41%	42,000	23,766
01-9-6030-596	USDA Intake Upgrade	-	0.00%	48,809	162.70%	30,000	(18,809)
TOTAL CIP IN PROGRESS		-	0.00%	67,043	93.12%	72,000	4,957
NEW CAPITAL PURCHASES / IMPROVEMENTS							
01-0-1090-216	Auto Meter Read/Replace	-	0.00%	-	0.00%	5,000	5,000
01-0-1090-314	Barge Renovation	19,096	127.31%	52,032	346.88%	15,000	(37,032)
01-0-1090-318	2018 SCADA Update Project	-	0.00%	-	0.00%	20,000	20,000
01-0-1090-320	Alamo, Enebro & Intake	-	0.00%	-	0.00%	30,000	30,000
TBD	Replacement Truck	-	0.00%	48,059	137.31%	35,000	(13,059)
01-0-1090-305	Ranchito Well #1	-	0.00%	-	0.00%	7,000	7,000
01-0-1090-191	Intake Pump	-	0.00%	-	0.00%	30,000	30,000
01-0-1090-219	Fence At Sites	-	0.00%	12,600	28.00%	45,000	32,400
01-0-1090-317	Water Main Replacement	-	0.00%	-	0.00%	5,000	5,000
01-0-1090-322	Flushing/Valve Program	339	1.69%	6,401	32.00%	20,000	13,599

		Feb-21	February vs Budget %	2020-2021 YTD	YTD vs Budget %	2020-2021 Budget	Remaining Budget
01-0-1090-321	Filter Tank Inspection Cleaning		0.00%	33,305	111.02%	30,000	(3,305)
TBD	Plant Septic Upgrades		0.00%		0.00%	5,000	5,000
01-0-1090-323	Intake Emergency	1,794		248,638			
TOTAL NEW CAPITAL PURCHASES/IMPROVEMENTS		21,229	8.59%	401,034	162.36%	247,000	(154,034)

LDPCSD Financials**Asset :**

Cash and investments
 Restricted cash
 Accts Receivable net of res
 Water Drought Receivable
 Inventory
 Prpd expense & deposits
 Deferred Outflow of Resources - OPEB
 Deferred Outflow of Resources - Pension

**Statement of Net Assets (Balance Sheet)
 for the month ending February 2021**

\$ 832,699
 \$ -
 \$ 200,107
 \$ -
 \$ 69,931
 \$ 34,785
 \$ 66,944
 \$ 122,875
Total current assets \$ 1,327,341

Property, plant & equipment
 less depreciation
 C I P

\$ 12,723,059
 \$ (7,594,372)
 \$ 933,748
Net P P & E \$ 6,062,435

Other L T Assets

Total Assets \$ 7,389,776

Liabilites:

Accounts payable
 Interest payable
 Water Accrual
 Accrued Payroll
 A/P Accrued Payables
 L T debt, current

\$ 146,439
 \$ -
 \$ 10,330
 \$ 77,363
 \$ 2,682
 \$ 92,069
Total current liab \$ 328,883

L T debt

Post Retirement Benefit
 Net Pension Liability
 Deferred Inflow of Resources - OPEB
 Deferred Inflow of Resources - Pension
 Muni Loan
 less current above

\$ 1,329,681
 \$ 255,918
 \$ 38,713
 \$ 49,481
 \$ 566,920
 \$ (92,069)

Total Liabilites \$ 2,477,527

Net assets

\$ 4,912,249

Total liab & net ass't \$ 7,389,776

<u>Check Number</u>	<u>Vendor No</u>	<u>Vendor Name</u>	<u>Check Date</u>	<u>Check Amount</u>
24485	000076	USPS	02/02/2021	476.52
24887	000092	HOWK SYSTEMS	02/02/2021	142,067.00
24888	00052541	RAIN FOR RENT	02/02/2021	4,045.67
24889	000196	AQUA SIERRA CONTROLS, INC	02/02/2021	1,675.00
24890	00740827	FERGUSON WATERWORKS	02/02/2021	4.20
24891	00016603	NATES TREE SERVICE	02/02/2021	3,200.00
24892	000136	AT&T	02/02/2021	779.43
24893	660108	VERIZON WIRELESS	02/02/2021	259.44
24894	0003150	MITCHELL RUGANI	02/02/2021	300.00
24895	000550	LUIS'S HOUSEKEEPING / YARDS	02/02/2021	140.00
24896	000583	COPY KING	02/02/2021	1,876.55
24897	000065	KKI CORPORATION	02/02/2021	336.70
24898	00071	Mother Lode Answering Service	02/02/2021	377.00
24899	000110	SDRMA Wrk Comp/QTR	02/02/2021	615.31
24900	000118	D & D PEST CONTROL *	02/02/2021	34.00
24901	24901	NBS	02/02/2021	5,323.75
24902	0000605	Black Water Consulting Engineers Inc	02/02/2021	27,775.88
24903	000425	MARTECH *	02/02/2021	890.61
24904	000383	BUSINESS CARD	02/02/2021	969.75
24905	000383	BUSINESS CARD	02/02/2021	40.20
24906	000383	BUSINESS CARD	02/02/2021	34.03
24907	000383	BUSINESS CARD	02/02/2021	27.95
24908	000383	BUSINESS CARD	02/02/2021	1,020.52
24909	000383	BUSINESS CARD	02/02/2021	33.39
24910	UB*10768	STEELL TOOL & DIE, LLC	02/02/2021	254.04
24911	UB*10769	WOODY MERCER	02/02/2021	63.66
24912	UB*10770	JEFFERY JONES	02/02/2021	272.80
24913	UB*10771	KIMBERLY FARRIS	02/02/2021	112.70
24914	0002487	GREG COX TRUCKING	02/08/2021	504.28
24915	000203	GRISWOLD, LaSALLE, COBB, DOWD	02/08/2021	286.00
24916	000065	KKI CORPORATION	02/08/2021	33.75
24917	000585	MO CAL OFFICE SOLUTIONS	02/08/2021	181.65
24918	000105	PACIFIC GAS & ELECTRIC	02/08/2021	10,294.03
24919	000092	HOWK SYSTEMS	02/08/2021	21,359.66
24920	000012	AQUA LAB	02/16/2021	650.00
24921	702	Warmerdam CPA Group	02/16/2021	2,500.00
24922	000092	HOWK SYSTEMS	02/16/2021	720.00
24923	00018430	Pine Alley Saw Shop	02/16/2021	1,126.07
24924	00740827	FERGUSON WATERWORKS	02/16/2021	9.21
24925	00071	Mother Lode Answering Service	02/16/2021	397.54
24926	000165	ACWA/JPIA	02/16/2021	10,683.26
24927	000118	D & D PEST CONTROL *	02/23/2021	34.00
24928	00008	SENTRY ALARM SYTEMS	02/23/2021	468.00
24929	000567	GENERAL AIR COMPRESSORS NORTH	02/23/2021	1,160.62
24930	000105	PACIFIC GAS & ELECTRIC	02/23/2021	325.62
24931	000105	PACIFIC GAS & ELECTRIC	02/23/2021	56.79
24932	0007349	Recology Mariposa	02/23/2021	294.69
24933	0001181	AG TOWING & TRANSPORT	02/23/2021	300.00
24934	00740827	FERGUSON WATERWORKS	02/23/2021	1,682.86
24935	000383	BUSINESS CARD	02/23/2021	781.84
24936	000383	BUSINESS CARD	02/23/2021	233.95
24937	000383	BUSINESS CARD	02/23/2021	8.95
24938	000383	BUSINESS CARD	02/23/2021	955.18
24939	0006293	WEX Bank	02/23/2021	906.87

Report Total: 248,960.92

Special Meeting Minutes of the Board of Directors

9751 Merced Falls Road

February 16, 2021 at 1:00 p.m.

1. **CALL TO ORDER:** Presiding Officer: Establish Quorum, Pledge of Allegiance:
The Board of Directors of the Lake Don Pedro Community Services District held a regular meeting at 9751 Merced Falls Rd., La Grange, CA 95329.
President Hankemeier called the meeting to order at 1:00 p.m.
Directors present: Hankemeier, Ross, Warren, and Sperry
Directors absent: Johnson.
Also present: GM P. McGowan
Also present: Board Secretary: S. Marchesiello
2. **PUBLIC COMMENT:**
The Board of Directors received one public comment
3. **PRESENTATION ONLY:**
 - a. Presiding Officer's Report
None presented at this time
 - b. General Manager's Report:
 - Grant / Study Updates
 - Current District Projects
 - Operations Updates
 - Administrative Updates*Presented by GM P. McGowan*
4. **APPROVAL OF CONSENT AGENDA:** The following items may all be approved in one motion or considered separately as determined appropriate by the President
 - a. Read and file the Treasurer's Report for the period ending January 31, 2021 including summary of claims paid
 - b. Approval of the Minutes of the Special Meeting of January 19, 2021

Motion: To approve the consent calendar with corrections
Votes: Carried 4-0
First: Ross Second: Warren
Ayes: Ross, Warren, Hankemeier, and Sperry
Absent: Johnson
5. **DISCUSSION AND ACTION ITEMS:**
 - a. Approval / Discussion regarding CSDA Board of Directors Call for Nominations Seat A

Motion: To approve the GM P. McGowan to apply for the position of board of directors for CSDA
Votes: Carried 4-0
First: Ross Second: Warren
Ayes: Ross, Warren, Hankemeier, and Sperry
Absent: Johnson

- b. Information / Discussion regarding Proposition 218 Staff Report Update
Information item - No action taken
- c. Information / Discussion regarding CIP (Capital Facility Project) Barge Renovation Update
Information item - No action taken
- d. Information / Discussion regarding Workflow Management Update
Information item - No action taken
- e. Information / Discussion regarding the Water Storage Tanks Inspection Report
Information item - No action taken

6. ADJOURNMENT: 2:19 p.m.

Respectfully submitted by,

S. Marchesiello
Board Secretary



Lake Don Pedro Community Services District

STAFF REPORT

To: Board of Directors

From: Patrick McGowan

Date: March 11th, 2021

Subject: Review and acceptance of the fiscal year 2020 audit presented by Blomberg & Griffin Accounting Corporation.

Description - The District is required by law to hire a qualified Certified Public Accountant to conduct an audit of its financial statements annually. The purpose of the audit is to inform the Board as to whether the financial statements prepared by District management are properly prepared, in compliance with laws and accounting standards. The Board of Directors approved Blomberg & Griffin Accounting Corporation to perform the audit. Board Secretary/Office Manager Syndie Marchesiello did such a thorough and accurate job in preparing the financial information, in conjunction with our contract financial firm Warmerdam, that this audit firm had zero requests for additional information. Thanks to Syndie for her continued efforts in keeping the District financial affairs in order. Contained herein is the draft audited financial statements for your review. Also included in the documentation is a draft Management Discussion and Analysis; which is attached and part of the audit and intended to be a snapshot view of the good work the District is doing financially; in providing its services. If there were any weaknesses in the District's financial policies or practices, the audit is designed to identify and make recommendations for their remedy. The audit reveals that no material weaknesses were found in the District practices. The audit further reveals that the financial position of the District is increasing positively, in increased assets and investments. This does not mean that the District infrastructure and services are optimally healthy, but does indicate that expenditures are continually within budget, and budgets have in recent history covered the desired level of operation. The audit does not contain recommendations for improvement, nor are there and findings stating that policies or procedures are inconsistent with standards. Basically, we have a clean audit and it is recommended that the Board accept the audit as presented.

Recommendation - I move to accept the annual audit as presented by Blomberg & Griffin Accounting Corporation.

**LAKE DON PEDRO
COMMUNITY SERVICES DISTRICT
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020**

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

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**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2020

This section of the annual financial report of the Lake Don Pedro Community Services District (District) presents the discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2020. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the District's financial statements, including the notes and the supplementary information that immediately follow this section.

FINANCIAL HIGHLIGHTS

The following summarizes the District's financial highlights for the year ended June 30, 2020.

- Total assets of the District were \$7,579,173 in 2020 and \$7,273,155 in 2019, an increase of \$306,018.
- Total liabilities decreased by \$238,759 during the same period.
- Operating revenues increased by \$60,364 during the same period.
- Operating expenses increased by \$140,772.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of the following basic parts: management's discussion and analysis (this section) of the basic financial statements.

The basic financial statements contained in this report are presented using Governmental Accounting Standard's Board (GASB) accounting principles. These statements provide overall information about The District's financial activities on both a short-term and long-term basis. The statement of net position presents information about its assets (resources) and liabilities (the amount obligated to its creditors). The statements of revenues, expenses, and changes in net position present information about the current year revenues and expenses. The statement also provides useful information for determining whether the District's service revenue and other revenue sources were sufficient to allow the District to recover all of its costs. The final financial statement in this report is the statement of cash flows, which provides information about The District's cash from operations, investing, and financing activities. In addition, this statement provides useful information to answer questions such as where cash came from, what cash was used for, and what was the change in cash balance during the reporting period.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2020

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

FUND FINANCIAL STATEMENTS

Proprietary fund - All of the District's expenses incurred for the provision of Water Services are reported to a proprietary fund, which focuses on measuring the total costs of the service, including depreciation, and primarily recovering those costs through user charges or other revenue sources. This fund is reported using the accrual basis of accounting, which recognizes revenue were earned and expenses when incurred.

NET POSITION

As of June 30, 2020, the District had net position totaling \$4,934,226. Below is a table showing the District's net position at year end with comparative numbers for 2020 and 2019.

TABLE 1: NET POSITION

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Change</u>	<u>% Change</u>
Assets				
Cash and Investments	\$ 1,109,861	\$ 937,003	\$ 172,858	18.45%
Other Assets	436,189	493,532	(57,343)	-11.62%
Capital Assets-Net	<u>6,033,123</u>	<u>5,842,620</u>	<u>190,503</u>	<u>3.26%</u>
 Total Assets	 <u>7,579,173</u>	 <u>7,273,155</u>	 <u>306,018</u>	 <u>4.21%</u>
Liabilities				
Loan Payable	654,595	738,086	(83,491)	-11.31%
Other Liabilities	<u>1,990,352</u>	<u>2,145,620</u>	<u>(155,268)</u>	<u>-7.24%</u>
 Total Liabilities	 <u>2,644,947</u>	 <u>2,883,706</u>	 <u>(238,759)</u>	 <u>-8.28%</u>
Net Position				
Invested in Capital Assets, Net of Related Debt	5,378,528	5,104,534	273,994	5.37%
Unrestricted (Deficit)	<u>(444,302)</u>	<u>(715,085)</u>	<u>270,783</u>	<u>-37.87%</u>
 Total Net Position	 <u>\$ 4,934,226</u>	 <u>\$ 4,389,449</u>	 <u>\$ 544,777</u>	 <u>12.41%</u>

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2020

NET POSITION (Continued):

The District has invested 109% of its total net position in capital assets, which total \$5,378,528, net of related debt.

After stabilizing the District's financial position, we have returned to policy specifications where the LAIF account cannot be accessed without Board approval.

GOVERNMENTAL ACTIVITIES

For the fiscal year 2019-2020, the District's total revenues exceeded expenses by \$544,777. Total revenues for the year were \$2,235,037. Of this, \$1,557,635 was received from operating revenues, \$3,987 from investment earnings, \$126,054 from miscellaneous sources and \$547,361 from various grants. Prior year's total revenue was \$2,225,811.

Expenses totaled \$1,690,260 attributable to water service. Prior year's expenses were \$1,553,535.

CAPITAL ASSETS

During fiscal year 2020, the District purchased a net amount of \$414,393 in capital assets with District and grant funds. The majority of capital asset additions were service lines and related costs.

TABLE 2: CAPITAL ASSETS

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>\$ Change</u>	<u>% Change</u>
Capital Assets				
Land	\$ 157,325	\$ 157,325	\$ -	0.00%
Plant and Structures	11,365,004	11,123,684	241,320	2.17%
Equipment and Vehicles	1,420,950	1,393,992	26,958	1.93%
Construction in Progress	544,438	398,323	146,115	36.68%
Less: Accumulated Depreciation	<u>(7,454,594)</u>	<u>(7,230,704)</u>	<u>(223,890)</u>	<u>3.10%</u>
Total Capital Assets -Net	<u>\$ 6,033,123</u>	<u>\$ 5,842,620</u>	<u>\$ 190,503</u>	<u>3.26%</u>

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2020

LONG-TERM DEBT

The Water District also had a loan with Municipal Finance Corporation for the Treatment Plant Upgrades with a balance of \$654,595. Payments of principal for 2020 and 2019 totaled \$79,507 and \$75,713, respectively. Interest expense for the fiscal years 2020 and 2019 totaled \$34,308 and \$38,355, respectively.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances of those funds maintained by the District and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Lake Don Pedro Community Service District at 9751 Merced Falls Road, La Grange, CA 95329.



Blomberg & Griffin Accountancy Corporation
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Lake Don Pedro Community Services District
La Grange, California

We have audited the accompanying financial statements of governmental activities of Lake Don Pedro Community Services District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. The prior year summarized comparative information has been derived from the District's 2019 financial statements which we audited and expressed an unqualified opinion.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *State Controller's Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

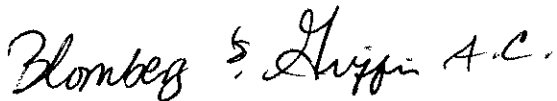
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Lake Don Pedro Community Services District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of required supplementary information on pages 1 through 4 and page 26, respectively, be presented to supplement the basic financial statements. Such information, 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.



Blomberg & Griffin A.C.
Stockton, California
December 17, 2020

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT

Statement of Net Position - Proprietary Funds

June 30, 2020 and 2019

	Business-Type Activities	
	Enterprise Fund	
	2020	2019
Assets		
Cash And Invesments	\$ 1,109,861	\$ 937,003
Accounts Receivable	171,165	166,123
Prepaid Expense	582	67,658
Inventory	69,932	69,932
Land	157,325	157,325
Construction In Progress	544,438	398,323
Fixed Assets	12,785,954	12,517,676
Accumulated Depreciation	(7,454,594)	(7,230,704)
Deferred Outflows of Resources- OPEB (Note-4)	66,944	66,944
Deferred Outflows of Resources- Pension (Note-6)	127,566	122,875
	<hr/>	<hr/>
Total Assets	7,579,173	7,273,155
	<hr/>	<hr/>
Liabilities		
Current Liabilities:		
Accounts Payable	75,382	362,585
Interest Payable	9,450	10,657
Accrued Payroll	17,675	14,134
Loan Payable - current	87,676	83,491
Total Current Liabilities	<hr/> 190,183	<hr/> 470,867
	<hr/>	<hr/>
Non-current Liabilities:		
Compensated Absences	54,957	46,466
Net OPEB Liability (Note-4)	1,376,220	1,329,681
Net Pension Liability (Note-5)	365,609	293,903
Loans Payable - noncurrent	566,919	654,595
Deferred Inflows of Resources- OPEB (Note-4)	38,713	38,713
Deferred Inflows of Resources- Pension (Note-6)	52,346	49,481
Total Non-current Liabilities	<hr/> 2,454,764	<hr/> 2,412,839
	<hr/>	<hr/>
Total Liabilities	2,644,947	2,883,706
	<hr/>	<hr/>
Net Position		
Invested In Capital Assets -		
Net of Related Debt	5,466,204	5,188,025
Unrestricted (Deficit)	<hr/> (531,978)	<hr/> (798,576)
	<hr/>	<hr/>
Total Net Position	\$ 4,934,226	\$ 4,389,449
	<hr/>	<hr/>

See accompanying notes to basic financial statements.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
Statement of Activities and Changes in Net Position - Proprietary Funds
For the Years Ended June 30, 2020 and 2019

	Business-Type Activities	
	Enterprise Fund	
	2020	2019
Operating Revenues		
Water Sales And Assessments	\$ 1,504,820	\$ 1,451,036
Transfer Connection and Meter Fees	31,878	18,945
Interest and Penalties On Delinquent Accounts	20,937	27,290
Total Operating Revenues	1,557,635	1,497,271
Operating Expenses		
Salaries And Benefits - Plant	264,296	221,925
Salaries And Benefits - Administrative	292,261	186,937
Post Retirement Benefit	195,973	111,673
Supplies And Services - Plant	480,997	508,271
Supplies And Services - Administrative	198,536	242,184
Depreciation	223,889	244,190
Total Operating Expenses	1,655,952	1,515,180
Operating Income (Loss)	(98,317)	(17,909)
Nonoperating Revenues (Expenses)		
Grant Income (Drought Emergency)	547,361	667,064
Investment Earnings	3,987	3,758
Miscellaneous	126,054	57,718
Interest Expense	(34,308)	(38,355)
Total Nonoperating Revenues (Expenses)	643,094	690,185
Change In Net Position	544,777	672,276
Total Net Position - Beginning of Year	4,389,449	3,717,173
Total Net Position - End of Year	\$ 4,934,226	\$ 4,389,449

See accompanying notes to basic financial statements.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
Statement of Cash Flows - Proprietary Funds
For the Years Ended June 30, 2020 and 2019

	Business-Type Activities	
	Enterprise Fund	
	2020	2019
Cash Flows From Operating Activities		
Receipts From Customers	\$ 1,552,593	\$ 1,487,379
Payments To Suppliers	(904,351)	(517,185)
Payments To Employees	(619,388)	(407,638)
Net Cash Provided By (Used In) - Operating Revenues	<u>28,854</u>	<u>562,556</u>
Cash Flows From Non- Capital Financing Activities		
Miscellaneous Income	126,054	57,718
Net Cash Provided by (Used In) Non-Capital - Financing Activities	<u>126,054</u>	<u>57,718</u>
Cash Flows From Capital And Related - Financing Activities		
Grants Income	547,361	667,064
Capital Asset	(231,945)	(1,116,736)
Construction In Progress	(182,448)	(82,399)
Principal Payments On Long Term Debt	(83,491)	(79,507)
Interest Paid	(35,515)	(39,499)
Net Cash Provided by (Used In) Capital - And Related Financing Activities	<u>13,962</u>	<u>(651,077)</u>
Cash Flows From Investing Activities		
Interest Received	3,987	3,758
Net Cash Provided by (Used In) Investing Activities	<u>3,987</u>	<u>3,758</u>
Net Increase (Decrease) In Cash	172,857	(27,045)
Cash and Investments - Beginning	937,003	964,048
Cash and Investments - Ending	<u>\$ 1,109,860</u>	<u>\$ 937,003</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities		
Operating Income (Loss)	\$ (98,317)	\$ (17,909)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation	223,889	244,190
Change in Assets and Liabilities		
Accounts Receivable	(5,042)	(9,892)
Prepaid Expenses and Other Current Assets	62,385	(18,820)
Accounts Payable	(287,203)	252,090
Accrued Expenses and other liabilities	12,032	8,094
Retirement Obligations	121,110	104,803
Net Cash Provided by (used for) Operating Activities	<u>\$ 28,854</u>	<u>\$ 562,556</u>

See accompanying notes to basic financial statements.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Lake Don Pedro Community Services District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*. Certain of the significant changes in the statement include the following:

The financial statements include:

- A Management’s Discussion and Analysis (MD&A) section providing an analysis of the District’s overall financial position and results of operations.
- Financial statements prepared using the full accrual accounting for all of the District’s activities, including infrastructure.
- A change in the financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

The more significant of the Districts accounting policies are described below:

A. Financial Reporting Entity

The Lake Don Pedro Community Services District was incorporated in August 1980. The District was formed to supply the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation.

The District operates under a Board of Directors form of government. The Board of Directors consists of five members elected at large for overlapping four-year terms. The district appoints legal counsel.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The proprietary fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows: The District reports the following major proprietary funds:

The **Water Fund** accounts for the activities of the District's water service.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Assets, Liabilities, Net Position or Equity

1. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the District. The District follows the practice of pooling the cash from all funds for investment purposes.

California State statute authorizes the District to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. Investments are stated at fair value.

2. Receivables and Payables

Billings for water services are sent monthly and are reflected on the accrual basis of accounting. Delinquent accounts are submitted to the Counties of Mariposa and Tuolumne and are attached to the County tax rolls.

3. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items.

4. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

5. Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost of \$2,500 for equipment and \$25,000 for buildings and infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is recorded in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service life using the straight-line method.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Compensated Absences

District employees earn vacation leave, and compensation time. It may be either taken or accumulated with prior approval of the general manager. Vacation is paid upon termination or retirement. Vacation and sick leave may be accumulated without limitation. Sick leave is not paid if an employee quits or is terminated, however, a 100% credit is allowed for eligible employee for longevity of service on retirement. In accordance with generally accepted accounting principles, an accrual for compensated absences is reflected in the accompanying general-purpose financial statements.

7. Long-term Debt

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds

8. Net Position & Fund Equity

In proprietary fund financial statements, net position is reported in three categories: net position invested in capital assets, net of related debt; restricted net position and unrestricted net position. Restricted net position represents net position restricted by parties outside the District (such as creditors, grantors, contributors, laws and regulations of other governments).

All other net position is considered unrestricted.

Proprietary funds contributed capital represents equity acquired through capital grants and capital contributions from developers, customers, or other funds.

9. Use of Estimates

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

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

Prior to June 30th, the proposed budget is presented to the Board of Directors for review. The Board of Directors holds public hearings and may add to, subtract from or change appropriations.

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Cash and Investments

Cash and investments as of June 30, 2020 and 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position

	2020	2019
Cash and Investments	\$ 1,109,861	\$ 937,003

Cash and investments as of June 30, 2020 and 2019 consist of the following:

Cash on Hand	\$ 125	\$ 125
Deposits with Financial Institutions	936,322	767,451
Local Agency Investment Fund	173,414	169,427
Total Cash and Investments	\$ 1,109,861	\$ 937,003

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS
(Continued)

Investments Authorized by the District's Investment Policy

The District's investment policy authorizes investment in the local government investment pool administered by the State of California (LAIF). The District's investment policy also authorizes cash to be invested in Certificates of Deposits, Bankers Acceptances, and Passbook Savings Demand Deposits. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of year-end, the weighted average maturity of the investments contained in the LAIF investment pool is approximately 6.36 months.

		Maturity Date
State Investment Pool	<u>\$ 173,414</u>	6.36 months average maturity
Total	<u><u>\$ 173,414</u></u>	

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS
(Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the District's contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool 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.

At June 30, 2020, the District's deposits with financial institutions were covered by Federal Depository Insurance Corporation (FDIC) or the multiple financial institution collateral pool that insures public deposits. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS
(Continued)**

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis with funds generally available next business day.

Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The District deposits deferred compensation plan assets with the California Public Employees Retirement System (PERS). Federal legislation requires that the assets of such plans be held in trust for the exclusive benefit of the plan participants and their beneficiaries. PERS act as the trustees for the plan assets and the District is considered to have limited fiduciary responsibility for the plan assets. As such, the District does not report the deferred compensation plan assets on its financial statements.

B. Accounts Receivable

Receivables on June 30, 2020 and 2019 for the District's water services are sent monthly and are reflected on the accrual basis of accounting. Delinquent accounts are submitted to the Counties of Mariposa and Tuolumne and are attached to the County tax role. All receivables are expected to be collected within one year.

	Water	
	2020	2019
Business-Type Activities		
Utility Billings	\$ 164,515	\$ 166,123
Total	\$ 164,515	\$ 166,123

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS
(Continued)**

C. Payables and Other Liabilities

Payables on June 30, 2020 and 2019 for the District's individual major funds in the aggregate are as follows:

	<u>2020</u>	<u>2019</u>
Business-Type Activity		
Vendors	\$ 75,382	\$ 362,585
Salaries and Benefits	17,675	14,134
Accrued Compensated Absences	54,975	46,466
Interest Payable	9,450	10,657
	<u> </u>	<u> </u>
Total	<u>\$ 157,482</u>	<u>\$ 433,842</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Balance 2019</u>	<u>Increase</u>	<u>Adjustments</u>	<u>Balance 2020</u>
Business-Type Activities				
Capital Assets not Being Depreciated:				
Land	\$ 157,325	\$ -	\$ -	\$ 157,325
Construction in Progress	398,323	182,448	(36,333)	544,438
Total Capital Assets not Depreciated	<u>555,648</u>	<u>182,448</u>	<u>(36,333)</u>	<u>701,763</u>
Capital Assets Depreciated:				
Plant	10,685,165	231,945	36,333	10,953,443
Equipment	1,299,938	-	-	1,299,938
Structure	438,519	-	-	438,519
Vehicles	94,054	-	-	94,054
Total Capital Assets Depreciated	<u>12,517,676</u>	<u>231,945</u>	<u>36,333</u>	<u>12,785,954</u>
Less Accumulated Depreciation	<u>(7,230,704)</u>	<u>(223,890)</u>	<u>-</u>	<u>(7,454,594)</u>
Net Capital Assets Depreciated	<u>5,286,972</u>	<u>8,055</u>	<u>36,333</u>	<u>5,331,360</u>
Total Net Capital Assets - Business-Type Activities	<u>\$ 5,842,620</u>	<u>\$ 190,503</u>	<u>\$ -</u>	<u>\$ 6,033,123</u>

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS
(Continued)**

D. Capital Assets (continued)

Depreciation was charged to functions/programs of the primary government as follows:

Business-Type Activity	Water	
	<u>2020</u>	<u>2019</u>
Depreciation Expense	<u>\$ 223,889</u>	<u>\$ 244,190</u>
Total	<u><u>\$ 223,889</u></u>	<u><u>\$ 244,190</u></u>

E. Long-Term Debt

The District secured financing with board approval on July 17, 2006 in the amount of \$1,500,000 for the improvements for the water treatment plant. Repayment will be made to the Municipal Finance Corporation in semi-annual payments of \$59,503 including interest at 4.95% through 2026. Note is secured by all net revenues.

The annual debt service requirements of the Notes payable are as follows:

<u>Year Ending June 30,</u>	Muni	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 87,676	\$ 31,330
2022	92,069	26,937
2023	96,683	22,323
2024-2027	<u>378,167</u>	<u>452,527</u>
Total	<u><u>\$ 654,595</u></u>	<u><u>\$ 533,117</u></u>

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 3 - DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS
(Continued)**

E. Long-Term Debt (Continued)

The following is a summary of changes in the District's long-term debt and other long-term liabilities during the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-Type Activities					
Loans Payable	\$ 738,086	\$ -	\$ (83,491)	\$ 654,595	\$ 87,676
Compensated Absences	46,466	8,491	-	54,957	5,496
Total Long-Term Liabilities	<u>\$ 784,552</u>	<u>\$ 8,491</u>	<u>\$ (83,491)</u>	<u>\$ 709,552</u>	<u>\$ 93,172</u>

NOTE 4 - OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss to torts; theft of, damage of, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District joined together with other Special District's for insurance coverage under Special District Risk Management Authority (SDRMA). The District pays an annual premium to SDRMA for its general insurance coverage.

The District continues to carry commercial insurance for all other risks of loss, including workers' compensation, and employee health and accident insurance.

B. Commitments and Contingencies

The District has received various grants subject to audit by the grantor agencies. Any liability for reimbursement that may arise as a result is believed to be immaterial by management.

C. Post-Employment Benefits

The District implemented GASB Statement No. 75, *Financial Reporting for Postemployment Benefit Plans (OPEB) other than Pension Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension Plans* in FYE 2020. The District provides certain health care benefits which are recognized as an expenditure of health care premiums paid.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 - OTHER INFORMATION (Continued)

Significant Actuarial Assumptions Used for Total OPEB Liability:

Actuarial Assumption	June 30, 2018 Measurement Date
Actuarial Valuation Date	30-Jun-18
Contribution Policy	No pre-funding
Discount Rate	3.87% at June 30, 2018, and 3.50% at June 30, 2019 (Bond Buyer 20-bond Index)
General Inflation	2.75% annually
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-17
Salary Increases	Aggregate - 3% Annually. Merit - Tables from CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.5% fro 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years. Medicare - 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years.
Medical Participation at Retirement	100%
Medical Plan at Retirement	Currently covered - Same as current election Currently waived - n/a

Sensitivity of the Net OPEB Liability to changes in the Trend rate – The following presents the District’s Net OPEB Liability if it were calculate using a trend table that is 1% point lower or 1% point higher than the current rate:

Net estimated OPEB Liability as of June 30, 2020 measurement date: \$1,376,220.

Sensitivity of Total estimated OPEB Liability: Changes in the Discount Rate

	<u>1% Decrease (2.50%)</u>	<u>Current Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 1,589,375	\$ 1,376,220	\$ 1,126,562
<u>Changes in the Healthcare Trend Rate</u>			
	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,081,598	\$ 1,376,220	\$ 1,668,876

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4 - OTHER INFORMATION (Continued)

Schedule of estimated OPEB Expenses for Fiscal Year Ended June 30, 2020:

Changes in Total OPEB Liability	
Balances at 6/30/2019	\$ 1,329,681
Changes for the year	
Service Cost	-
Interest	46,539
Benefit changes	-
Assumption changes	-
Benefit payments	-
	46,539
Net Changes	46,539
Balance at 6/30/2020	\$ 1,376,220

Deferred Inflows/Outflows of Resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	66,944	38,713
Employer Contribution Made Subsequent to Measurement Date	-	-
	66,944	38,713
Total	\$ 66,944	\$ 38,713

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

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2021	\$ 3,759
2022	3,759
2023	5,798
2024	11,156
2025	3,759
Thereafter	-
	\$ 28,231

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

**NOTE 5 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT
PENSION PLAN)**

DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan

The District provides eligible employee's pension plans benefits through the Lake Don Pedro Community Services District – Miscellaneous Plan (The Plan).

Plan Description, Benefits Provided and Employees Covered

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees; Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2019 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2019 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS' website under Forms and Publications.

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and contribution rate of employees. For the measurement period ended June 30, 2019 (the measurement date), the active employee contribution rate is 6.915 percent of annual pay, and the average employer's contribution rate is 8.668 percent of annual payroll. Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2020**

NOTE 5 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. Both the June 30, 2018 total pension liability and the June 30, 2019 total pension liability were based on the following actuarial methods and assumptions.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.75% 2018, 2.50% 2019, 2.50% 2020
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Delivered using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely results in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

The following presents the net pension liability/(assets) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Net Pension Liability	\$610,283	\$365,609	\$163,648

PENSION EXPENSE AND DEFERRED OUTFLOWS AND DEFERRED INFLOWS

For the fiscal years ended June 30, 2020 and 2019, pension expense recognized is as follows:

	2020	2019
Service Cost	\$ 38,265	\$ 32,287
Interest on Total Pension Liability	110,698	90,238
Changes of Benefits Terms	117	53
Recognize Changes of Assumptions	18,359	11,907
Recognize difference between Expected and Actual Experience	8,228	2,305
Net Plan to Plan Resource Movement	(2,579)	(9,323)
Employee Contributions	(16,860)	(14,025)
Projected Earnings on Pension Plan Investment	(85,489)	(68,388)
Recognize difference between Project and Actual Earnings on Plan Investment	14,551	(2,932)
Administrative Expenses	863	1,472
Other Miscellaneous Income	(3)	2,796
Pension Expense	\$ 86,150	\$ 46,390

**LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 - DISTRICT EMPLOYEES RETIREMENT PLAN (DEFINED BENEFIT PENSION PLAN) (Continued)

DEFINED BENEFITS PENSION PLANS – Miscellaneous Plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 17,434	\$ 6,180
Difference between Expected and Actual Experience	25,393	1,967
Difference between Projected and and Actual Investment	-	6,393
Difference between Employer's Contribution and Proportionate Share of Contribution	-	37,806
Changes in Employer's Proportion	54,002	-
Pension Contribution Made Subsequent to Measurement Date	30,737	-
Total	\$ 127,566	\$ 52,346

Amounts reported as deferred outflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 46,459
2022	9,283
2023	13,795
2024	5,683
2025	-
Thereafter	-

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 08, 2021, the date which the financial statements were available to be issued.

LAKE DON PEDRO COMMUNITY SERVICES DISTRICT
Schedule of Required Supplementary Information- Pension Plan
For the Years Ended June 30,

Schedule of the Plan's Proportionate Share of the Net Pension Liability

	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	0.00913%	0.00228%	0.00313%	0.00563%	0.001%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 365,609	\$ 293,903	\$ 310,692	\$ 195,610	\$ 131,415
Plan's Covered-Employee Payroll	\$ 187,310	\$ 174,303	\$ 191,364	\$ 165,150	\$ 77,723
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	162.36%	162.36%	162.36%	84.43%	55.03%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.43%	81.91%	73.31%	84.80%	88.70%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ -	\$ -	\$ -	\$ -	\$ -

Schedule of Plan Contributions

	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 30,373	\$ 29,653	\$ 23,815	\$ 21,388	\$ 18,621
Contributions in Relation to the Actuarially Determined Contribution	(30,373)	(29,653)	(23,815)	(21,388)	(18,621)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 174,478	\$ 174,478	\$ 174,478	\$ 165,150	\$ 72,723
Contributions as a Percentage of Covered-Employee Payroll	17.41%	17.00%	13.65%	12.95%	25.61%

Notes to Schedule

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2018 as they have minimal cost impact.

Change in Assumptions: None



Lake Don Pedro Community Services District

STAFF REPORT

To: Board of Directors

From: Patrick McGowan

Date: March 11th, 2021

Subject: Alamo Altitude Valve Replacement

Description –The Districts Alamo Water Storage Tank has been operating at minimum capacity for a number of years. The tank is approximately 18’ in height. The existing Altitude Valve only allows the tank to fill 1/3 of the way. We have no manual override. This is a major concern if the District is to lose power for a prolonged period. Age and a non- existent maintenance program has left the storage tank Altitude Valve inoperable. I contacted the valve manufacturer engineering department who lined me up with their repair and replacement specialists. The District has received two estimates. One estimate to repair existing Altitude Valve, and replace pilot/control valve. The second estimate is to replace Altitude & Pilot Valves all together.

Recommendation – To approve Resolution 2021-xxx to approve the estimate BK Valves & Equipment, inc, to perform the work of a complete replacement



Quoted by: James Van Tatenhove Phone: 949-331-3966
 7040 Avenida Encinas, Suite 104, Carlsbad, CA 92011
 E-MAIL: james@bkvalves.com

TO: Lake Don Pedro Community Service District

POINT OF CONTACT: Patrick McGowan

PROJECT: 8" Altitude Valve
 BID DATE: 03/10/2021 QUOTE VALID FOR 30 DAYS

LINE ITEM	QTY	SIZE	DESCRIPTION	ACTUATOR TYPE	\$ UNIT COST	\$ TOTAL COST
REPAIR ITEMS FOR EXISTING VALVE						
1	1	--	Ross 40DAWR Pilot Valve		\$5,066.00	\$5,066.00
2	1	--	Repair Kit for Main Valve: (includes seat disc, diaphragm, spring and o-rings)		\$1,024.00	\$1,024.00
REPLACEMENT VALVE						
4	1	8"	Ross Model 45FWR Pilot Operated Float Valve, ANSI Class 125 Flanged, Cast Iron Body & Covers, Bronze Interanls, Globe Full-Ported Piston Style Construction, Rigid Red Brass Control Piping, Internal/External NSF61 Coating		\$7,862.00	\$7,862.00

B&K Valves & Equipment, Inc. is a Certified Small Business Enterprise in California

Total \$13,952.00

Bid Notes:

- 1: No Taxes Included

- 2: **Freight not included**
- 3: Price Includes only the products referenced above and may vary subject to verification of quantity, product description, and dimensions.
- 4: Installation, Startup, Field Testing, Training, and other on-site services not included in quoted price.
- 5: Anchors and Spare Parts are not included in Quoted Price.
- 6: Submittals 1 week after purchase order is received.
- 7: **Estimated Shipping Time 4-6 weeks after release to production or approved submittals are received based on current inventory at time of bid.**
- 8: **Manufacture Rep Services quoted at \$2400/day + travel expenses (travel expenses estimated at \$400/day)**

B&K VALVES & EQUIPMENT

Terms & Conditions

- PAYMENT TERMS:** Net 30 days from date of invoice, with approved credit.
- ALL PRICES:** Prices do not include any Federal, State, local taxes or fees.
- FREIGHT:** Not Included, FOB ex-works factory unless otherwise stated specifically in the quote.
- ORDERS:** Orders accepted by the factory may not be cancelled, or shipment deferred without advance written consent of the factory. These orders shall be subject to cancellation charges.
- RETURNS:** Will be at the discretion of the Factory. Applicable returns will only be accepted by the factory if the shipping label states a return authorization number issued by the factory. A re-stocking charge shall apply to all returns. Return freight will be the customers' responsibility to arrange.
- SPECIAL MATERIALS:** Products manufactured of special materials of construction cannot be returned or the order cancelled.
- DELIVERY:** All products will be shipped as quickly as possible from the factory upon receipt of the customer's Purchase Order or, when possible, on the date specified by the customer within reason. We will not be responsible for delays in shipping due to conditions beyond our control.
- CLAIMS:** Any claims for shortage or damaged products must be made in writing within five (5) days after receipt of shipment.
- WARRANTY:** Manufactures standard Warranty will apply; a copy will be supplied upon request.



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- AWWA C-515 Resilient Wedge Gate Valve 2" – 24"
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- Flap Gates, Telescopic Valves, Mud Valves, Shear Gates
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- MOV Energy Dissipating and Differential Control Valves
- HDPE Flap Gates & Slide Gates

- High Performance Butterfly Valves
- Soft Seated Ball Valves, quarter turn operation
- Globe and Angel Valves - Bronze and Cast Steel
- Gate Valves - Bronze, Cast Iron, and Cast Steel
- Check Valves - Dual-Plate, Full Body Swing and Steam Stop Check Valves
- Duo-Chek High Performance Non-Slam Check Valves



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RESOLUTION 2021-xx

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT ACCEPTING
ESTIMATE RECEIVED FROM B&K VALVES TO REPLACE ALAMO
ALTITUDE VALVE

WHEREAS, the Lake Don Pedro Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, the Districts Alamo Water Storage Tank has been operating at minimum capacity for a number of years; and

WHEREAS, the tank is approximately 18' in height. The existing Altitude Valve only allows the tank to fill 1/3 of the way; and

WHEREAS, there is no manual override for the non- operable valve. If the District were to lose power for a prolonged period, we would deplete the storage capacity quickly; and

WHEREAS, age and a non- existent maintenance program over the past ten years has left the storage tank Altitude Valve inoperable; and

WHEREAS, the District contacted the valve manufacturer engineering department who connected the District with their repair and replacement specialists. The District has received two estimates. One estimate to repair existing Altitude Valve, and replace pilot/control valve. The second estimate is to replace Altitude & Pilot Valves all together; and

WHEREAS, there is little difference in the amounts of the two estimates. I believe a complete replacement is ideal and will serve the District for years to come.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LAKE DON PEDRO COMMUNITY SERVICES DISTRICT SHALL ACCEPT THE ESTIMATE RECEIVED FROM B&K VALVES TO REPLACE ALAMO ALTITUDE VALVE.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on March 15th, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Hankemeier, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary
CERTIFICATE OF SECRETARY
(STATE OF CALIFORNIA)
(COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Special Meeting of the Board of Directors of the Lake Don Pedro Community Services District duly called and held at the District office at 9751 Merced Falls Road, La Grange, CA 95239, on March 15th, 2021.



Lake Don Pedro Community Services District

STAFF REPORT

To: Board of Directors

From: Patrick McGowan

Date: March 11th, 2021

Subject: Arboloda Hydropneumatic Pump Replacement

Description – Recently a concerned community member informed me the hydropneumatic pump at our Arboloda station was leaking. Pump 2 provides water to all hydrants on South Arboloda in the event of a fire. Don Pedro Pump was contacted to assess the state of our hydropneumatic station. Due to the duration of the leak (years) and visible wear on the pump and shaft housing our Pump Contractor is not confident in attempting to repack/repair the pump. Due to the amount of time the pump has been leaking the shaft could easily be worn away and no amount of packing will fix the problem. In the past District staff have replaced leaking lines at the station with above ground PVC pipe. This is not industry standard and detailed in the provided estimate is a line item to replace these PVC lines with Galvanized pipe. In addition, due to lack of maintenance the operational gate valve is also non-operable. This estimate addresses the replacement of the valve as well.

Recommendation – To approve resolution 2021-xxx approving Don Pedro Pump's estimate and perform the work to fully upgrade the Arboloda Hydropneumatic Station.



Don Pedro Pump
P.O. Box 1038
Hughson, Ca 95326

CUSTOMER
Don Pedro Community District 9751 Merced Falls Rd. LaGrange CA 95329

DATE
3/9/2021

BID / SCOPE

DESCRIPTION	QTY	COST	TOTAL
Lake Don Pedro Comm Services Dist - Arboloda Dr - repack berkeley pump.			
BERKELEY B2ZPL 15HP 3600 3P ODP AI THD PUMP	1	3,969.55	3,969.55T
15HP 215JM 3P ODP 3600 MOTOR	1	1,157.63	1,157.63T
4" DI Gate Valve	1	609.00	609.00T
Discharge/ Galv fittings	1	455.00	455.00T
Hrs. Lead Man	8	88.00	704.00
Truck #51 - Service Truck / Dodge Crane	8	45.00	360.00
NOTES / EXCLUSIONS		0.00	0.00T
1) 4 week lead time on Pump & Motor ARO			
Sales Tax for Stan. Co.		7.875%	487.56

TERMS:		TOTAL	\$7,742.74
--------	--	--------------	------------

Don Pedro Pump , Inc. _____ Accepted By _____ Date _____
 License #745963

RESOLUTION 2021-xx

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
LAKE DON PEDRO COMMUNITY SERVICES DISTRICT ACCEPT
THE ESTIMATE PRESENTED FOR UPGRADES TO OUR
ARBOLODA HYDROPNEUMATIC PUMP STATION

WHEREAS, the Lake Don Pedro Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

WHEREAS, a community member notified me of the leaking condition of the existing pump #2 at our Arboloda hydropneumatic station. That day myself and operations staff visited the site and I was notified that pump #2 has been leaking for years; and

WHEREAS, pump #2 provides water to District fire hydrants on South Arboloda in the event of a fire. The hydropneumatic station serves twenty eight lots within District boundaries and five fire hydrants; and

WHEREAS, Don Pedro Pump was contacted to access the state of our hydropneumatic station; and

WHEREAS, Due to the duration of the leak (years) and visible wear on the pump and shaft housing our Pump Contractor is not confident in attempting to repack/repair the pump; and

WHEREAS, Due to the amount of time the pump has been leaking the shaft could easily be worn away and no amount of packing will fix the problem; and

WHEREAS, in the past District staff have replaced leaking lines at the station with above ground PVC pipe. This is not industry standard and detailed in the provided estimate is a line item to replace these PVC lines with Galvanized pipe. In addition, due to lack of maintenance the operational gate valve is also non-operable.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LAKE DON PEDRO COMMUNITY SERVICES DISTRICT SHALL ACCEPT ESTIMATE RECEIVED FROM DON PEDRO PUMP TO REPLACE HYDROPNEUMATIC PUMP, CONTROL VALVE, AND EXISTING PVC PIPE AT STATION.

WHEREFORE, this Resolution is passed and adopted by the Board of Directors of the Lake Don Pedro Community Services District on March 15th, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Hankemeier, President, Board of Directors

ATTEST:

Syndie Marchesiello, Secretary
CERTIFICATE OF SECRETARY
(STATE OF CALIFORNIA)
(COUNTY OF MARIPOSA)

I, Syndie Marchesiello, the duly appointed and Secretary of the Board of Directors of the Lake Don Pedro Community Services District, do hereby declare that the foregoing Resolution was duly passed and adopted at a Special Meeting of the Board of Directors of the Lake Don Pedro Community Services District duly called and held at the District office at 9751 Merced Falls Road, La Grange, CA 95239, on March 15th, 2021.



Lake Don Pedro Community Services District

STAFF REPORT

To: Board of Directors

From: Patrick McGowan

Date: March 11th, 2021

Subject: CIP Plant Septic Upgrades

Description – The District has had issues with its septic system for at minimum the past twelve years. I was told upon arrival in the District, that the leach field had been videoed and there were obstructions in the lines. Operations Lead notified me that the leach lines were crushed during the raw water tank installation over a decade ago. Recently our septic distribution boxes began backing up. I called three plumbers and received two estimates for services. Our contracted plumber pumped out our septic system and hydro-flushed the leach lines. Once this process was completed we were able to video the leach lines and see there are no obstructions or crushed lines. The contracted plumber is confident that this cleaning/servicing will be sufficient for the near future. I have requested an estimate for an extended leach system that I will account for in budget fiscal year 2021-22.



Lake Don Pedro Community Services District

STAFF REPORT

To: Board of Directors

From: Patrick McGowan

Date: March 11th, 2021

Subject: Transfer of Don Pedro Sewage Treatment Plant to LDP Community Services District

Description – I was contacted by Mariposa County representatives in September of 2020 in regards to the transfer of the Don Pedro Sewer Treatment Plant to LDPCSD. I agreed to a virtual meeting a few weeks after our initial conversation. The discussion points provided are the first I have heard of the potential transfer. Soon after our informal meeting the District had major distribution system breakdowns at Barrett Cove Intake. The conversations ceased while we dealt with keeping our community in water. After continued efforts from Mariposa County Representatives to restart conversations I felt it the appropriate time to present County discussion points for review.

Recommendation – I believe the Board of Directors should form a committee to review provided information.

DISCUSSION POINTS

Transfer of Don Pedro Sewage Treatment Plant to LDP Community Services District

Formation, Boundaries and Current Facilities:

- District was approved by LAFCo in February 1980, with requirement that sewer system / sewage treatment plant (STP) be transferred to the Lake Don Pedro Community Services District (“District”).
- At time of approval of the District, the STP was within the District’s service area boundaries.
- Recently constructed STP (on county-owned APNs 001-260-029 and 001-260-033) is not within District’s service area boundaries
- Not able to identify State or local policy requiring the STP to be within District’s service area boundaries.

Plant Operation and Maintenance:

- Operation requires Grade 3 CPO (certified plant operator)
- STP requires 12-20 hours of operational review each week (including maintenance).
- There are independent contractors who can perform both operational analysis and maintenance for this system.

Plant Ownership Transfer:

- Need to transfer STP assets and infrastructure to District.
- Need to transfer county-owned properties to the District (38.09 acre and 40.0 acre parcels)
- Transfers will involve both the County and the District

Waste Discharge Requirements Transfer:

- RWQCB Waste Discharge Requirements (WDRs) permit for STP will need to be transferred to District; annual fees required for permit

USDA Loan and Bond:

- There is 40-year USDA loan for new STP (December 2006 – 2046).
- 5.7 million dollar bond measure passed in 2006/2007 for payment of loan.
- There are properties delinquent or short on tax payments.
- Assessments are and would still be handled through the County’s assessment/tax process.

Utilities:

- STP uses water provided by the District.
- PG&E connection to be transferred to the District.
- STP not within the District’s service area boundaries (no out of service area agreement found, could be corrected).
- Merced Irrigation District (MID) Place of Use (POU) issues would need to be addressed or an alternative water source would need to be identified.

Land Conservation Area (LCA) Contracts:

- LCA contracts on majority of the 2 county-owned properties under non-renewal pursuant to Document No. 2066248, recorded in 2006.
- 19-year contract “wind-down” period ends 12/31/2025.
- Properties subject to LCA requirements until 12/31/2025 (requires use for commercial agricultural operations).
- 2.3 acre portion improved with STP facilities was immediately removed from contract in 2007.

Contract with Ericksons:

- Grant Deed recorded as Document No. 975472, MCR, transferred land from Ericksons to County. Deed included provision for Ericksons (sellers) to have first right of refusal for cattle grazing on property at no cost.
- APNs 001-260-029 and 001-260-033 are currently leased to Ericksons for grazing

General Discussion Points:

- The County invests resources and incurs costs to keep the STP operational. Fees are charged to benefitting property owners to cover the costs.
- Following the transfer, there will be a reduction in revenues to County, but there will be a corresponding reduction in operational and maintenance responsibilities for staff.
- The County would still need to maintain an operator certification for the other sewage treatment systems they operate/maintain in county.
- The County would need to evaluate changes in staff resources needed, following the transfer.

- There are benefits to having the district manage all of the community services provided to the subdivision residents. In the past there has been a desire by the District expand services they are authorized to provide.

- There would be an economy of scale with the District operating the system since they could utilize existing trained local staff for analysis and maintenance of the system once they received the appropriate Grades for maintenance of the wastewater system.
- For the end user of the sewer system, it would be beneficial to have services provided by the local district in closer proximity to the system. This might reduce overall operating costs and increase efficiency / response time.

- The District could acquire up to an additional 80 acres of land that could be used by the District for other facilities (upon termination of the LCA Contract).

- If this wastewater treatment plant is transferred to the District, they would need to setup a zone of benefit (ZOB) to manage operations and maintenance.
- The District already has the authority to establish fees based upon their powers.
- A ZOB would establish an annual cost, and this would be enable the District to cover operational and maintenance costs of the system for the future without requiring funds from the normal operating budget. This cost would be assessed in the annual district tax assessments, and would be recovered as part of the annual assessment fees.