



## REGULAR MEETING OF THE BOARD OF DIRECTORS

IDYLLWILD WATER DISTRICT  
25945 Highway 243  
Idyllwild, CA 92549

November 17, 2021 – 6:00 P.M.

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

Topic: Board of Directors Meeting

Time: Nov 17, 2021 06:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us06web.zoom.us/j/89142851569?pwd=cVZoeEVDY2tkTXl1ZEhnSjlyNDkxUT09>

Meeting ID: 891 4285 1569

Passcode: 108111

One tap mobile

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+1 301 715 8592 US (Washington DC)

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Meeting ID: 891 4285 1569

Passcode: 108111

Find your local number: <https://us06web.zoom.us/j/kcpq9PSZ0>

## AGENDA

### CALL TO ORDER

### ROLL CALL

### PUBLIC COMMENTS

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

#### **1. CONSENT CALENDAR – 5 minutes**

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



it may be acted upon separately.

**A. MINUTES**

Regular Board Meeting: October 20, 2021

**B. FINANCIAL REPORTS**

1. Income statement for the four-months ending October 31, 2021
2. District warrants for October 2021

Check #16826 – 16869	= \$ 262,653.74
Gross Payroll	= \$ 61,865.00
Federal/State PR taxes	= \$ 5,260.00
LAIF Transfers	= \$ 0.00
Transfers/charges	= \$ 0.00

**C. OPERATIONS REPORT**

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

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

**2. GENERAL MANAGER REPORT – 5 minutes**

**ACTION ITEMS**

- 3. CONSIDER ACCEPTANCE OF THE FISCAL YEAR 2020 – 2021 AUDIT – 15 minutes**  
Board of Directors will consider accepting the Fiscal Year 2020 – 2021 audit.

**DISCUSSION ITEMS**

- 4. STRAWBERRY CREEK PROJECT UPDATE – 5 minutes**
- 5. BOARD ROOM MODIFICATIONS UPDATE – 5 minutes**
- 6. GOVERNOR NEWSOM DROUGHT EMERGENCY (VP Szabadi) – 5 minutes**
- 7. WASTEWATER TREATMENT PLANT PROJECT (VP Szabadi) – 5 minutes**
- 8. SHORT TERM RENTALS (VP Szabadi) – 5 minutes**
- 9. WATER POLICY UPDATE (VP Szabadi) – 5 minutes**



10. PERSONNEL MANUAL UPDATE (VP Szabadi) – 5 minutes
11. BOARD MEMBER TRAINING (Kunkle) – 5 minutes
12. CALIFORNIA SPECIAL DISTRICT ASSOCIATION CERTIFICATIONS (Kunkle)  
– 5 minutes
13. OPERATIONS REPORT MODIFICATIONS (Kunkle) – 5 minutes
14. ELK LANE PIPELINE (Kunkle) – 5 minutes

### ACTION ITEMS

15. SOLAR PROJECT FOR ADMINISTRATION BUILDINGS – 15 minutes  
Board of Directors will consider approving an agreement with Renova Energy for \$66,066.00 for the purchase and installation of solar panels on the administration buildings.

### DIRECTORS COMMENTS

### CLOSED SESSION

16. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov. Code Section 54956.8)  
Property: 25201 & 25305 Fern Valley Road, Idyllwild, CA 92549  
Agency negotiator: Leo Havener, General Manager & Hosny Shouman, Chief Financial Officer  
Negotiating parties: Property Owner  
Under negotiation: Price and/or Terms of Payment]

### ADJOURNMENT

The next Board meeting is a Regular Meeting scheduled for December 15, 2021 at 6:00 p.m., to be held at the Idyllwild Water District Boardroom, 25945 Hwy. 243, Idyllwild, CA 92549.

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



## MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS

### IDYLLWILD WATER DISTRICT

#### Meeting Location Has Moved To

Idyllwild Branch Library  
54401 Village Center Drive  
Idyllwild, CA 92549

October 20, 2021 – 6:00 P.M.

Pursuant to AB 361, because there is a declared State of Emergency due to COVID-19 and state and local officials have recommended social distancing, this meeting will be held in person and virtually.

### AGENDA

#### CALL TO ORDER

President Schelly called the meeting to order at 6:01 p.m.

#### ROLL CALL

President Schelly, Director Kunkle, Director Olson, Director Gin via phone, and Vice President Szabadi on Zoom, were present. General Manager Leo Havener, Chief Financial Officer Hosny Shouman, and Chief Water Operator Joe Reyes were also present, with General Counsel Byrne on Zoom.

#### PUBLIC COMMENTS

None

### 1. CONSENT CALENDAR

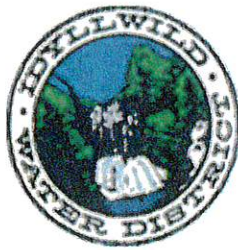
#### A. MINUTES

Regular Board Meeting: September 15, 2021

#### B. FINANCIAL REPORTS

1. Income statement for the three-months ending September 30, 2021
2. District warrants for September 2021

Check #16785 – 16825	= \$	147,651.28
Gross Payroll	= \$	64,220.00
Federal/State PR taxes	= \$	4,680.00
LAIF Transfers	= \$	0.00
Transfers/charges	= \$	233.00



## **C. OPERATIONS REPORT**

### **DIRECTORS COMMENTS**

Directors Kunkle inquired about various financial matters. President Schelly inquired as to the flow of the horizontal wells.

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

The vote was as follows:

#### **AYES**

**Director Gin  
Director Kunkle  
Director Olson  
Vice President Szabadi  
President Schelly**

#### **NAYS**

#### **ABSTAIN**

#### **ABSENT**

**Motion approved.**

### **GENERAL MANAGER REPORT**

General Manager Havener gave his report and addressed questions.

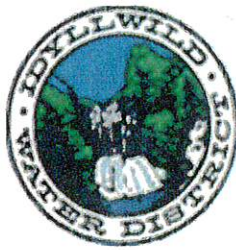
### **DISCUSSION ITEMS**

#### **1. TOLLGATE ROAD PROPERTY WATER ISSUES**

President Schelly provided an overview of the groundwater flowing from property locate on Toll Gate Road onto other roads and read a statement from Robert Stoddard, owner of the Toll Gate Road property.

Susan Nash, Dianne Franco, Tom Paulk and Desiree Zimmerman shared their concerns regarding the groundwater flowing from Mr. Stoddard's property that flows in the streets in front of their homes.

Board of Directors directed General Manager Havener to provide Ms. Nash with a written statement about field testing and a copy of American Leak Detection report.



## ACTION ITEMS

### **2. PURCHASE NEPTUNE RADIO WATER METERS FROM FERGUSON WATERWORKS**

Board of Directors will consider approving an agreement with Ferguson Waterworks for a total of \$378,210.90 for the purchase of Neptune radio water meters.

### **DIRECTORS COMMENTS**

General Manager Havener provided an overview of the meter selection process and the reasoning for purchasing Neptune Meters from Ferguson Waterworks. Matt Wilkinson with Ferguson Waterworks and General Manager Havener responded to questions from Director.

### **PUBLIC COMMENTS**

None

**A MOTION** was made by Vice President Szabadi to approve an agreement with Ferguson Waterworks for a total of \$378,210.90 for the purchase of Neptune radio water meters. Director Olson seconded.

The rollcall vote was as follows:

### **AYES**

Director Gin  
Director Kunkle  
Director Olson  
Vice President Szabadi  
President Schelly

### **NAYS**

### **ABSTAIN**

### **ABSENT**

**Motion approved.**

The Board moved Item 4 in front of Item 3 to allow General Counsel Byrne to leave the meeting.

### **3. SOUTH RIDGE WATER TANK 1 REPAIRS**

Board of Directors will consider approving an agreement with J.C. Coatings Inc. for a total of \$219,500.00 for the required repairs to South Ridge Water Tank 1.

### **DIRECTORS COMMENTS**

General Manager Havener provided an overview of the water tank repair costs and



addressed questions from Directors.

President Schelly formed a Budget Ad Hoc Committee to consist of Director Olson and Vice President Szabadi

**PUBLIC COMMENTS**

None

**A MOTION** was made by President Schelly to approve an agreement with J.C. Coatings Inc. for a total of \$219,500.00 for the required repairs to South Ridge Water Tank 1. Director Kunkle seconded.

The rollcall vote was as follows:

**AYES**

Director Gin  
Director Kunkle  
Director Olson  
Vice President Szabadi  
President Schelly

**NAYS**

**ABSTAIN**

**ABSENT**

**Motion approved.**

**4. RESOLUTION NO. 783 AB 361 – BROWN ACT FOR VIRTUAL MEETINGS**

Board of Directors will consider adopting Resolution No. 783 to continue virtual meetings under AB 361 – Brown Act.

**DIRECTORS COMMENTS**

General Counsel Byrne provided an overview of the resolution and addressed questions from the Board.

**PUBLIC COMMENTS**

Tom Paulk stated that he would like the Board to consider having all their future Board meetings available on Zoom.

**A MOTION** was made by Director Olson to adopt Resolution No. 783 to continue virtual meetings under AB 361 – Brown Act. Vice President Szabadi seconded.

The rollcall vote was as follows:



**AYES**

Director Gin  
Director Kunkle  
Director Olson  
Vice President Szabadi  
President Schelly

**NAYS**

**ABSTAIN**

**ABSENT**

**Motion approved.**

**DIRECTORS COMMENTS**

Vice President Szabadi request short-term rentals on the next agenda, along with an update from the General Manager regarding the status to update the Personnel Manual and Water Policy.

President Schelly requested that the General Manager provide an estimated date for completion of the Personnel Manual and Water Policy.

**ADJOURNMENT**

Board adjourned at 7:49 p.m.

IDYLLWILD WATER DISTRICT

BY: \_\_\_\_\_

Leo Havener  
INTERIM BOARD SECRETARY

IDYLLWILD WATER DISTRICT

BY: \_\_\_\_\_

Dr. Charles Schelly  
BOARD PRESIDENT



**IDYLLWILD WATER DISTRICT  
 WATER FUND CONDENSED INCOME STATEMENT  
 FOR FISCAL MONTH ENDING OCTOBER 2021**

CONDENSED CATEGORY	FOR THE MONTH OF		OCTOBER VARIANCE	2021 %
	ACTUAL 2021	BUDGET 2020		
<b>OPERATING REVENUES:</b>				
BASE-RESIDENTIAL/COMMERCIAL	77,267	77,267	0	0.00%
SALES-RESIDENTIAL/COMMERCIAL	61,296	65,000	-3,704	-5.70%
OTHER OPERATING REVENUE	0	0	0	0.00%
OTHER NON-OPERATING REVENUE*	0	0	0	
<b>TOTAL OPERATING REVENUES</b>	<b>138,563</b>	<b>142,267</b>	<b>-3,704</b>	<b>-2.60%</b>

OPERATING REVENUE BY CATEGORY	FOR THE MONTH OF		OCTOBER F (U) VARIANCE	2021 %
	ACTUAL 2021	BUDGET 2020		
BASE RATE - RESIDENTIAL	57,459	57,459	0	0.00%
BASE RATE - COMMERCIAL	19,808	19,808	0	0.00%
SALES-RESIDENTIAL	32,743	35,000	-2,257	-6.45%
SALES-COMMERCIAL	28,553	30,000	-1,447	-4.82%
SALES-SEWER	0	0	0	0.00%
SALES-CONSTRUCTION/OTHER	0	0	0	0.00%
TRANSFER FEES	0	0	0	0.00%
TURN ON/OFF FEES	0	0	0	0.00%
LIEN & LIEN RELEASE FEES	0	0	0	0.00%
DELINQUENCY FEES	0	0	0	0.00%
WILL SERVE LETTER FEES	0	0	0	0.00%
OTHER MISCELLANEOUS	0	0	0	0.00%
INSTALLATION FEES	0	0	0	0.00%
CAPACITY FEES	0	0	0	0.00%
<b>TOTAL OPERATING REVENUES</b>	<b>138,563</b>	<b>142,267</b>	<b>-3,704</b>	<b>-2.60%</b>

**IDYLLWILD WATER DISTRICT  
 WATER FUND CONDENSED INCOME STATEMENT  
 FOR FISCAL MONTH ENDING OCTOBER, 2021**

FOR THE MONTH OF OCTOBER 2021

**CUBIC FEET OF SALES:**

	Residential C.F.	Commercial C.F.	Total C.F.
R1 5/8	518,080	77,890	595,970
R2 3/4	9,440	15,860	25,300
R3 1"	3,790	102,030	105,820
R4 1.1/2"	0	41,230	41,230
R5 2"	0	13,340	13,340
R6 3"	0	19,800	19,800
IA 3"	0	113,630	113,630
NC-WWTP	0	2,310	2,310
<b>TOTAL CUBIC FEET OF SALES</b>	<b>531,310</b>	<b>386,090</b>	<b>917,400</b>

**NUMBER OF CUSTOMER BILLS:**

	R	C	Total
R1 5/8	1,433	104	1,537
R2 3/4	12	18	30
R3 1"	42	36	78
R4 1.1/2"	0	15	15
R5 2"	0	8	8
R6 3"	0	1	1
IA 3"	0	1	1
NC-WWTP	0	1	1
<b>TOTAL NUMBER OF CUSTOMER BILLS</b>	<b>1,487</b>	<b>184</b>	<b>1,671</b>

**TOTAL NUMBER OF CUSTOMER BILLS**

SewerAcct	S	F "2"	F "3"	F "4"
Fire Services	0	0	0	0
Fire Services	0	0	0	0
Fire Services	0	3	3	3
<b>Total Idyllwild Customers</b>	<b>419</b>	<b>167</b>	<b>586</b>	<b>2,260</b>

Total Idyllwild Customers

**IDAHLWIG WATER DISTRICT  
WATER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING OCTOBER, 2021**

FOR THE MONTH OF OCTOBER 2021

BY CATEGORY	ACTUAL 2021	BUDGET 2021	F (U) VARIANCE	%
<b>WATER OPERATING EXPENSES:</b>				
1- WAGES AND SALARIES EXPENSES	52,186	54,979	2,793	5.08%
2- RETIREMENT PLAN AND LIFE INSURANCE	3,370	3,370	0	0.00%
3- MEDICAL INSURANCE	13,407	9,888	-3,519	-35.59%
4- UNIFORM EXPENSES	0	107	107	100.00%
5- WORKER'S COMP INSURANCE	1,065	1,800	735	40.83%
6- RETIREMENT MEDICAL INSURANCE	927	1,000	73	7.30%
7- BOARD REIMBURSEMENT	114	300	186	62.00%
8- OFFICE SUPPLIES	99	391	292	74.68%
9- OFFICE CLEANING SERVICE	378	210	-168	-80.00%
10- POSTAGE AND MAILING FEE	652	900	248	27.56%
11- TRAINING AND EDUCATION	0	0	0	0.00%
12- TRAVELING, MILEAGE, MEALS REIMBURSEMENT	0	0	0	0.00%
13- DUES, FEES, SUBSCRIPTIONS	950	1,900	950	50.00%
14- COMPUTER SERVICES	1,355	1,500	145	9.67%
15- LEGAL SERVICES	1,783	2,000	217	10.85%
16- ENGINEERING AND CONSULTING	975	100	-875	-875.00%
17- UTILITIES - ELECTRICITY	16,627	8,900	-7,727	-86.82%
18- UTILITIES - GAS & FUEL	780	620	-160	-25.81%
19- UTILITIES - PROPANE	30	100	70	70.00%
20- UTILITIES - TELEPHONE INTERNET	912	1,189	277	23.30%
21- UTILITIES - WASTE MANAGEMENT FEE	204	200	-4	-2.00%
22- AUTO AND PROPERTY INSURANCE	0	0	0	0.00%
21- STATE-COUNTY WATER SYSTEM FEES	0	0	0	0.00%
22- GENERAL PLANT & TREATMENT SERVICES	14,388	10,253	-4,135	-40.33%
23- VEHICLES REPAIRS AND MAINTENANCE	621	1,500	879	58.60%
25- LABORATORY SERVICES	0	912	912	100.00%
26- WATER SECURITY SYSTEM	0	0	0	0.00%
27- ADVERTISING AND PUBLISHING	0	0	0	0.00%
28- BANK FEE CHARGE	0	228	228	100.00%
29- WATER MAINTENANCE AND SUPPLIES	0	2,959	2,959	100.00%
30- ACCOUNTING AND AUDITING FEE	5,437	9,000	3,563	39.59%
31- LIABILITY & PRPOERTY AND Auto INSURANCE	3450	4,000	550	
<b>TOTAL OPERATING EXPENSES:</b>	<b>119,710</b>	<b>119,792</b>	<b>82</b>	<b>0.07%</b>
<b>TOTAL INCOME AND (LOSS)</b>	<b>18,853</b>	<b>22,475</b>	<b>3,622</b>	

**IDEWILDE WATER DISTRICT  
SEWER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING OCTOBER 2021**

FOR THE MONTH OF SEPTEMBER 2021

CONDENSED BY CATEGORY	2021 Actual	2021 Budget	VARIANCE	%
OPERATING REVENUES:				
BASE-RESIDENTIAL/COMMERCIAL	59,853	59,810	43	0.07%
OTHER OPERATING	0	0	0	0.00%
<b>TOTAL OPERATING REVENUES</b>	<b>59,853</b>	<b>58,080</b>	<b>43</b>	<b>0.07%</b>
OPERATING EXPENSES:				
1- WAGES AND SALARIES	9,679	12,055	2,376	19.71%
2- RETIREMENT AND LIFE INSURANCE	1,220	1,220	0	0.00%
3- MEDICAL INSURANCE	4,369	3,296	-1,073	-32.55%
4- UNIFORM EXPENSE	0	353	353	100.00%
5- WORKER'S COMPENSATION INSURANCE	355	580	225	38.79%
6- RETIREMENT MEDICAL INSURANCE	310	850	540	63.53%
7- BOARD REIMBURSEMENT	37	0	-37	#DIV/0!
8- OFFICE SUPPLIES	33	590	557	94.41%
9- OFFICE CLEANING SERVICES	126	70	-56	-80.00%
10- POSTAGE AND MAIL FEE	217	75	-142	-189.33%
11- EDUCATION AND TRAINING	0	0	0	0.00%
12- TRAVELING, MILAGE, MEAL REIMBURSEMENT	0	110	110	100.00%
13- DUE AND SUBSCRIPTION FEE	316	3,534	3,218	91.06%
14- COMPUTER SERVICES	451	146	-305	-208.90%
15- LEGAL SERVICES	594	285	-309	-108.42%
16- UTILITIES - ELECTRICITY	4,233	3,950	-283	-7.16%
17- UTILITIES - GAS & FUEL	205	213	8	3.76%
18- UTILITIES - PROPANE	0	0	0	0.00%
19- UTILITIES - TELEPHONE&INTERNET	297	310	13	4.19%
20- UTILITIES - WASTE MANAGEMENT FEE	68	66	-2	-3.03%
21- VEHICLES REPAIRS AND MAINTENANCE	24	0	-24	#DIV/0!
22- ENGINEERING SERVICES	0	200	200	100.00%
22- MAINTENANCE AND SUPPLIES	0	100	100	100.00%
23- GENERAL PLANT SERVICES	6,704	2,089	-4,615	-220.92%
24- SEWER PERMIT AND LICENSE(State Fee)	0	89	89	100.00%
25- MINOR EQUIPMENT AND SUPPLIES	0	0	0	0.00%
26- SEWER LEASE	0	0	0	0.00%
27- ADVERTISING AND PUBLISHING	0	0	0	0.00%
28- LABORATORY SERVICES	956	1,239	283	22.84%
29- GENERAL AUTO AND LIABILITY INSURANCE	0	0	0	0.00%
30- SECURITY SYSTEM (ADT)	280	250	-30	-12.00%
31- ACCOUNTING & AUDITING FEE	1,812	6,000	4,188	69.80%
32- LIABILITY & PROPERTY AND AUTO INS	1,150	1,500	350	23.33%
<b>Total Expenses</b>	<b>33,436</b>	<b>39,170</b>	<b>5,734</b>	<b>14.64%</b>
<b>Total INCOME OR (LOSS)</b>	<b>26,417</b>	<b>18,910</b>		

**IDYLLWILD WATER DISTRICT  
SEWER FUND CONDENSED INCOME STATEMENT  
FOR FISCAL MONTH ENDING OCTOBER 2021**

**FOR THE MONTH OF SEPTEMBER 2021**

**SEWER FUND OPERATING REVENUES**

	ACTUAL	BUDGET	F (U) VARIANCE	%
BASE RATE-COMMERCIAL	40,157	40,157	0	0.00%
BASE RATE- RESIDENTIAL	19,696	19,654	43	0.22%
TRANSFER FEE	0	0	0	0.00%
FACILITY CHARGE FROM IAF	0	0	0	0.00%
INSPECTION FEE	0	0	0	0.00%
OTHER MISCE	0	0	0	0.00%

**TOTAL OPERATING REVENUE**

**59,853                      59,810                      43                      0.07%**

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

RESIDENTIAL	448	448	0.0	0.00%
COMMERCIAL	933	933	0.0	0.00%
<b>TOTAL E.D.U'S</b>	<b>1,381</b>	<b>1,381</b>	<b>0.0</b>	<b>0.00%</b>

**TOTAL Customers**

**422                      164                      586**

**IDYLLWILD WATER DISTRICT  
DISTRICT WARRANTS AND OTHER DISBURSEMENTS  
FOR THE MONTH ENDED October 31, 2021**

DATE	CHECK NUMBER	PAYEE	DESCRIPTION	AMOUNT
10/01/2021	16826	ACWA/JPIA	Medical Insurance for October 2021	17,478.88
10/01/2021	16827	ALLSTATE BENEFITS	Monthly Charge	306.45
10/01/2021	16828	Aqua-Metric Sales Company	Repair reading Gun Meter	1,860.93
10/01/2021	16829	Central Communications	Monthly Answering Services	127.84
10/01/2021	16830	Elizabeth Lyons	Medical Retirement for Lyons Family	1,237.23
10/01/2021	16831	Eric Townsend Construction Company	Payment for Board Room Construction	11,100.00
10/01/2021	16832	Forest Lumber	Supplies for Water+Sewer	3,141.51
10/01/2021	16833	Four Seasons Cleaning Services	Cleaning Services to the office	280.00
10/01/2021	16834	Frontier	Phone and Internet Charge	460.47
10/01/2021	16835	Rapid Data, Inc.	Fee Processing Stand by to the county Tax for Year	1,040.71
10/01/2021	16836	Idyllwild Water District	To be Deposit at Hemet Bank For Payroll	37,000.00
10/01/2021	16837	Burtronics Business Systems	Contract Base Annual Fees	132.51
10/01/2021	16838	Home Depot Credit Services	Purchase Washer& Dryer Tools and Supplies	4,099.85
10/06/2021	16839	Association of California Water Agencies	Annual Agency Dues	13,900.00
10/06/2021	16840	Genuine Auto Parts/ Napa Riverside	Monthly Charge	94.74
10/06/2021	16841	Inland Water Works Supply Co.	Water Supplies	203.65
10/06/2021	16842	National Bussiness Furniture	Purchase Furniture For Board Room	8,463.54
10/06/2021	16843	S.C.E.	Monthly Charge	21,222.69
10/06/2021	16844	Thomas Lovejoy	Retirement Medical Insurance August+September+ October 2021	2,848.80
10/06/2021	16845	Time Warner Cable	Phone &Internet Monthly Charges	526.28
10/06/2021	16846	Village Hardware	Supplies For Water and Sewer	769.68
10/06/2021	16847	INFOSEND, INC	Postage and mailing Monthly Bills Fee	869.46
10/06/2021	16848	American Leak Detection , inc	A Complete Leak Detecation on TollGate St	550.00
10/06/2021	16849	California Computer Options , Inc	IT Monthly Sevices	1,607.51
10/06/2021	16850	Streamline	Monthly Charge For Idyllwild Website	200.00
10/06/2021	16851	Underground Service Alert/SC	New Tickets Charges	72.52
10/06/2021	16852	Verizon Wireless	Monthly Bill	202.65
10/13/2021	16853	Acorn Pest Control	Pest Control Services for the Offices	225.00
10/13/2021	16854	ACWA/JPIA	Annual Auto and General Liability Insurance	55,173.00
10/13/2021	16855	CR&R Incorporated	Monthly Services for Trash Fee	273.05
10/13/2021	16856	Ferrellgas	Charge For Rental #3 Propane	30.00
10/13/2021	16857	Idyllwild Heating & Cooling, Inc.	Full Services to the offices	493.21
10/13/2021	16858	S.C.E.	Monthly Charge	808.96
10/13/2021	16859	SC Fuels	Purchase GAS & Dsl	4,698.90
10/13/2021	16860	SUSP, INC	Sewer Consulting for the Newest Plant	7,828.25
10/13/2021	16861	USA Bluebook	Supplies for Sewer	2,680.55
10/13/2021	16862	Eric Townsend Construction Company	Payment for Board Room Construction	10,800.00
10/20/2021	16863	BEST BEST & KRIEGER	Monthly Legal Services	2,378.50
10/20/2021	16864	Central Communications	Monthly Answering Services	142.09
10/20/2021	16865	Gallade Chemical, Inc.	Chemical Supplies Customer	1,809.98
10/20/2021	16866	Rogers, Anderson, Malody & Scott, LLP	First Payment for Audit Fee	7,250.00
10/20/2021	16867	T-Mobile	Monthly Charge For Solar data	20.00
10/20/2021	16868	Idyllwild Water District	To be Deposit at Hemet Bank For Payroll	36,000.00
10/27/2021	16869	ACWA/JPIA	Worker's Comp Insurance	4,258.58
			TOTAL DISTRICT WARRANTS	\$262,653.74

**OTHER DISBURSEMENTS:**

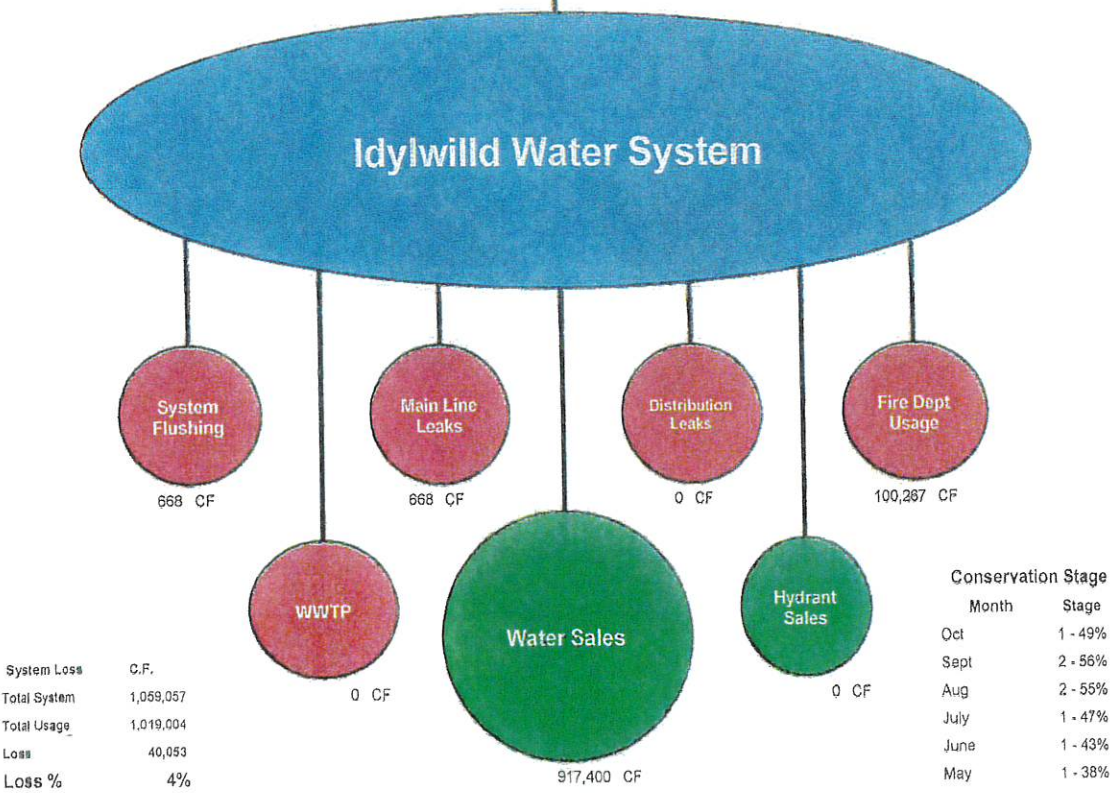
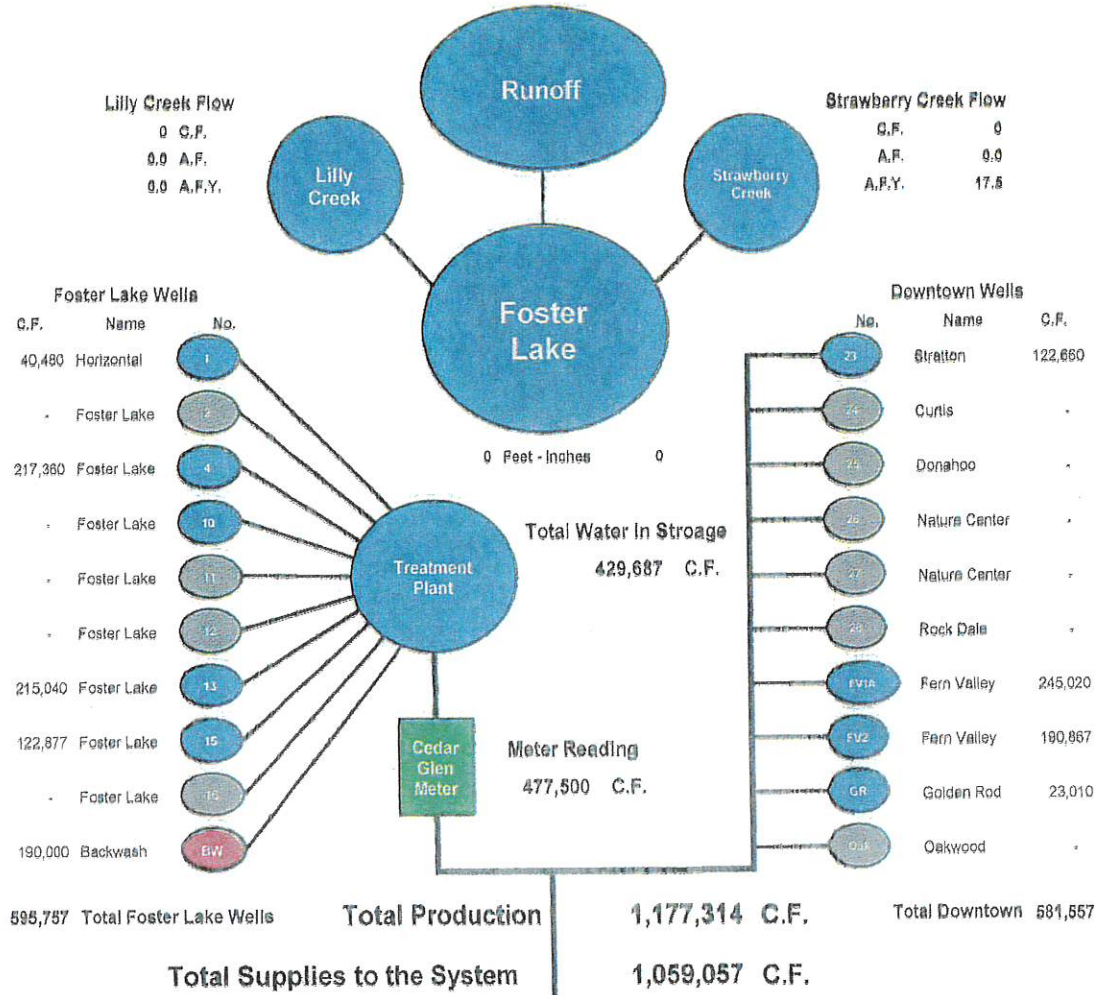
TOTAL PAYROLL	\$61,865.00
L.A.I.F. ELECTRONIC TRANSFERS	\$0.00
BANK SERVICE CHARGES AND FEES	\$0.00

**TOTAL DISTRICT WARRANTS & OTHER DISBURSEMENTS \$324,518.74**

# Idyllwild Water District

## Water System Schematic For Operations Report

October 2021





# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors

**From:** Leo Havener, General Manager

**Date:** November 17, 2021

**Subject:** Item D – Continuation of Remote Meetings pursuant to AB 361

---

### Recommendation:

Board of Directors continue remote meetings pursuant to AB 361 for an additional 30 days based on the findings that (1) the Board it has reconsidered the circumstances of the state of emergency for COVID-19, (2) state and local officials continue to impose or recommend measures to promote social distancing, and (3) meeting in person would present risks to the health and safety of attendees.

### Background:

At the October 20, 2021 Board meeting, based upon the state of emergency for COVID-19, the Board of Directors adopted Resolution No. 783, which authorized remote Board and committee meetings for 30 days pursuant to AB 361. The Board found that (1) state and local officials have imposed or recommended measures to promote social distancing in connection with COVID-19; and (2) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Under AB 361, certain Brown Act requirements related to remote meetings are suspended.

Pursuant to AB 361, in order to continue to meet remotely for an additional 30 days without having to comply with certain provisions of the Brown Act, the Board must reconsider the circumstances of the state of emergency and make one or both of the two findings listed above.



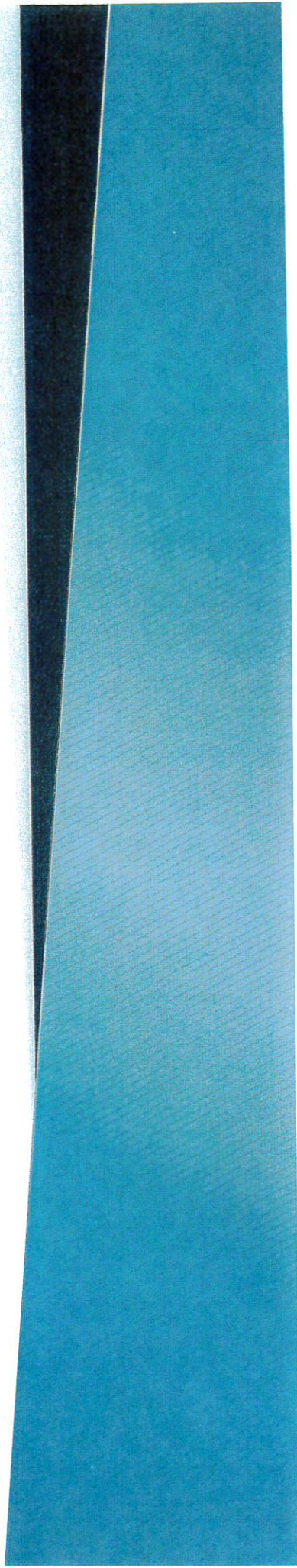
**Conclusion:**

Given the continued state of emergency for COVID-19, staff recommends that the Board authorize remote Board meetings pursuant to AB 361 for an additional 30 days and make the findings in the recommendation section above, which are consistent with Resolution No. 783.

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

# General Manager Report

November 17, 2021





# Newsom Signs \$15 Billion Climate Resilience Package

- ▶ “Signed by Gov. Gavin Newsom Sept. 23, 2021 included 24 bills covering a wide range of areas...”
- ▶ SB 170 by Sen. Nancy Skinner (D–Berkeley)
  - \$650 million for drinking water projects
  - \$650 million for wastewater projects



Senator Nancy Skinner  
(D–Berkeley)





# Newsom Signs Bill Banning Sale of Gas-Powered Equipment

- ▶ AB 1346 by Assemblyman Marc Berman (D-Palo Alto) Signed by Gov. Gavin Newsom October 9, 2021
- ▶ “AB 1346 directs the California Air Resources Board to phase out the sale of small off-road engines by 2024 or as soon as feasible, whichever comes later.”



Assemblyman Marc Berman  
(D-Berkeley)

**THE SACRAMENTO BEE**



# Governor Newsom Announces California Will Phase Out Gasoline- Powered Cars by 2035

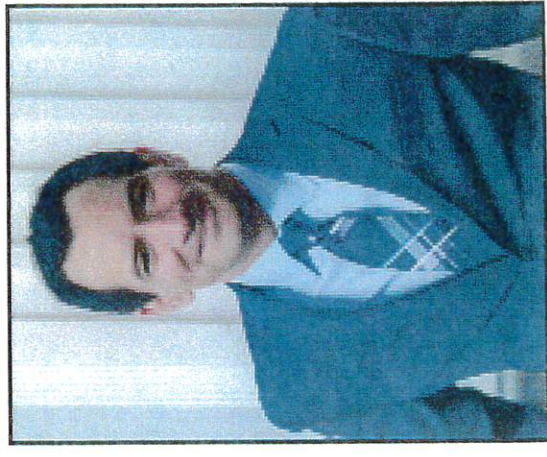
- ▶ Newsom Issued an Executive Order N-79-20 on September 23, 2020, for New Passenger Vehicles and Drayage Trucks be Zero-Emission by 2035
- ▶ Heavy-duty vehicles shall be 100 percent zero emission by 2045 where feasible
- ▶ Drastically Reduce Demand for Fossil Fuel in California's Fight Against Climate Change





# Assembly Bills 2020 - 2021

- ▶ Assembly Bills = 1,593
- ▶ Assembly Constitutional Amendment = 10
- ▶ Assembly Concurrent Resolution = 110
- ▶ Assembly Joint Resolution = 21
- ▶ Assembly House Resolution = 77



Speaker Anthony Rendon  
(D-Lakewood)



# Senate Bills 2020 - 2021

- ▶ Senate Bills = 828
- ▶ Senate Constitutional Amendment = 5
- ▶ Senate Concurrent Resolution = 61
- ▶ Senate Joint Resolution = 9
- ▶ Senate House Resolution = 62

Toni G. Atkins  
Senate President pro Tempore  
(D-San Diego)



# Board Room Remodeling









# Certificate of Completion



2021 Board Secretary / Clerk Program  
Advanced Coursework  
Garden Grove, CA – October 25 – 27, 2021  
Leo Havener

Idyllwild Water District

Ryan Clausnitzer, CSDA Board President

Neil C. McCormick, CSDA Chief Executive Officer



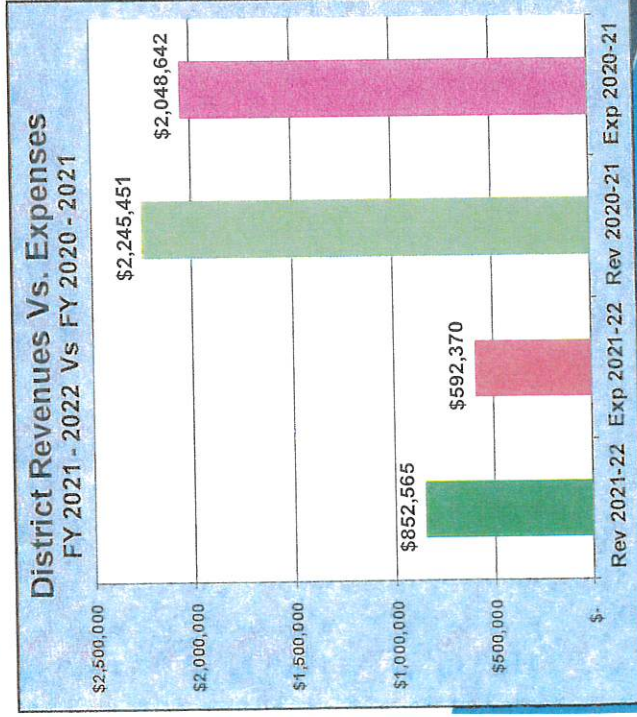
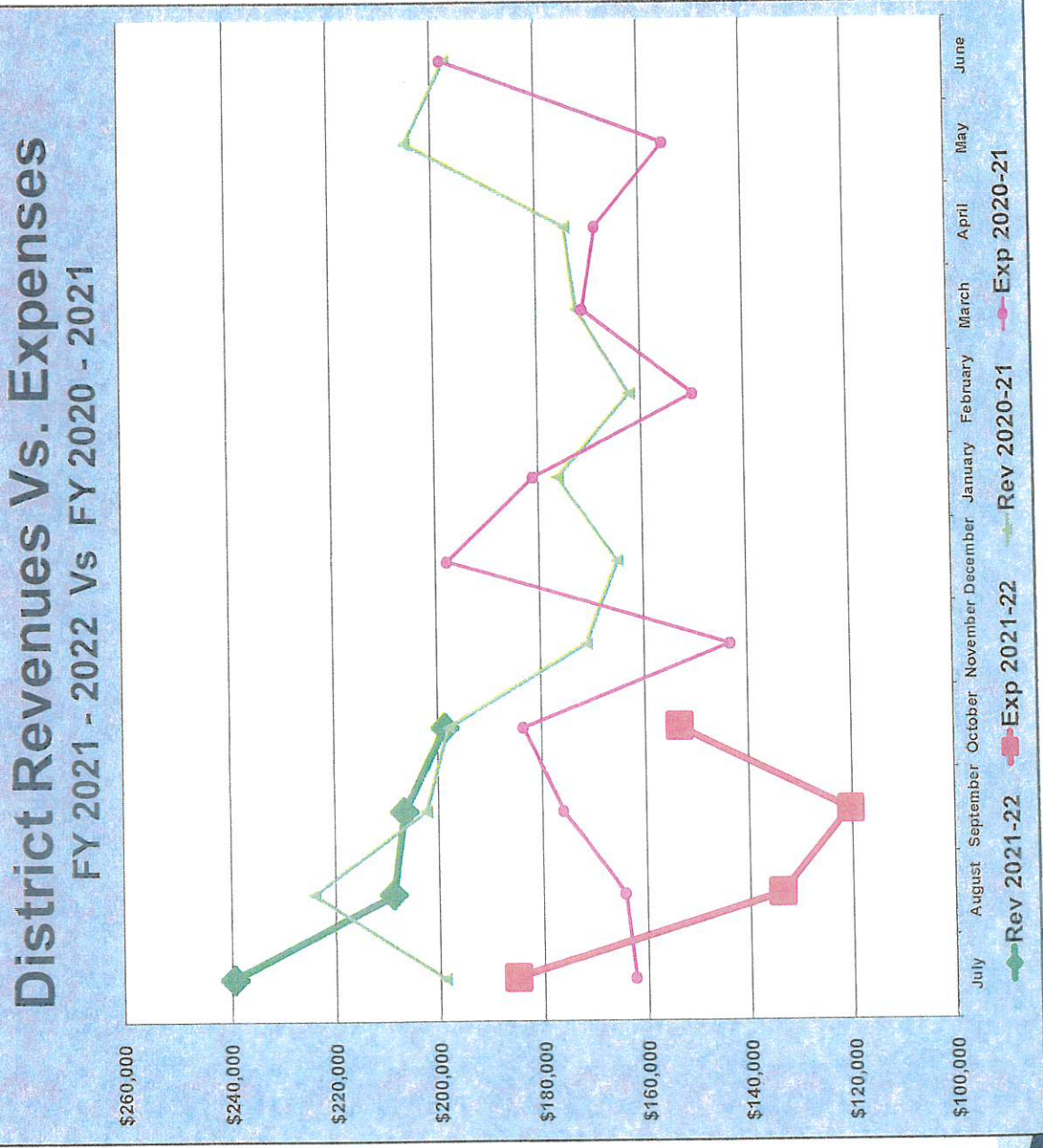
Special District Risk Management Authority

Cosponsored by

# District Revenues Vs. Expenses

## FY 2021 - 2022 Vs FY 2020 - 2021

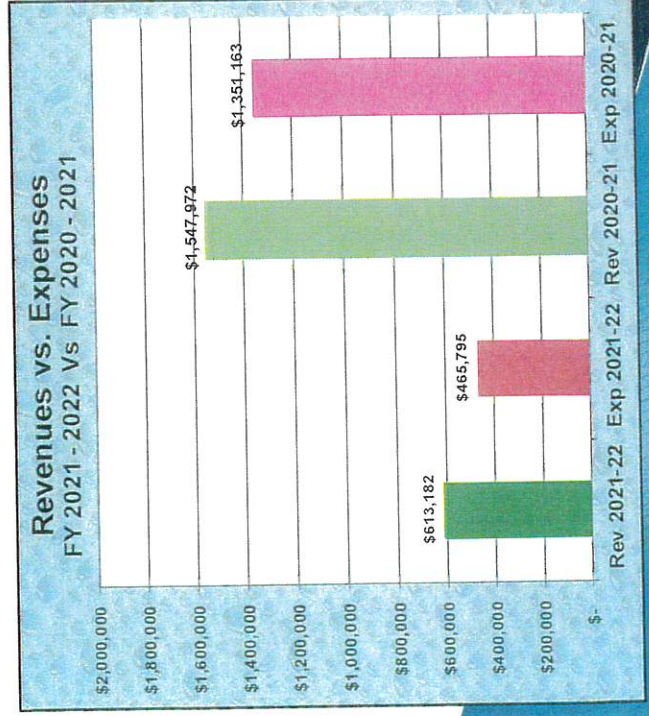
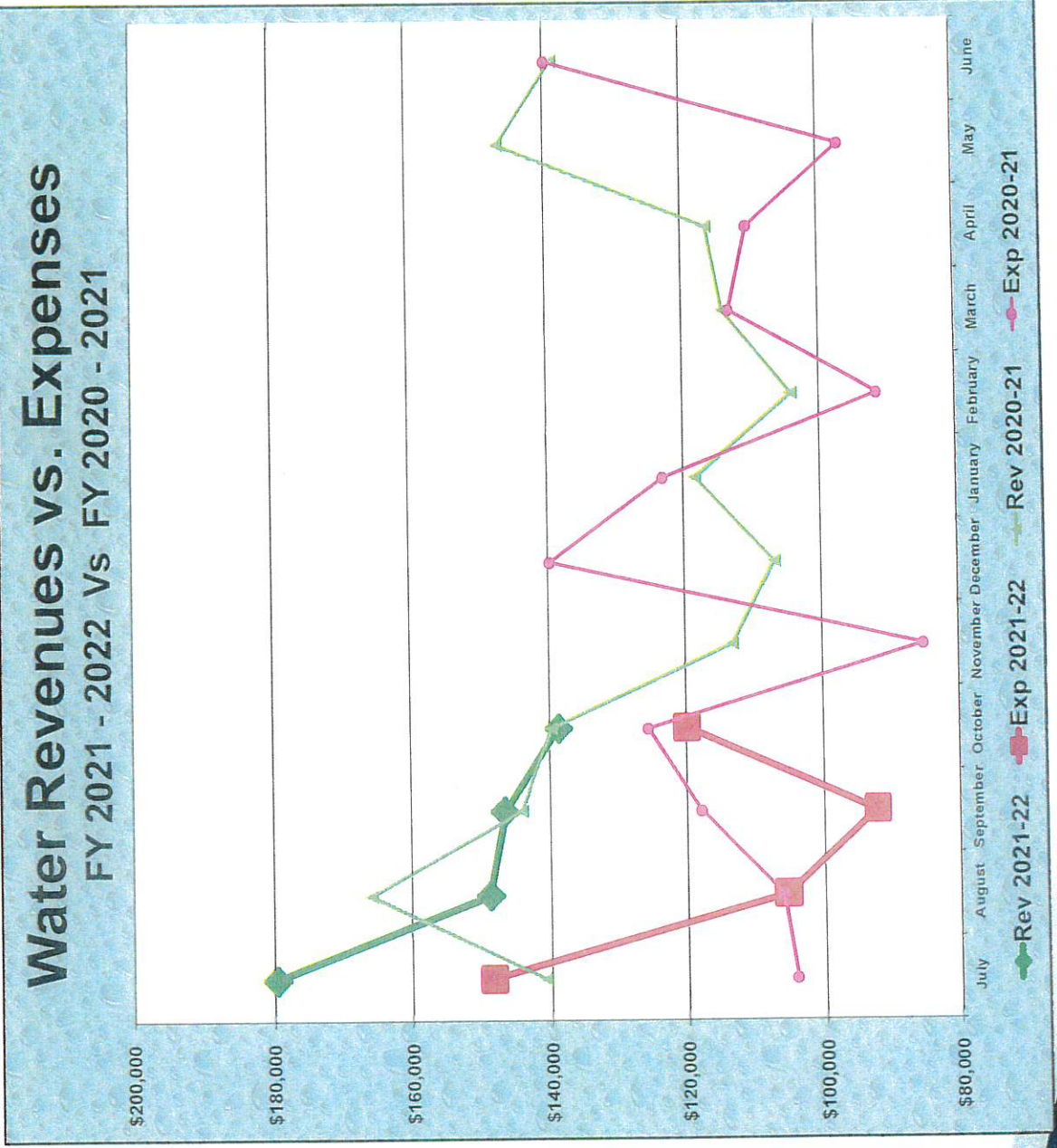
District Revenues vs. Expenses				
2021 - 2022	Rev 2021-22	Exp 2021-22	Rev 2020-21	Exp 2020-21
July	\$ 239,315	\$ 185,063	\$ 198,827	\$ 162,224
August	\$ 208,544	\$ 133,741	\$ 223,883	\$ 163,900
September	\$ 206,290	\$ 120,420	\$ 202,151	\$ 175,691
October	\$ 198,416	\$ 153,146	\$ 197,691	\$ 183,358
November			\$ 171,051	\$ 143,030
December			\$ 164,858	\$ 197,517
January			\$ 176,248	\$ 180,909
February			\$ 162,158	\$ 149,650
March			\$ 172,048	\$ 171,058
April			\$ 174,312	\$ 168,280
May			\$ 204,988	\$ 155,054
June			\$ 197,236	\$ 197,971
<b>Total</b>	<b>\$ 852,565</b>	<b>\$ 592,370</b>	<b>\$ 2,245,451</b>	<b>\$ 2,048,642</b>



# Water Revenues Vs. Expenses

## FY 2021 - 2022

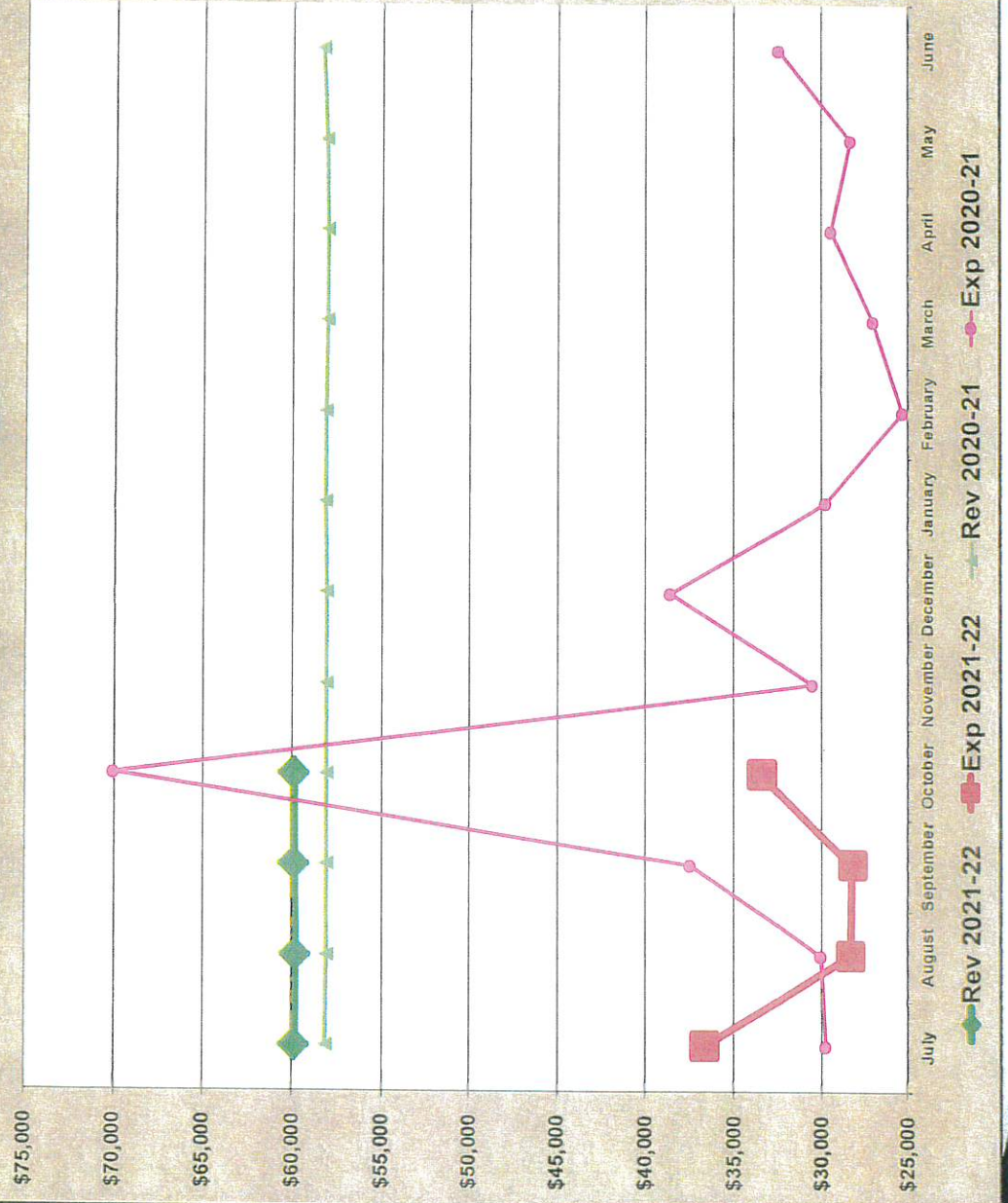
Water Revenues vs. Expenses				
2021 - 2022	Rev 2021-22	Exp 2021-22	Rev 2020-21	Exp 2020-21
July	\$ 179,455	\$ 148,403	\$ 140,663	\$ 104,060
August	\$ 148,734	\$ 105,440	\$ 165,803	\$ 105,820
September	\$ 146,430	\$ 92,242	\$ 144,071	\$ 117,611
October	\$ 138,563	\$ 119,710	\$ 139,611	\$ 125,278
November			\$ 112,971	\$ 84,950
December			\$ 106,778	\$ 139,437
January			\$ 118,118	\$ 122,779
February			\$ 104,028	\$ 91,520
March			\$ 113,968	\$ 112,978
April			\$ 116,232	\$ 110,200
May			\$ 146,846	\$ 96,912
June			\$ 138,883	\$ 139,618
<b>Total</b>	<b>\$ 613,182</b>	<b>\$ 465,795</b>	<b>\$ 1,547,972</b>	<b>\$ 1,351,163</b>



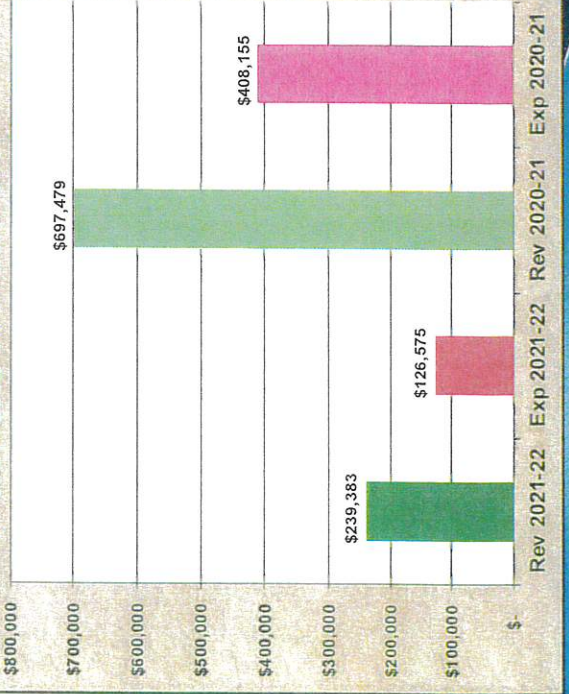
# Wastewater Revenues Vs. Expenses FY 2021 - 2022

WW Revenues vs. Actual Expenses					
2021 - 2022	Rev 2021-22	Exp 2021-22	Rev 2020-21	Exp 2020-21	
July	\$ 59,860	\$ 36,660	\$ 58,164	\$ 29,675	
August	\$ 59,810	\$ 28,301	\$ 58,080	\$ 29,984	
September	\$ 59,860	\$ 28,178	\$ 58,080	\$ 37,384	
October	\$ 59,853	\$ 33,436	\$ 58,080	\$ 69,997	
November			\$ 58,080	\$ 30,498	
December			\$ 58,080	\$ 38,500	
January			\$ 58,130	\$ 29,680	
February			\$ 58,130	\$ 25,274	
March			\$ 58,080	\$ 26,944	
April			\$ 58,080	\$ 29,404	
May			\$ 58,142	\$ 28,273	
June			\$ 58,353	\$ 32,542	
<b>Total</b>	<b>\$ 239,383</b>	<b>\$ 126,575</b>	<b>\$ 697,479</b>	<b>\$ 408,155</b>	

**WW Revenues vs. Expenses**  
FY 2021 - 2022 Vs FY 2020 - 2021

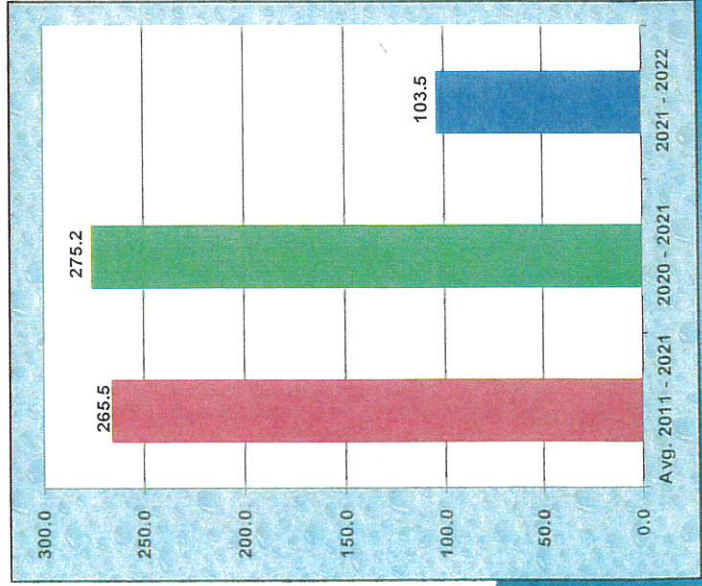
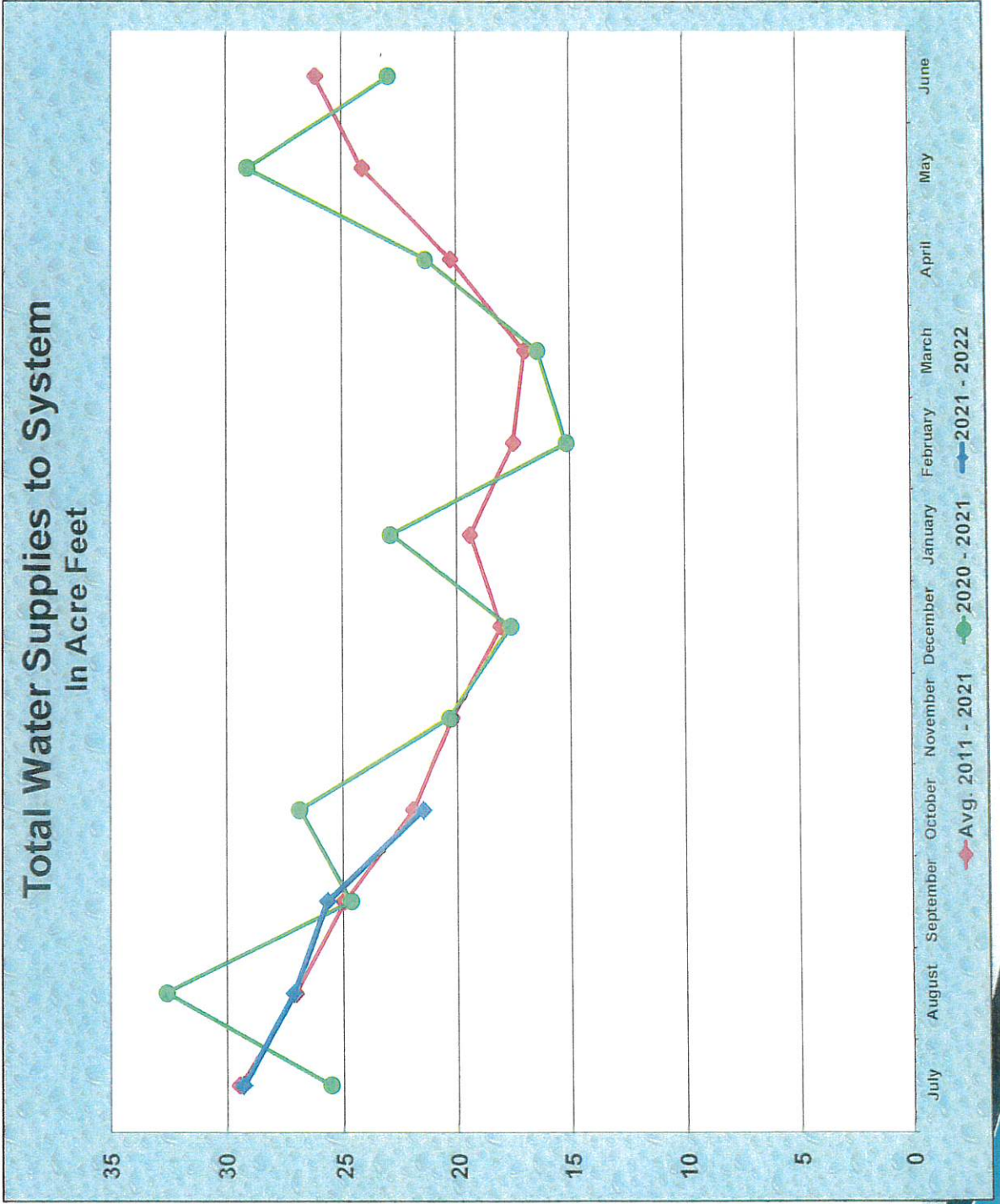


**WW Revenues vs. Expenses**  
FY 2021 - 2022 Vs FY 2020 - 2021



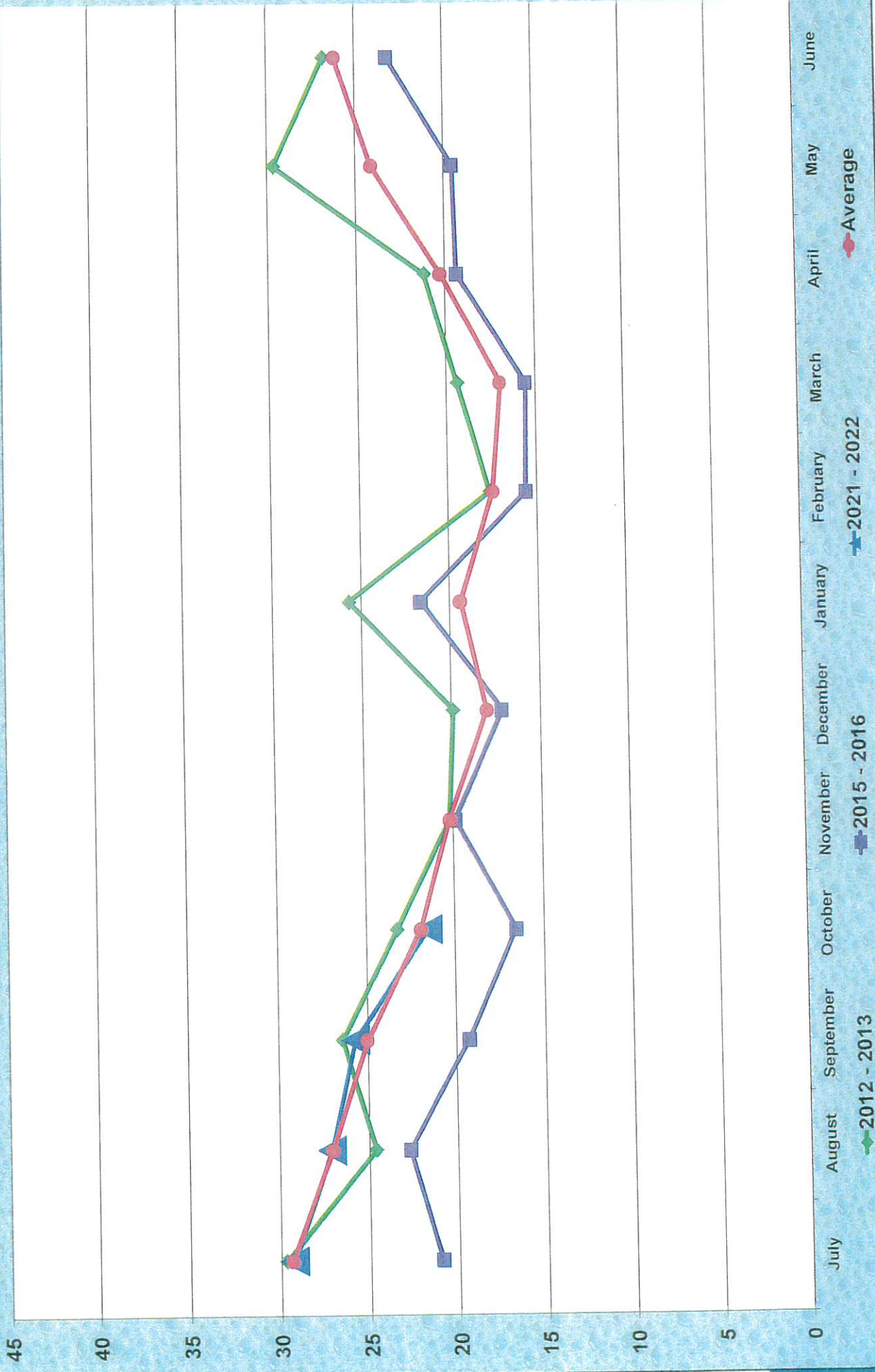
# Total Water Supplies to System In Acre Feet

Total Water Supplies To System			
Fiscal Year	Avg. 2011 - 2021	2020 - 2021	2021 - 2022
July	29.4	25.5	29.3
August	27.0	32.5	27.1
September	24.9	24.6	25.7
October	21.9	26.8	21.5
November	20.2	20.3	
December	18.0	17.6	
January	19.4	22.9	
February	17.5	15.1	
March	16.9	16.4	
April	20.2	21.3	
May	24.1	29.1	
June	26.1	23.0	
<b>Total</b>	<b>265.5</b>	<b>275.2</b>	<b>103.5</b>



# Total Water Supplies to System

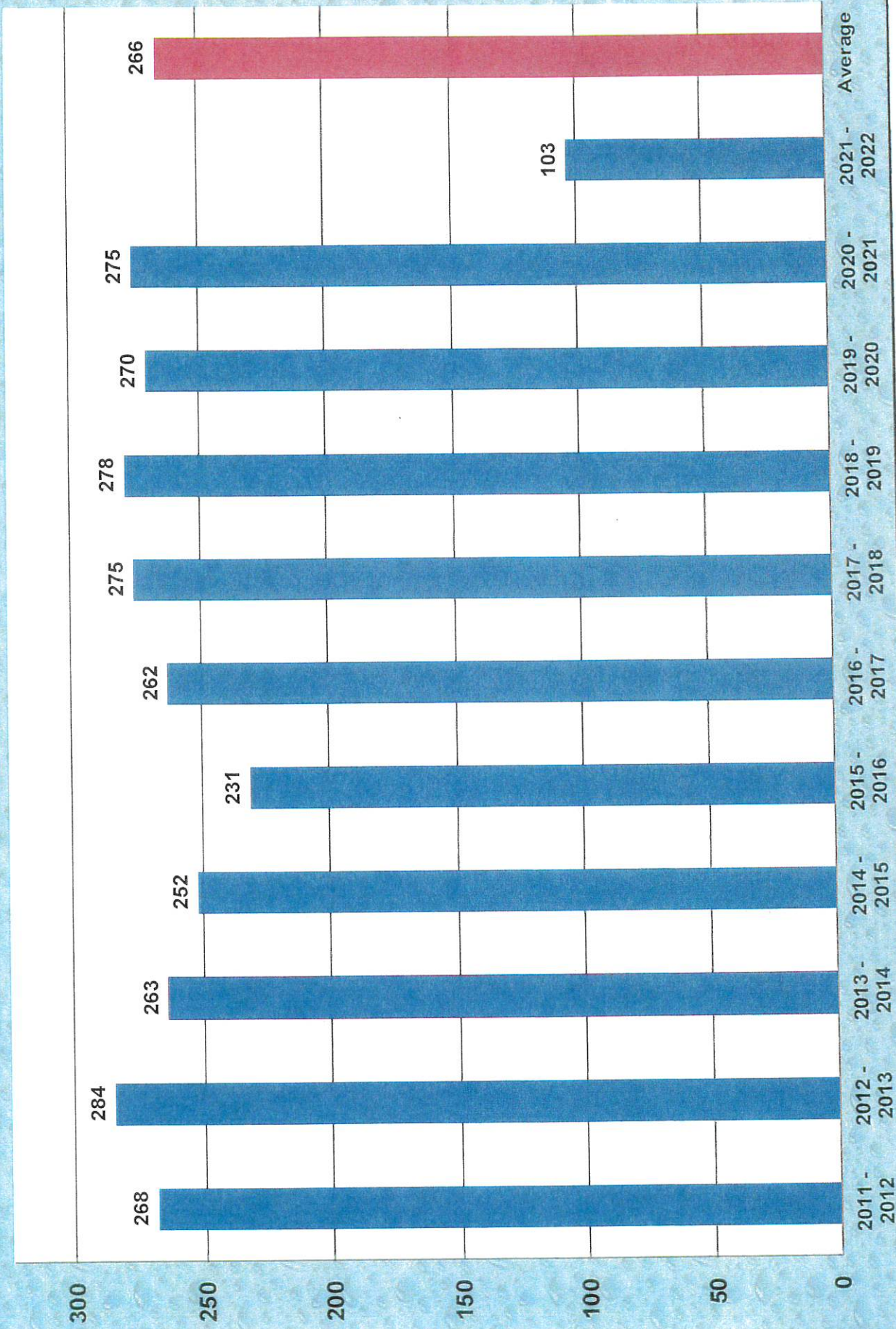
In Acre Feet





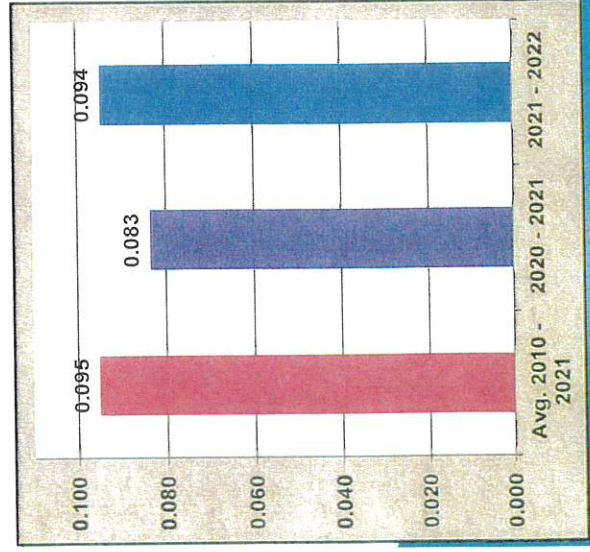
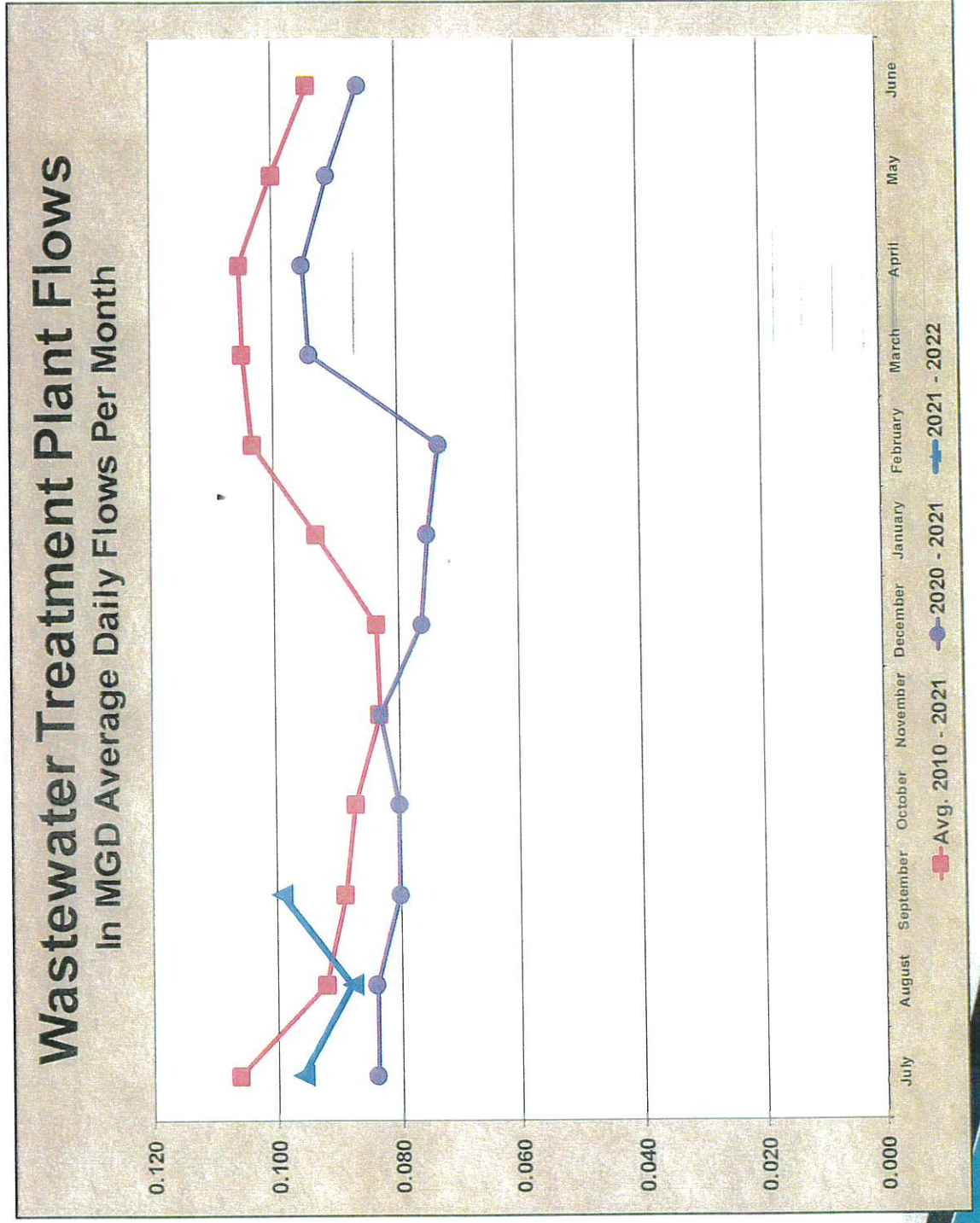
# Total Water Supplies to System

In Acre Feet



# Wastewater Treatment Plant Flows In MGD Average Daily Flows Per Month

Month	Avg. 2010 - 2021	2020 - 2021	2021 - 2022
July	0.106	0.084	0.096
August	0.092	0.084	0.088
September	0.089	0.080	0.099
October	0.087	0.080	
November	0.083	0.083	
December	0.083	0.076	
January	0.093	0.075	
February	0.103	0.073	
March	0.105	0.094	
April	0.105	0.095	
May	0.100	0.091	
June	0.094	0.086	
<b>Average</b>	<b>0.095</b>	<b>0.083</b>	<b>0.094</b>



# Overview

- ▶ COVID-19 Water Arrearages Payment Program
  - District has provided all required documents
- ▶ Upper Pine Crest Property Paid \$16,000 Lean





# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors

**From:** Leo Havener, General Manager  
Hosny Shouman, Chief Financial Officer

**Date:** November 17, 2021

**Subject:** Item 3 – Consider Acceptance of the Fiscal Year 2020 – 2021 Audit

---

### Recommendation:

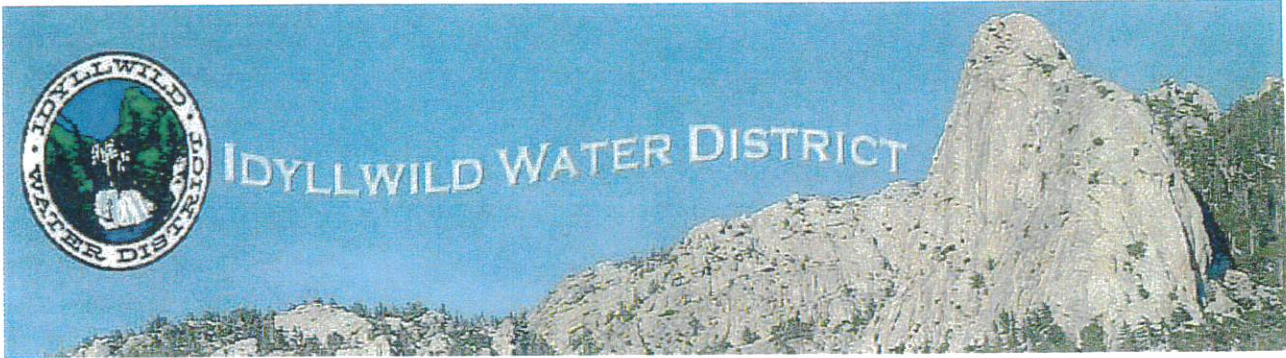
Board of Directors will consider accepting the Fiscal Year 2020 – 2021 audit.

### Background:

The District is required by State law to have its financial audited annually by a certified public accountant. The District hired Rogers, Anderson, Malody & Scott, LLP to audit the District Financial Statements for FY 2020 – 2021.

### Attachments:

- Idyllwild Water District Financial Statement



**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2021**

Idyllwild Water District

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**Idyllwild Water District**

**List of Principal Officers as of June 30, 2021**

---

*BOARD OF DIRECTORS*

<u>Title</u>	<u>Name</u>
President	Charles Schelly
Vice-President	Peter Szabadi
Director	Les Gin
Director	Stephen Olson
Director	Steve Kunkle

*ADMINISTRATION*

General Manager	Leo Havener
Chief Financial Officer	Hosny Shouman

*ORGANIZATION*

The Idyllwild Water District was formed on March 21, 1955 for the purpose of providing a domestic water supply to the community of Idyllwild, California under Section 30000 of the California Water Code. Improvement District No. 1 was established by Board action on March 10, 1966 to provide wastewater services within the community.



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

*Independent Auditor's Report*

735 E. Carnegie Dr. Suite 100  
San Bernardino, CA 92408  
909 889 0871 T  
909 889 5361 F  
ramscpa.net

Board of Directors  
Idyllwild Water District  
Idyllwild, California

**PARTNERS**

Brenda L. Odle, CPA, MST  
Terry P. Shea, CPA  
Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradford A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST

**MANAGERS / STAFF**

Charles De Simoni, CPA  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA  
Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
Xinlu Zoe Zhang, CPA, MSA  
John Maldonado, CPA, MSA  
Thao Le, CPA, MBA  
Julia Rodriguez Fuentes, CPA, MSA

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

*Employee Benefit Plan  
Audit Quality Center*

California Society of  
Certified Public Accountants

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of the Idyllwild Water District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District, as of June 30, 2021, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America and State Controller's *Minimum Audit Requirements for California Special Districts*.

**Basis for Opinion**

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

**Responsibilities of Management for the Financial Statements**

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

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





### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

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

**Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 9, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
November 9, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The intent of the management's discussion and analysis is to provide highlights of the Idyllwild Water District's (the District) operational and financial activities for the fiscal year ended June 30, 2021. Readers are encouraged to review this section in conjunction with the accompanying financial statements and notes.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The District operates under California Irrigation District Law as a utility enterprise. As such, the District presents its financial statements using the economic resources measurement focus and the full accrual basis of accounting, similar to methods used by private sector companies. These financial statements are designed to provide readers with a broad overview of the finances and also present changes in cash balances, and information about both short-term and long-term activities of the District. There are three required components to these statements: the Management's Discussion and Analysis (MD&A), the financial statements, and the notes to the financial statements. As an enterprise fund, the District's financial statements include four components:

- 1) **Statement of Net Position** presents information on all of the District's assets, liabilities, and deferred inflows/outflows with the difference between the two reported as net position. The statement of net position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Net position is displayed in three categories: net investment in capital assets, restricted, and unrestricted.
- 2) **Statement of Revenues, Expenses, and Changes in Net Position** presents information which show how the District's net position changed during the year. All of the current year's revenues and expenses are recorded on an accrual basis, meaning when the underlying transaction occurs, regardless of the timing of the related cash flows. These statements measure the success of the District's operations over the past year and determine whether the District has recovered its costs through water sales, user fees, and other charges.
- 3) **Statement of Cash Flows** provides information regarding the District's cash receipts and cash disbursements during the year. These statements report cash activity in four categories: operating, noncapital financing, capital and related financing, and investing. This statement differs from the statement of revenues, expenses, and changes in net position in that it accounts only for transactions that result from cash receipts and cash disbursements. As in the past, the statement of cash flows continues to reconcile the reasons why cash from operating activities differ from operating income.
- 4) **Notes to the Basic Financial Statements** provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements. The notes are located immediately following the financial statements.

### THE DISTRICT'S OPERATIONS - AN OVERVIEW

The District operates under the authority of Section 30000, Division 12 of the California Water Code and engages in water and wastewater activities, which are classified, as "proprietary". These activities are accounted for much like that of a private business using the full accrual method of accounting for financial transactions. Major activities include production and treatment of groundwater; sale and delivery of water to domestic and commercial accounts; and collection, treatment, and disposal of wastewater. The District also owns a small fleet of vehicles and other rolling stock to support the various operating activities for water and wastewater.

## **FINANCIAL HIGHLIGHTS**

### **WATER SALES:**

Water sales increased for the year by \$121,086 or 8.8% from the prior year's amount and ended the year at \$1,501,282. This is attributed to a changing rates for residential and commercial. Total cubic feet sold for the fiscal year was 10,204,966. The District is in Stage Two for water conservation.

### **WASTEWATER SALES:**

Wastewater service charges increased by \$41,928 or 6.5% from the prior year and ended the year at \$687,957. The equivalent dwelling units is the same as the prior year at 1,377.0 EDU. There were no new residential or commercial connections added during the year.

### **CAPITAL ASSETS:**

During the year, the water fund increased capital assets being depreciated by \$168,213, including \$6,000 of assets transferred from the wastewater fund. Overall, capital assets in the water fund decreased by \$202,796, primarily due to depreciation expense of \$334,461.

The water fund had the following major additions and deletions:

#### *Additions:*

- |                              |           |
|------------------------------|-----------|
| • Main control panel upgrade | \$71,150  |
| • Safety ladder tanks (CIP)  | \$108,500 |
| • Diversion project (CIP)    | \$17,137  |

#### *Deletions:*

- |                        |          |
|------------------------|----------|
| • 2014 Toyota 4 Runner | \$39,272 |
| • Tyler Software       | \$25,541 |

During the year, the capital assets of the wastewater fund decreased by \$17,788, including a transfer of \$6,000 to the water fund. The decreased was primarily related to depreciation expense of \$48,687.

### **INVESTMENT INCOME:**

This past year investment income experienced a decrease in earned percentages from the prior year. There are conservative investment policy restrictions on types of investments such as treasury bills, certificates of deposits, savings, money market funds, and local agency investment funds (state and local). Total investment income for the water and wastewater funds was a combined \$16,357.

### **PROPERTY TAXES:**

This past year property tax revenues experienced an increase in revenues from the previous year of \$28,344 or 22.9%. Total property tax revenues for the year ended was \$532,015.

### **DISTRICT OPERATIONS:**

Combined operating expenses, excluding depreciation expense of \$383,148 totaled \$1,806,417 which represents a decrease of \$108,150 or an decrease of 9.1% from the prior year. Decreases occurred in the following expense categories: General Plant Expenses, Wages, and Legal Expense.

### **DEPRECIATION EXPENSE:**

The water fund's depreciation expense was \$334,461 and the wastewater fund's was \$48,687 for a total of \$383,148, an increase of \$11,666 or 3.14% from the prior year. The allocation of depreciation expense between the water and wastewater fund changed in the current year and will be applied prospectively.

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021**

**TOTAL REVENUES:**

Combined revenues for the year totaled \$2,794,932 compared to the prior year of \$2,605,001, an increase of \$189,931 or 7.3%. The increase is primarily due to increase in water sales and increase in wastewater services. The following table presents a comparison of revenues by category for the two years of 2019/2020 and 2020/2021:

**COMBINED REVENUES BY CATEGORY  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2021**

<i>Revenue category</i>	2019/2020		2020/2021		Change	
	Amount	% of total	Amount	% of total	Amount	%
Water sales	\$ 1,380,196	52.98%	\$ 1,501,282	53.71%	\$ 121,086	8.8%
Wastewater services	646,029	24.80%	687,957	24.61%	41,928	6.5%
Service fees and other	11,488	0.44%	14,207	0.51%	2,719	23.7%
Investment income	60,114	2.31%	16,357	0.59%	(43,757)	-72.8%
Property taxes - 1%	477,671	18.34%	506,015	18.10%	28,344	5.9%
Standby charge	22,232	0.85%	26,000	0.93%	3,768	16.9%
Capacity fee	6,950	0.27%	43,114	1.55%	36,164	520.3%
Other income	321	0.01%	-	0.00%	(321)	-100.0%
Total revenues	<u>\$ 2,605,001</u>	<u>100%</u>	<u>\$ 2,794,932</u>	<u>100%</u>	<u>\$ 189,931</u>	<u>7.3%</u>

**TOTAL EXPENSES:**

Combined expenses for the year totaled \$2,261,590 compared to a prior year of \$2,358,557, a decrease of \$96,967 or 4.1%, which includes total operating expenses of \$2,189,565 (excluding other operating, non-operating and interest) compared to the prior year of \$2,026,225. The primary reason for this decrease in the operating and general administration expenses and engineering studies compared with the previous year.

**COMBINED EXPENSES BY CATEGORY  
FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2021**

<i>Expense category</i>	2019/2020		2020/2021		Change	
	Amount	% of total	Amount	% of total	Amount	%
Water operations	\$ 819,768	34.8%	\$ 672,956	29.8%	\$ (146,812)	-17.9%
Wastewater operations	294,413	12.5%	241,622	10.7%	(52,791)	-17.9%
General and admin	914,475	38.8%	877,639	38.8%	(36,836)	-4.0%
Other operating	329,393	14.0%	397,348	17.6%	67,955	20.6%
Other non-operating	508	0.0%	72,025	3.2%	71,517	14078.1%
Total expenses	<u>\$ 2,358,557</u>	<u>100.0%</u>	<u>\$ 2,261,590</u>	<u>100.0%</u>	<u>\$ (96,967)</u>	<u>-4.1%</u>

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021**

**STATEMENT OF NET POSITION:**

The District's net position increased by \$533,342 or 5.3%, due to current operations. The District ended the year with \$10,687,919 in total net position. Following is a summary table of statement of net position comparing the changes from fiscal year 2019/2020 and 2020/2021:

**STATEMENT OF NET POSITION:**

	2019/2020	2020/2021	Change	
			Amount	%
Assets:				
Current	\$ 4,986,337	\$ 5,860,830	\$ 874,493	17.5%
Non-current: capital	6,805,365	6,584,781	(220,584)	-3.2%
Total assets	11,791,702	12,445,611	653,909	5.5%
Deferred outflow of resources				
OPEB related	72,110	106,962	34,852	48.3%
Liabilities:				
Current	78,147	150,749	72,602	92.9%
Other non-current	1,380,054	1,505,511	125,457	9.1%
Total liabilities	1,458,201	1,656,260	198,059	13.6%
Deferred inflow of resources				
OPEB related	251,034	208,394	(42,640)	-17.0%
Net position:				
Net investment in capital assets	6,805,365	6,584,781	(220,584)	-3.2%
Unrestricted	3,349,212	4,103,138	753,926	22.5%
Total net position	\$ 10,154,577	\$ 10,687,919	\$ 533,342	5.3%

**CHANGES IN FINANCIAL CONDITION OF THE DISTRICT:**

The following provides explanations for some of the changes between fiscal years, as reflected in the above balance sheet data:

**CURRENT ASSETS:**

Current assets increased by \$874,493 or 17.5% from the prior year. This is due primarily from the increase in property taxes, reduced operating expenses for waste water and increase in collection of revenue. Service receivables decreased by \$7,569 or 9.8% and property tax receivable increased by \$3,939 or 23.1%.

**CURRENT LIABILITIES:**

Current liabilities increased by \$72,602 due primarily to accounts payable, payroll liabilities and compensated absences balances.

**LONG-TERM DEBT OUTSTANDING:**

The District currently has no long-term debt outstanding.

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021**

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**TOTAL OPEB LIABILITY:**

The District had an actuarial firm perform calculation of the total OPEB liability for the "Retiree's Health Benefit Plan" in accordance with GASB Statement 75. A net increase in the total OPEB liability was recorded in the current fiscal year in the amount of \$125,457. See note 9 for more information.

**CAPITAL ASSETS:**

The District reported capital assets of \$6,584,781, net of accumulated depreciation, at the end of the fiscal year compared to \$6,805,365 in fiscal year 2021, a decrease of \$220,584 or 3.2%. See note 4 for more information. The following is a table comparing the change in capital assets between the two fiscal years:

**CAPITAL ASSETS  
AS OF JUNE 30, 2020 AND 2021**

	2019/2020	2020/2021	Change	
			Amount	%
Construction in progress	\$ 98,066	\$ 17,138	\$ (80,928)	-82.5%
Land and land improvements	606,101	606,101	-	0.0%
Source of supply	1,336,153	1,392,503	56,350	4.2%
Pumping plant	97,162	97,161	(1)	0.0%
Treatment plant	801,012	872,162	71,150	8.9%
Transmission and distribution	7,030,989	7,150,904	119,915	1.7%
General plant	1,625,899	1,465,741	(160,158)	-9.9%
Subsurface lines	1,389,330	1,389,330	-	0.0%
Wastewater treatment facilities	1,109,175	1,121,335	12,160	1.1%
Wastewater disposal facilities	313,328	413,024	99,696	31.8%
<b>Total capital assets</b>	<b>14,407,216</b>	<b>14,525,399</b>	<b>118,184</b>	<b>0.8%</b>
<b>Less accumulated depreciation</b>	<b>(7,601,850)</b>	<b>(7,940,618)</b>	<b>(338,768)</b>	<b>4.5%</b>
<b>Net capital assets, net</b>	<b>\$ 6,805,365</b>	<b>\$ 6,584,781</b>	<b>\$ (220,584)</b>	<b>-3.2%</b>

**Idyllwild Water District  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021**

**DISTRICT REVENUES AND EXPENSES ACTUAL VS. BUDGET:**

The table below compares actual revenues and expenses of the District to budgeted and/or projected amounts used by the District to monitor performance during the fiscal year.

**ACTUAL VERSUS BUDGET  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Revenues</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Water base fees and revenue	\$ 1,515,227	\$ 1,398,196	\$ 117,031
Wastewater base fees and revenue	688,219	695,982	(7,763)
Interest and other revenues	59,471	30,500	28,971
Property taxes - 1% and standby fees	532,015	422,800	109,215
<b>Total revenues</b>	<b>2,794,932</b>	<b>2,547,478</b>	<b>247,454</b>
<u>Expenses</u>			
Water operations (including G&A)	1,355,348	1,767,004	411,656
Wastewater operations (including G&A)	451,069	684,695	233,626
Depreciation	383,148	-	(383,148)
Other expense	72,025	(500)	(72,525)
<b>Total expenses</b>	<b>2,261,590</b>	<b>2,451,199</b>	<b>189,609</b>
<b>Change in net position</b>	<b>\$ 533,342</b>	<b>\$ 96,279</b>	<b>\$ 437,063</b>

The District's capital budget was \$1,146,500. The District incurred capital costs of \$162,536 during the year.

**UPCOMING EVENTS:**

The district is currently working on a Pipeline Replacement Project for Strawberry creek diversion.

The district is working on updating its Water Service Policies and Procedures and Employees Policies and Procedures.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT:**

This management's discussion and analysis section is designed to provide Idyllwild Water District elected officials, our customers, and creditors with a general overview of the District's financial activities for fiscal year 2021 for public monies it receives and expends. If you have any questions regarding this section or require additional financial information, please contact the District, at 25945 CA-243, Idyllwild, California, 92549 or online at [idyllwildwater.com](http://idyllwildwater.com).



**Idyllwild Water District**  
**Statement of Net Position**  
**June 30, 2021**

	Water	Improvement District No. 1 - Wastewater	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash and investments	\$ 2,761,745	\$ 2,776,980	\$ 5,538,725
Certificates of deposit	25,885	160,905	186,790
Accounts receivable, net:			
Sales and service	45,428	24,133	69,561
Taxes and assessments	15,672	5,299	20,971
Accrued interest receivable	1,235	974	2,209
Inventories	34,185	-	34,185
Prepays	6,292	2,097	8,389
<b>Total current assets</b>	<b>2,890,442</b>	<b>2,970,388</b>	<b>5,860,830</b>
<b>Capital assets:</b>			
Land and land improvements	580,135	25,966	606,101
Construction in progress	17,138	-	17,138
Property, plant and equipment, net	5,314,221	647,321	5,961,542
<b>Total capital assets</b>	<b>5,911,494</b>	<b>673,287</b>	<b>6,584,781</b>
<b>Total assets</b>	<b>8,801,936</b>	<b>3,643,675</b>	<b>12,445,611</b>
<b>Deferred Outflows of Resources</b>			
OPEB related	80,222	26,740	106,962
<b>Total deferred outflows of resources</b>	<b>80,222</b>	<b>26,740</b>	<b>106,962</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	115,076	7,009	122,085
Compensated absences payable	21,498	7,166	28,664
<b>Total current liabilities</b>	<b>136,574</b>	<b>14,175</b>	<b>150,749</b>
<b>Noncurrent liabilities:</b>			
Total OPEB liability	1,129,133	376,378	1,505,511
<b>Total noncurrent liabilities</b>	<b>1,129,133</b>	<b>376,378</b>	<b>1,505,511</b>
<b>Total liabilities</b>	<b>1,265,707</b>	<b>390,553</b>	<b>1,656,260</b>
<b>Deferred Inflows of Resources</b>			
OPEB related	156,295	52,099	208,394
<b>Total deferred inflows of resources</b>	<b>156,295</b>	<b>52,099</b>	<b>208,394</b>
<b>Net Position</b>			
Net investment in capital assets	5,911,494	673,287	6,584,781
Unrestricted	1,548,662	2,554,476	4,103,138
<b>Total net position</b>	<b>\$ 7,460,156</b>	<b>\$ 3,227,763</b>	<b>\$ 10,687,919</b>

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

**Idyllwild Water District**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2021**

	Water	Improvement District No. 1 - Wastewater	Total
<b>Operating Revenues</b>			
Sales and charges for services:			
Residential	\$ 1,045,881	\$ 223,768	\$ 1,269,649
Commercial	455,401	464,189	919,590
Other fees and charges	13,945	262	14,207
	<u>1,515,227</u>	<u>688,219</u>	<u>2,203,446</u>
Total operating revenues			
<b>Operating Expenses</b>			
Source of supply	263,736	-	263,736
Transmission and distribution	130,286	-	130,286
Pumping	22,583	-	22,583
Water treatment	187,792	-	187,792
Customer accounts	68,559	-	68,559
Wastewater collection	-	9,067	9,067
Wastewater treatment	-	187,037	187,037
Wastewater disposal	-	45,518	45,518
Other operating	346,193	51,155	397,348
General and administrative	670,660	206,979	877,639
	<u>1,689,809</u>	<u>499,756</u>	<u>2,189,565</u>
Total operating expenses			
Operating income (loss)	<u>(174,582)</u>	<u>188,463</u>	<u>13,881</u>
<b>Nonoperating Revenues</b>			
Investment income	8,809	7,548	16,357
Property taxes and assessments	372,057	133,958	506,015
Standby fees	20,285	5,715	26,000
Capacity fees	43,114	-	43,114
	<u>444,265</u>	<u>147,221</u>	<u>591,486</u>
Total nonoperating revenues			
<b>Nonoperating Expenses</b>			
Tax collection fees	903	-	903
Loss on disposal of capital assets	71,122	-	71,122
	<u>72,025</u>	<u>-</u>	<u>72,025</u>
Total nonoperating expenses			
Change in net position	197,658	335,684	533,342
Net position, beginning of year	<u>7,262,498</u>	<u>2,892,079</u>	<u>10,154,577</u>
Net position, end of year	<u>\$ 7,460,156</u>	<u>\$ 3,227,763</u>	<u>\$ 10,687,919</u>

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

**Idyllwild Water District  
Statement of Cash Flows  
For the Year Ended June 30, 2021**

	Water	Improvement District No. 1 - Wastewater	Total
<b>Cash Flows from Operating Activities</b>			
Cash received from customers	\$ 1,516,268	\$ 694,747	\$ 2,211,015
Cash payments for services, supplies and employees	<u>(1,290,124)</u>	<u>(441,785)</u>	<u>(1,731,909)</u>
Net cash (used for) provided by operating activities	<u>226,144</u>	<u>252,962</u>	<u>479,106</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Property taxes -1% received	367,587	134,489	502,076
Other nonoperating income	20,285	5,715	26,000
Other nonoperating expenses	<u>(903)</u>	<u>-</u>	<u>(903)</u>
Net cash provided by noncapital financing activities	<u>386,969</u>	<u>140,204</u>	<u>527,173</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition and construction of capital assets	(125,637)	(36,899)	(162,536)
Capacity fees received	43,114	-	43,114
Transfer of assets between funds	<u>(6,000)</u>	<u>6,000</u>	<u>-</u>
Net cash (used for) provided by capital and related financing activities	<u>(88,523)</u>	<u>(30,899)</u>	<u>(119,422)</u>
<b>Cash Flows from Investing Activities</b>			
Investment income	<u>13,047</u>	<u>10,889</u>	<u>23,936</u>
Net cash provided by investing activities	<u>13,047</u>	<u>10,889</u>	<u>23,936</u>
Net (decrease) increase in cash and cash equivalents	537,637	373,156	910,793
Cash and cash equivalents, beginning of year	<u>2,249,993</u>	<u>2,564,729</u>	<u>4,814,722</u>
Cash and cash equivalents, end of year	<u>\$ 2,787,630</u>	<u>\$ 2,937,885</u>	<u>\$ 5,725,515</u>

**Cash and Investments are presented in the Statement of Net Position as follows:**

Cash and investments	\$ 2,761,745	\$ 2,776,980	\$ 5,538,725
Certificates of deposit	<u>25,885</u>	<u>160,905</u>	<u>186,790</u>
Total	<u>\$ 2,787,630</u>	<u>\$ 2,937,885</u>	<u>\$ 5,725,515</u>

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

Idyllwild Water District  
Statement of Cash Flows (continued)  
For the Year Ended June 30, 2021

	Water	Improvement District No. 1 - Wastewater	Total
<b>Reconciliation of Operating Income</b>			
<b>(loss) to Net Cash (used for) Provided by</b>			
<b>Operating Activities</b>			
Operating income (loss)	\$ (174,582)	\$ 188,463	\$ 13,881
Adjustments to reconcile operating income (loss) to net cash (used for) provided by operating activities:			
Depreciation	334,461	48,687	383,148
(Increase) decrease in assets and deferred outflows of resources:			
Receivables	1,041	6,528	7,569
Inventories	33,480	-	33,480
Prepays	(6,292)	(2,097)	(8,389)
OPEB related deferred outflows of resources	(26,139)	(8,713)	(34,852)
Increase (decrease) in liabilities and deferred inflows of resources:			
Accounts payable	(808)	(1,566)	(2,374)
Total OPEB liability	94,093	31,364	125,457
Compensated absences payable	2,870	956	3,826
OPEB related deferred inflows of resources	(31,980)	(10,660)	(42,640)
Net cash (used for) provided by operating activities	<u>\$ 226,144</u>	<u>\$ 252,962</u>	<u>\$ 479,106</u>

As of June 30, 2021, there was \$71,150 of capital assets in accounts payable, and \$47,715 of abandoned CIP projects.

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

**Note 1: Significant accounting policies**

*Description of reporting entity*

The Idyllwild Water District was formed on March 21, 1955 for the purpose of providing a domestic water supply to the community of Idyllwild, California under Section 30000 of the California Water Code. Improvement District No. 1 was established by Board action on March 10, 1966 to provide wastewater services within the community. The financial statements of the Idyllwild Water District include the financial activities of Improvement District No. 1 as an oversight component of the District. The oversight responsibility of the District arises from the fact that the two operations are related financially and have the same management and governing board.

The District reports the following enterprise funds:

*Water* – This fund is used to account for the sale of water to domestic and commercial accounts. It is also used to account for the costs of distributing, new construction, and repair and maintenance of various water facilities and other related infrastructure.

*Improvement District No. 1 Wastewater* – This fund is used to account for the treatment and disposal of wastewater. It is also used to account for the costs of collection, new construction, and repair and maintenance of various wastewater facilities and other related infrastructure.

*Measurement focus and basis of accounting*

The District utilizes accounting principles appropriate for an enterprise fund to record its activities. Accordingly, revenue and expenses are recognized on an accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods (water) in connection with the principal ongoing operations.

The District recognizes revenue from water sales, wastewater service fees and water availability fees as it is earned. Taxes and assessments are recognized as revenue based upon amounts reported to the District by the County of Riverside, net of an allowance for delinquencies.

*Net position flow assumption*

At various times the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

*Budgetary accounting*

The District prepares and adopts budgets for both the Water and Improvement District, but does not present budgetary information because it is not legally required to adopt and adhere to a budget. All budgets are adopted on a basis consistent with generally accepted accounting principles.

*Use of estimates*

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts in the statements. Actual results could differ from those estimates.

**Note 1: Significant accounting policies, continued**

*Property tax calendar*

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien date	March 1
Levy date	July 1 through June 30
Due date	November 1 – First installment March 1 – Second installment
Delinquent date	December 10 – First installment April 10 – Second installment

Under California law, property taxes and other charges (such as assessments) are assessed and collected by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to agencies based on complex formulas prescribed by state statutes. The County of Riverside bills, collects and remits to the District property taxes and assessments through the County's property tax billing process.

*Cash and cash equivalents*

For purposes of the statement of cash flows, the District considers all investments purchases with a maturity of three months or less to be cash equivalents.

*Deposits and investments*

Investments for the District are reported at fair value as applicable.

*Water receivables*

No allowance for doubtful accounts is provided because management believes all receivables are collectible.

*Materials inventory*

Inventory consists primarily of supplies used in the maintenance of plant and equipment and is valued at weighted average cost using the first in/first out (FIFO) method.

*Capital assets and depreciation*

Acquisitions of property, plant and equipment of \$5,000 or more with a useful life of greater than three years are capitalized and depreciated. Contributed assets are recorded at their fair value at the date of contribution. Donated capital assets are recorded at their acquisition value at the date of donation. Self-constructed assets are recorded at the amount of direct labor and materials.

Depreciation is provided on the straight-line method over the following estimated useful lives:

<u>Water District</u>	<u>Years</u>
Source of supply	15 - 100
Pumping plant	7 - 50
Treatment plant	25 - 40
Transmission and distribution	40 - 60
General plant	3 - 40

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 1: Significant accounting policies, continued**

*Capital assets and depreciation, continued*

<u>Improvement District No. 1</u>	<u>Years</u>
Subsurface lines	20 - 40
Wastewater treatment facilities	5 - 40
Wastewater disposal facilities	12 - 100
General plant	3 - 20

*Net position is categorized as follows*

- *Net investment in capital assets* – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Other Post-Employment Benefits (OPEB)*

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date: June 30, 2019  
 Measurement Date: June 30, 2020  
 Measurement Period: July 1, 2019 to June 30, 2020

**Note 2: Concentrations**

During the year ended June 30, 2021, the District has revenues from an unrelated party which amount to more than 10% of net sales. Net sales and accounts receivable to this customer for the year ended were as follows:

	<u>Net Sales</u>		<u>Accounts Receivable</u>	
	<u>Water</u>	<u>Improvement District No. 1 - Wastewater</u>	<u>Water</u>	<u>Improvement District No. 1 - Wastewater</u>
Customer A	\$ 117,675	\$ 103,902	\$ 8,972	\$ 9,658

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 3: Cash and investments**

Cash and cash equivalents are displayed on the financial statements at June 30, 2021 as follows:

	<u>Water</u>	<u>Improvement District No. 1</u>
Current assets:		
Cash and investments	\$ 2,761,745	\$ 2,776,980
Certificates of deposit	25,885	160,905
	<u>\$ 2,787,630</u>	<u>\$ 2,937,885</u>

Cash consisted of the following at June 30:

Deposits with financial institutions	\$ 1,248,703	\$ 1,482,275
Money Market	-	102,064
Cash on hand	275	-
LAIF	1,512,767	1,192,642
Certificates of deposit	25,885	160,904
	<u>\$ 2,787,630</u>	<u>\$ 2,937,885</u>

The District is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each participant may invest up to \$75,000,000. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Also, LAIF is overseen by the Local Agency Investment Advisory Board which consists of five members, in accordance with State statute. LAIF is not currently rated by any rating agency. LAIF allows a maximum of 15 transactions per month, with a minimum of \$5,000 per transaction. Any withdrawal of over \$10,000,000 requires a 24 hour notice.

*Interest rate risk*

The District has adopted an investment policy which limits the weighted average maturity of the District's investments to one year as a means of managing their exposure to fair value losses arising from increasing interest rates.

*Concentration of credit risk*

During the fiscal year, the District did not hold investments in one issuer that represented 5% or more of the District's total investment portfolio. Investments issued or explicitly guaranteed by the U.S. government as well as mutual funds, external investment pools and other pooled assets are exempt from disclosure.



**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 3: Cash and investments, continued**

*Investments authorized by the California Government Code and the Districts' Investment Policy*

The table on the next page identifies the investment types that are authorized by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by trustees that are governed by the provisions of debt agreements, rather than the general provisions of the California Government Code or the Districts' investment policies.

Authorized investment type	Maximum percentage of portfolio*	Maximum investment in one issuer
United States treasury obligations	100%	Not applicable
US government sponsored enterprise securities	75%	Not applicable
California State warrants/notes/bonds	100%	Not applicable
Local Agency Investment Fund	67%	\$75,000,000
Money market mutual funds	20%	25%
Time certificates of deposit	50%	50%
District bonds	Not applicable	30%
Any other investment authorized by the provisions of CGC 5922 and 53601		
* = Surplus funds (monies not expected to be expended for at least six months from the date of investment of such monies.		

*Investments authorized by debt agreements*

Investments of debt proceeds held by trustees (fiscal agents) are governed by provisions of the debt agreements, rather than the provisions of the California Government Code or the Districts' investment policies. The District currently does not have any debt or cash held by trustees.

Investment maturities at June 30, 2021 were as follows:

Investment type	Fair value	Remaining maturity	
		12 months or less	13 to 60 months
<i>Water District</i>			
Local Agency Investment Fund	\$ 1,512,767	\$ 1,512,767	\$ -
Certificates of deposit	25,885	25,885	-
<b>Total investments - Water District</b>	<b>\$ 1,538,652</b>	<b>\$ 1,538,652</b>	<b>\$ -</b>
<i>Improvement District No. 1</i>			
Local Agency Investment Fund	\$ 1,192,642	\$ 1,192,642	\$ -
Certificates of deposit	160,904	107,575	53,329
Public funds money market	102,064	102,064	-
<b>Total investments - Improvement District No. 1</b>	<b>\$ 1,455,610</b>	<b>\$ 1,402,281</b>	<b>\$ 53,329</b>

**Idyllwild Water District  
Notes to Financial Statements  
For the Year Ended June 30, 2021**

**Note 3: Cash and investments, continued**

*Custodial credit risk*

Custodial credit risk for deposits is the risk that, in the event of a 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 requires that a financial institute secure deposits made by state and local governmental units by pledging securities in an individual 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 pool must equal at least 110% of the total amount deposited by public agencies.

California law also allows financial institutions to secure the Districts' deposits by pledging first trust deed mortgage notes, having a value of 150% of the secured public deposits. At June 30, 2021, the District's deposits (bank balances) were insured by the Federal Depository Insurance Corporation or collateralized as required under California law.

*Fair value measurements*

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Non-negotiable certificates of deposit and investments in LAIF are not subject to fair value measurements.

*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. State law limits investments in certain investments in commercial paper, corporate bonds and mutual funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy further limits investments in Money Market Mutual Funds to funds that carry the highest rating of at least two of the three largest national rating organizations.

<u>Investment type</u>	<u>Amount</u>	<u>Minimum legal rating</u>	<u>Rating</u>	<u>Not rated</u>
<i>Water District</i>				
Local Agency Investment Fund	\$ 1,512,767	NA	NA	\$1,512,767
Certificates of deposit	<u>25,885</u>	None	NA	<u>25,885</u>
Total investments - Water District	<u>\$ 1,538,652</u>			<u>\$1,538,652</u>
<i>Improvement District No. 1</i>				
Local Agency Investment Fund	\$ 1,192,642	NA	NA	\$1,192,642
Certificates of deposit	160,904	None	NA	160,904
Public funds money market	<u>102,064</u>	None	NA	<u>102,064</u>
Total investments - Improvement District No. 1	<u>\$ 1,455,610</u>			<u>\$1,455,610</u>

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

**Note 4: Capital assets**

The investment in capital assets at June 30, 2021 consists of the following:

<i>Water District</i>	Beginning balance	Additions	Deletions	Transfers	Ending balance
Capital assets not being depreciated:					
Construction in progress	\$ 98,066	\$ 125,637	\$ (26,915)	\$ (179,650)	\$ 17,138
Land and land improvements	580,135	-	-	-	580,135
Total capital assets not being depreciated	678,201	125,637	(26,915)	-	597,273
Capital assets being depreciated:					
Source of supply	1,336,153	50,350	-	6,000	1,392,503
Pumping plant	97,162	-	-	(1)	97,161
Treatment plant	801,012	71,150	-	-	872,162
Transmission and distribution	7,030,989	108,500	-	11,415	7,150,904
General plant	1,374,082	-	(67,787)	(11,414)	1,294,881
Total capital assets being depreciated	10,639,398	230,000	(67,787)	6,000	10,807,611
Less accumulated depreciation	(5,203,309)	(334,461)	44,380	-	(5,493,390)
Net capital assets being depreciated	5,436,089	(104,461)	(23,407)	6,000	5,314,221
Net capital assets	<u>\$ 6,114,290</u>	<u>\$ 21,176</u>	<u>\$ (50,322)</u>	<u>\$ 6,000</u>	<u>\$ 5,911,494</u>
	Beginning balance	Additions	Deletions	Transfers	Ending balance
<i>Improvement District No. 1</i>					
Capital assets not being depreciated:					
Land	\$ 25,966	\$ -	\$ -	-	\$ 25,966
Total capital assets not being depreciated	25,966	-	-	-	25,966
Capital assets being depreciated:					
Subsurface lines	1,389,330	-	-	-	1,389,330
Wastewater treatment facilities	1,109,174	-	-	12,161	1,121,335
Wastewater disposal facilities	313,328	-	-	99,696	413,024
General plant	251,818	36,899	-	(117,857)	170,860
Total capital assets being depreciated	3,063,650	36,899	-	(6,000)	3,094,549
Less accumulated depreciation	(2,398,541)	(48,687)	-	-	(2,447,228)
Net capital assets being depreciated	665,109	(11,788)	-	(6,000)	647,321
Net capital assets	<u>\$ 691,075</u>	<u>\$ (11,788)</u>	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ 673,287</u>

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 5: Net position**

The District has adopted net position reserve policies which clearly identify reserve categories and purposes while also setting target levels that are consistent with the District's mission, uniqueness and philosophy. The District believes the reserves are prudent fiscal management tools which provide a cornerstone of long-term financial management. The reserve balances are reviewed annually to ensure they meet the needs, current and long-term, of the District. At June 30, 2021, the District had the following reserves in unrestricted net position:

Net position reserves	Water	Improvement District No. 1 - Wastewater
Working capital	\$ 112,500	\$ 37,500
Emergency	150,000	50,000
Capital improvement and replacement	150,000	50,000
Vehicle and equipment replacement	75,000	25,000
Vacation/sick/annual leave liability	16,810	5,603
OPEB	486,880	162,292
Total reserves	\$ 991,190	\$ 330,395

**Note 6: Compensated absences payable**

Vested or accumulated vacation leave is recognized as an expense and liability as the benefits accrue to the employees. Pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*, only the vested portion of sick pay benefits are recognized as a liability.

	Beginning balance	Additions	Deletions	Ending balance
Compensated absences	\$ 24,838	\$ 49,216	\$ (45,390)	\$ 28,664

**Note 7: Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2021, the District participated in the Association of California Water Agencies Joint Powers Insurance Authority (JPIA), which was organized for the purpose of providing liability insurance for the member agencies. The JPIA is a risk-pooling self-insurance authority created under the provisions of California Government Code Section 6500. The JPIA is governed by a board consisting of a representative from each member agency. The board controls the operations of the JPIA, including selections of management and approval of operating budgets. The purpose of the JPIA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The accounts and records of ACWA/JPIA are audited by an independent certified public accounting firm.

**Note 7: Risk management, continued**

The District has deductibles as follows:

Buildings, fixed equipment and personal property:	\$2,500
Mobile equipment:	\$2,500
Licensed vehicles:	\$1,000
Crime	\$1,000
Boiler and machinery	various

The District pays annual premiums for the coverages, which are subject to retrospective adjustments based on claims experience. The nature and amounts of these adjustments cannot be estimated and there were no instances in the past three years where a settlement exceeded the District's coverage.

**Note 8: Employees' retirement plan – defined contribution**

All permanent employees hired on or before December 31, 2013 are covered under the Idyllwild Water District Money Purchase Pension Plan (the Plan) 401(a) administered by the District through ING Pension acting as trustee. The Plan is fully funded by a contribution rate of 21.5% of eligible salaries and wages made entirely by the District. The Board of Directors of the District has the authority, in its sole discretion, to amend, reduce contributions or terminate the plan at any time.

The District adopted a new pension plan 457(b) starting January 1, 2014. For new hires on or after January 1, 2014, the District contributes 10% for each new employee and matching up to 5%, if the employee elects to contribute up to 5%. The 457(b) Plan is administrated by the District through ING pension acting as trustee.

The 457(b) Plan is also available to all current employees hired before December 31, 2013 however, the District will not provide matching contributions. In addition, District employees are also covered under Social Security, funded equally by the District and the employee, or as prescribed by applicable laws.

The District's contributions to the employees' retirement plans for the year ended June 30, 2021 were \$26,912.

**Note 9: Postemployment benefits other than pensions**

*Plan description*

The District has established a single-employer Retiree Healthcare Plan (HC Plan). This coverage is available for employees who reach the following: 1) age 55 and ten years of service (before 1/1/2014, closed to new entrants) or 2) age 65 with ten years of service (after 12/31/2013, open to new entrants). The healthcare coverage provided by the District meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45. A separate financial report is not prepared for the HC Plan.

*Plan benefits*

For the closed plan, the District will pay a varied percentage (50% - 100%) of the retiree and spouses pre-Medicare medical premiums and 100% of the retiree and spouse supplemental Medicare and prescription drug coverage upon reaching Medicare age.

For the open plan, the District will only pay a varied percentage (50% - 100%) of the retiree and spouses Medicare supplement and prescription drug coverage.

**Idyllwild Water District  
Notes to Financial Statements  
For the Year Ended June 30, 2021**

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**Note 9: Postemployment benefits other than pensions, continued**

*Employees covered*

As of the June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active employees	7
Inactive employees or beneficiaries currently receiving benefits	6
Total	<u>13</u>

*Contributions*

The HC Plan and its contribution requirements are established by the Board of Directors and may be amended by the Board of Directors. For the fiscal year ended June 30, 2021, the District's cash contributions were \$54,293 in payments to for insurance premiums not reimbursed by a trust. Implicit contributions amounted to \$5,942 for total payments of \$60,235.

*Total OPEB Liability*

The District's total OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

**Actuarial assumptions:**

Discount rate	2.66%
Inflation	2.50%
Salary increases	3.00% per year, used only to allocate the cost of benefits between service years
Investment rate of return	NA
Mortality rate <sup>(1)</sup>	MacLeod Watts Scale 2020 applied generationally
Pre-retirement turnover healthcare trend rate <sup>(2)</sup>	5.40% in 2021, fluctuating down to 4% by 2076

Notes:

<sup>(1)</sup> The mortality improvement scale was updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2020.

<sup>(2)</sup> Medical plan premiums are assumed to increase at somewhat higher rates than assumed in the prior valuation, with the ultimate trend of 5.4% per year

*Discount rate*

The discount rate used to measure the total OPEB liability was 2.66% percent. The District is currently financing its OPEB liability on a pay-as-you-go basis. The discount rate used in the valuation is based on the S&P Municipal Bond 20 Year High Grade Index.

*Changes of Assumptions*

The discount rate decreased from 2.79% in 2020 to 2.66% in 2021.

Idyllwild Water District  
Notes to Financial Statements  
For the Year Ended June 30, 2021

Note 9: Postemployment benefits other than pensions, continued

*Changes in the OPEB Liability*

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

	<b>Total OPEB Liability (a)</b>
<b>Balance at June 30, 2020</b> (Measurement Date June 30, 2019)	<u>\$ 1,380,054</u>
<b>Changes during the period:</b>	
Service cost	101,592
Interest	40,665
Changes of assumptions	31,426
Plan experience differences	-
Contributions - employer	-
Net investment income	-
Benefit payments	<u>(48,226)</u>
<b>Net changes in fiscal year 2020-2021</b>	<u>125,457</u>
<b>Balance at June 30, 2021</b> (Measurement Date June 30, 2020)	<u>\$ 1,505,511</u>

*Sensitivity of the total OPEB Liability to changes in the Discount Rate*

The following presents the total OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	Discount Rate		
	1% Decrease 1.66%	Current rate 2.66%	1% Increase 3.66%
Total OPEB Liability	<u>\$ 1,784,990</u>	<u>\$ 1,505,511</u>	<u>\$ 1,287,864</u>

*Sensitivity of the total OPEB Liability to changes in the Health Care Cost Trend Rates*

The following presents the total OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2020:

	Healthcare Cost Trend Rates		
	1% Decrease	Current rate	1% Increase
Total OPEB Liability	<u>\$ 1,282,928</u>	<u>\$ 1,505,511</u>	<u>\$ 1,797,140</u>

**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 9: Postemployment benefits other than pensions, continued**

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) 7.44 years at June 2020

*OPEB expense and deferred outflows/inflows of resources related to OPEB*

For the fiscal year ended June 30, 2021, the District recognized OPEB expense of \$108,200. The following is a breakdown of items impacting OPEB expense:

Service cost	\$ 101,592
Interest cost	40,665
Recognized deferred resources items	
Assumption changes	(5,659)
Plan experience	<u>(28,398)</u>
Total OPEB expense	<u>\$ 108,200</u>

As of fiscal year ended June 30, 2021, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 60,235	\$ -
Differences between expected and actual experience	-	154,484
Changes of assumptions	<u>46,727</u>	<u>53,910</u>
Total	<u>\$ 106,962</u>	<u>\$ 208,394</u>



**Idyllwild Water District**  
**Notes to Financial Statements**  
**For the Year Ended June 30, 2021**

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**Note 9: Postemployment benefits other than pensions, continued**

*OPEB expense and deferred outflows/inflows of resources related to OPEB, continued*

The \$60,325 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability during the upcoming fiscal year. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/ (Inflows) of Resources
2022	\$ (34,057)
2023	(34,057)
2024	(34,057)
2025	(27,806)
2026	(24,300)
Thereafter	(7,390)

**Note 10: Contingencies**

*COVID-19 Considerations*

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. The District's major revenue sources could still be directly impacted by these events, it is possible that this matter will negatively impact the District. However, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this uncertainty.

**Idyllwild Water District**  
**Required Supplementary Information**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Last 10 years\***

Measurement Period	2020	2019	2018	2017
<b>Total OPEB Liability</b>				
Service Cost	\$ 101,692	\$ 111,887	\$ 103,549	\$ 114,966
Interest on the Total OPEB Liability	40,665	47,273	45,325	38,546
Plan experience differences	-	(211,280)	-	-
Changes in assumptions	31,428	(16,483)	32,602	(89,965)
Changes in benefit terms	-	-	-	-
Benefit payments	(48,226)	(51,602)	(51,445)	(33,233)
<b>Net change in Total OPEB Liability</b>	<u>125,457</u>	<u>(120,225)</u>	<u>130,031</u>	<u>30,314</u>
<b>Total OPEB Liability - beginning</b>	<u>1,380,054</u>	<u>1,500,279</u>	<u>1,370,248</u>	<u>1,339,934</u>
<b>Total OPEB Liability - ending (a)</b>	<u><u>1,505,511</u></u>	<u><u>1,380,054</u></u>	<u><u>1,500,279</u></u>	<u><u>1,370,248</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 487,181	\$ 642,100	\$ 564,056	\$ 474,999
Total OPEB liability as a percentage of covered-employee payroll	309.02%	214.93%	265.98%	288.47%

**Notes to Schedules:**

*Changes Since the Prior Valuation:*

Discount rate: Decreased from 2.79% to 2.66%

Demographic assumptions: Assumed mortality, termination, and service retirement rates were updated from those provided in the 2014 experience study report to those provided in the 2017 experience study report of CalPERS. The District's plan population is not likely to produce credible rates based only solely on its experience. Actuary believes rates from the CalPERS experience study provide a reasonable estimate on the District's future demographic experience.

Mortality improvement: Scale was updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2020.

Salary scale: Decreased from 3.25% per year to 3.0% per year.

General inflation rate: Decreased from 2.75% to 2.5% per year.

Medical trend: Updated to use the Getzen healthcare trend model sponsored by the Society of Actuaries.

Excise tax repeal: Actuary excluded the excise tax from the valuation results due to the December 2019 repeal.

The District does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

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



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 4 – Strawberry Creek Project Update - 5 minutes

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### Background:

Staff will provide a verbal update on the Strawberry Creek Project.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 5 – Board Room Modifications Update – 5 minutes

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**Background:**

Staff will provide a verbal update on the Board Room modifications.

# Governor Newsom Expands Drought Emergency Statewide, Urges Californians to Redouble Water Conservation Efforts

Published: Oct 19, 2021

*Proclamation authorizes State Water Board to ban wasteful water uses, boosting conservation efforts*

SACRAMENTO – Following the second driest year on record and with near record low storage in California’s largest reservoirs, Governor Gavin Newsom today issued a proclamation extending the drought emergency statewide and further urging Californians to step up their water conservation efforts as the western U.S. faces a potential third dry year.

Bolstering conservation efforts, the proclamation enables the State Water Resources Control Board to ban wasteful water practices, including the use of potable water for washing sidewalks and driveways. The Governor issued an executive order in July calling on Californians to voluntarily [reduce water use](#) by 15 percent compared to 2020 to protect water reserves and complement local conservation mandates. The Governor’s action today comes as the Board reports that in August, California reduced urban water use by 5 percent compared to 2020.

“As the western U.S. faces a potential third year of drought, it’s critical that Californians across the state redouble our efforts to save water in every way possible,” said Governor Newsom. “With historic investments and urgent action, the state is moving to protect our communities, businesses and ecosystems from the immediate impacts of the drought emergency while building long-term water resilience to help the state meet the challenge of climate change impacts making droughts more common and more severe.”

A copy of today’s proclamation can be found [here](#).

The proclamation adds the eight counties not [previously](#) included in the drought state of emergency: Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Francisco and Ventura. In addition, the proclamation requires local water suppliers to implement water shortage contingency plans that are responsive to local conditions and prepare for the possibility of a third dry year.

Expanding the [Save Our Water](#) initiative, a critical resource during the last drought, California has launched robust water conservation public education campaigns in partnership with stakeholders, including public water agencies. Statewide per capita residential water use declined 21 percent between 2013 and 2016 and as of 2020, the urban sector is using approximately 16 percent less on average statewide than in 2013. The Administration will continue to monitor the evolving drought conditions and evaluate all tools available to respond in real-time.

California is experiencing its worst drought since the late 1800s, as measured by both lack of precipitation and high temperatures. August 2021 was the driest and hottest August on record since reporting began and the water year that ended last month was the second driest on record. Today’s proclamation authorizes the Governor’s Office of Emergency Services to provide assistance and funding under the California Disaster Assistance Act to support the emergency response and delivery of drinking water and water for public health and safety.

The Governor’s California Comeback Plan [invests \\$5.2 billion](#) over three years to support immediate drought response and long-term water resilience, including \$815 million for emergency drought relief projects to secure and expand water supplies, drought contingency planning and multi-benefit land repurposing projects; support for drinking water and wastewater infrastructure, with a focus on small and disadvantaged communities; Sustainable Groundwater Management Act implementation to improve water supply security and quality; and projects to support wildlife and habitat restoration efforts, among other nature-based solutions.

More information on the state’s response to the drought and informational resources available to the public are available at <https://drought.ca.gov/>.

###



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 6 – Governor Newsom Drought Emergency – 5 minutes

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### Request:

Vice President Szabadi requested this item for discussion and possible direction for staff.

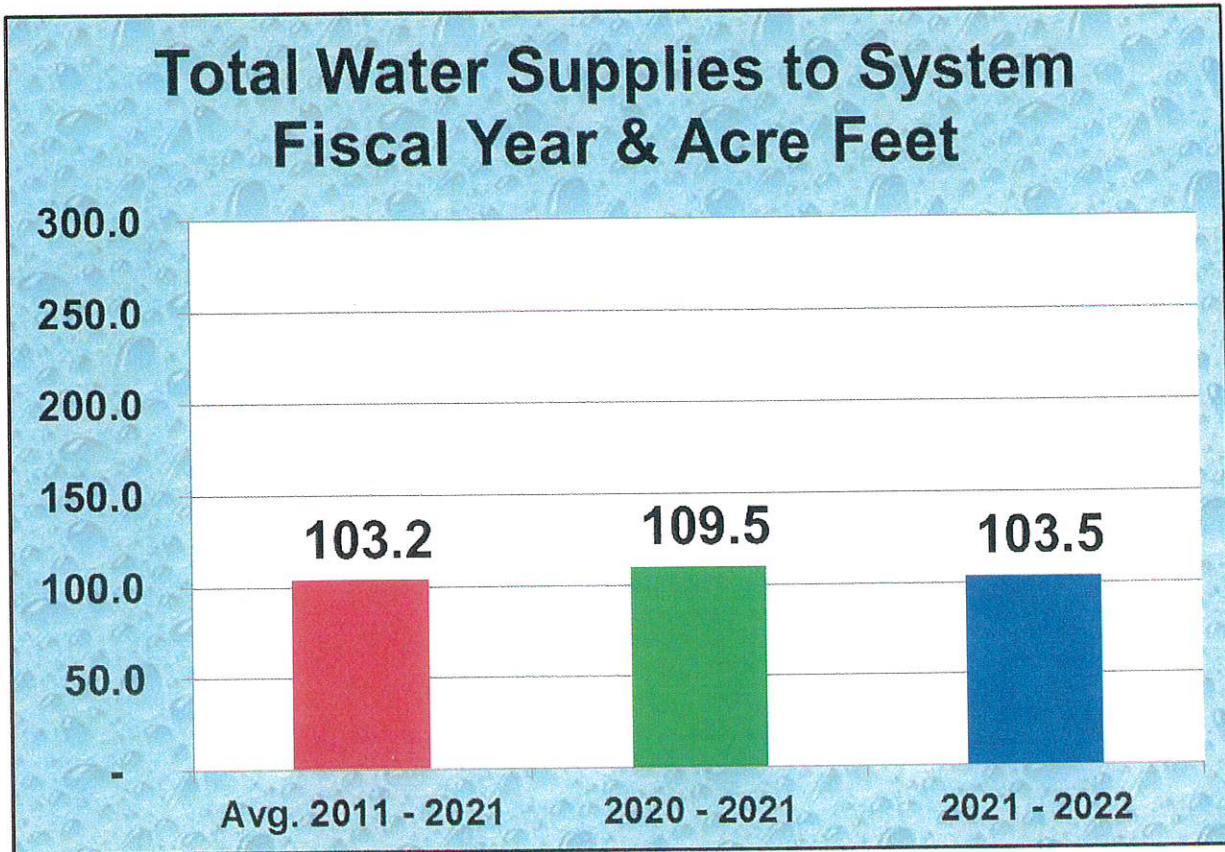
### Background:

On October 19, 2021, Governor Newsom signed a Proclamation of a State of Emergency pertaining to the current statewide drought.

Portion of the Proclamation includes:

- County of Riverside is now experiencing severe drought conditions
- Recommends Districts and ratepayers "...re-double efforts to voluntarily reduce water use by 15% from 2020 levels by implementing the commonsense measures..."
- Governor Newsom finds "that local authority is inadequate to cope with the drought conditions."
- "...to protect their safety, all residents are to obey the direction of emergency officials with regard to this emergency in order to protect their safety."
- "...local agencies are encouraged to take actions to coordinate use of their available supplies and to substitute an alternate water supply of groundwater from existing groundwater wells for the unused portion of surface water that the local agency is otherwise entitled to use."
- "...local water suppliers are directed to execute their Urban Water Shortage Contingency Plans... at a level appropriate to local conditions that takes into account the possibility of a third consecutive dry year."

While most of the state is experiencing drought conditions, the static levels of District wells are above average. Additionally, water usage is below last year and right at average use, as show in the graph below.





# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 7 – Wastewater Treatment Plant Project – 5 minutes

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**Request:**

Vice President Szabadi requested this item for discussion and possible direction for staff.





# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 8 – Short Term Rentals – 5 minutes

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**Request:**

Vice President Szabadi requested this item for discussion and possible direction for staff.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 9 – Water Policy Update – 5 minutes

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**Request:**

Vice President Szabadi requested this item for discussion and possible direction for staff.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 10 – Personnel Manual Update – 5 minutes

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**Request:**

Vice President Szabadi requested this item for discussion and possible direction for staff.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 11 – Board Member Training – 5 minutes

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**Request:**

Director Kunkle requested this item for discussion and possible direction for staff.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 12 – CSDA Certifications – 5 minutes

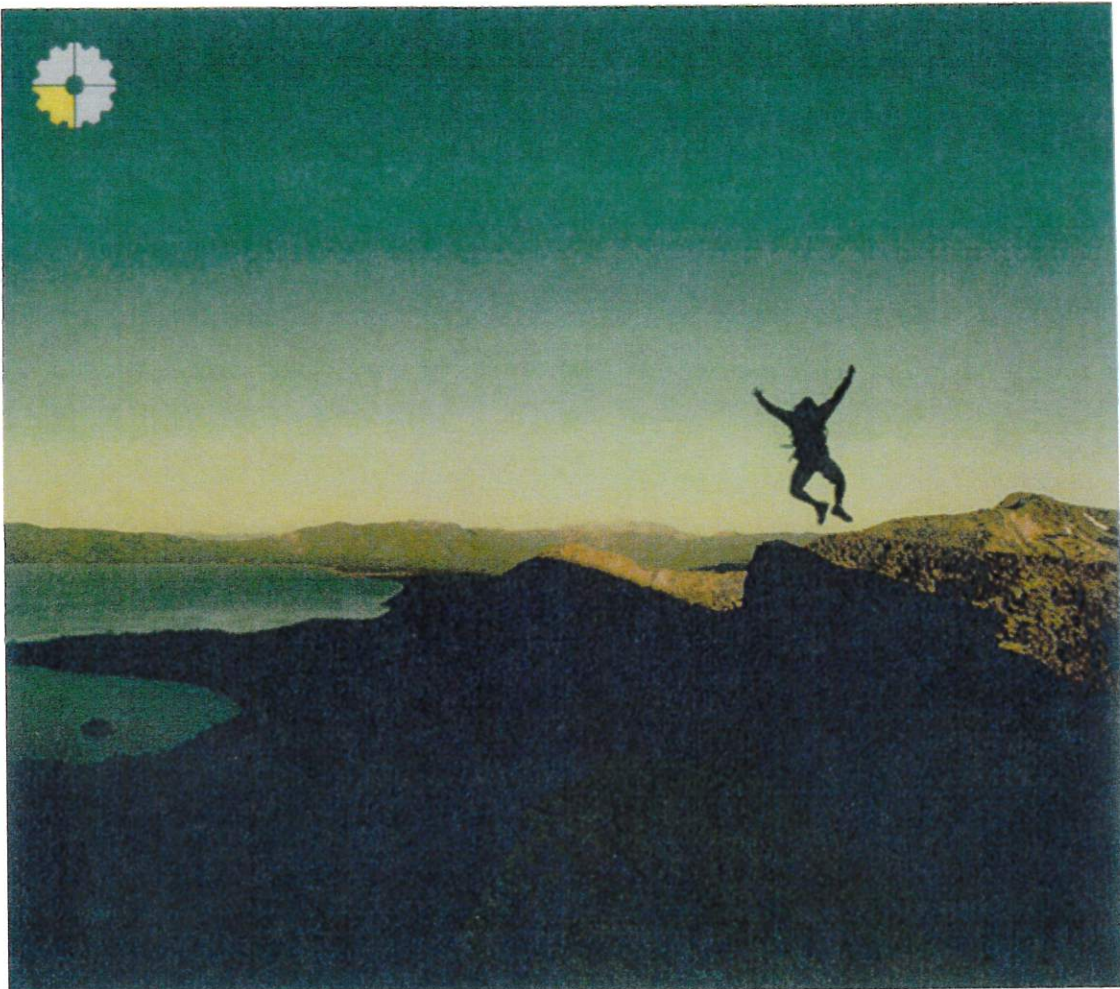
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### Request:

Director Kunkle requested this item for discussion and possible direction for staff.

### Attachments:

- CSDA District Transparency Certificate of Excellence
- CSDA District of Distinction Accreditation
- CSDA Certificate in Special District Governance
- CSDA Certified Special District Manager



2021 TRANSPARENCY CHALLENGE

## **District Transparency Certificate of Excellence**

It is now more important than ever for local governments (including special districts), to be open and accessible to the public. The Special District Leadership Foundation's Transparency Challenge will showcase the many steps your district takes to show it is available and transparent to the constituents and customers you serve.

### How Does it Work?

## 4 Easy Steps...

1. **Complete** the Transparency Commitment Form
2. **Complete** the SDLF Transparency Checklist
3. **Submit** the completed Checklist to SDLF
4. **Get Recognized** for Your Efforts!

## What Does a Participating District Receive?

- A Transparency Certificate of Excellence for display at your district office
- Use of the SDLF Transparency Certificate of Excellence logo on your district's website, social media platforms, letterhead, and/or other public outreach materials
- SDLF Transparency Certificate of Excellence window cling for display at your district
- Presentation of the certificate at a district board meeting or the CSDA Annual Conference
- Recognition on CSDA social media and in the CSDA eNewsletter

## Why Take the Challenge?

- The public expects transparency - Validate and exhibit your district's commitment to operating in a transparent and ethical manner
- Receive third-party recognition from a statewide non-profit foundation known for promoting good governance and best practices
- Join Your Peers - Hundreds of special districts across the state have already committed to transparency by earning the SDLF Transparency Certificate of Excellence
- Demonstrate your engagement with the public and create greater awareness of your activities
- Use the certificate and seal in your outreach efforts to showcase this distinction
- Recognition among legislators and key stakeholders in your area
- 'The Price is Right' - There is no cost to participate or receive your recognition...it's FREE!

**SDLF will also randomly select ten (10) participating special districts that meet the challenge by November 30, 2021 to receive the following additional benefits:**

- A district spotlight and article in an issue of California Special District magazine
- Special recognition on the SDLF website
- Announcement of your district's achievement in a special SDLF press release sent to major newspapers in your area and statewide

- A letter sent from SDLF directly to your California legislators and county Local Agency Formation Commission (LAFCo) notifying them of your district's accomplishment

*Challenge Timeline = December 1, 2020 through November 30, 2021*

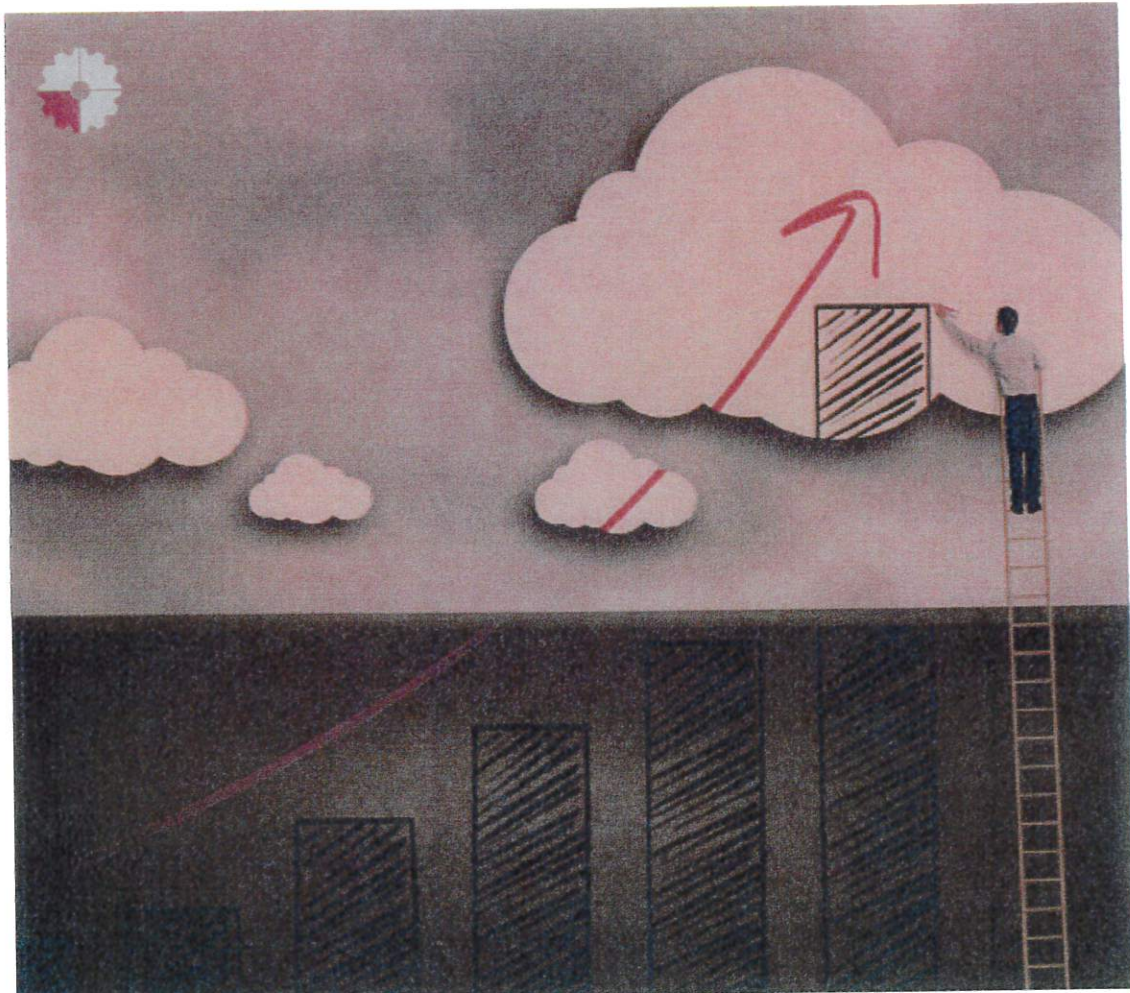
## Sample Policies

Included for your review are sample policies similar to those requested in the application. These are samples that can be used as a starting point for policy/document development. SDLF always recommends you seek legal review prior to adopting district policy to ensure full compliance with any applicable laws and/or regulations.

- Brown Act Compliance
- Public Records Act Requests
- Reimbursement Policy
- Annual Disclosure
- Conflict of Interest Policy
- Code of Ethics Policy
- Board Vacancy Announcement
- Public Budget Hearing







### **District of Distinction Accreditation**

In a time where proper fiscal management and responsibility in public agencies is paramount and the task of governing these agencies has become even more complex, regulated and costly, it has become increasingly important to demonstrate to constituents that districts have sound fiscal management policies and practices in place among other areas of importance in district operations.

This accreditation is designed as a way for districts to highlight their prudent fiscal practices along with other areas important to effectively operate and govern a special district. Districts will be recognized for three full years.

## Why earn it?

- The accreditation criterion gets to the heart of best practices in public agencies. Demonstrate that your district:
- Understands and respects the responsibilities inherent in providing essential public services.
- Has clean financial audits and operates in a fiscally responsible and transparent manner.
- Is conscious of the ever-changing operating environment by having current and relevant policies and procedures in place that conform to all statutes and regulations under state law.
- Places an emphasis on continuing education completed by having each of the district's board members and executive staff in ethics, governance and leadership training.
- Focuses on having sound policies in the areas of governance, board conduct, district finances, transparency and reserves.

## Requirements

- They undergo regular financial audits, have no major deficiencies and apply any recommendations to future years.
- Their operations conform to all statutes and regulations under state law as reflected in a policies and procedures manual.
- All directors/trustees, general manager and executive staff (as designated by the district) have received training in governance as well as compliance with AB 1234 Ethics Training and AB 1825 Harassment Prevention Training.
- They have completed SDLF's District Transparency Certificate of Excellence.

## Application

1. Complete the application.
2. Send application and all supporting materials to SDLF.
3. Approval process review performed by SDLF staff.
4. Receive your certificate and recognition.

[DOWNLOAD](#)

# DOD Seal and Levels



Earn the right to use the program's seal as visual proof that your special district stands out from others. Complete multiple SDLF programs and obtain various levels of this accreditation. Levels of accreditation include silver, gold, and platinum!





### **Certificate in Special District Governance**

The Certificate in Special District Governance was designed to honor special district board members and trustees, and is comprised of two distinct parts: the completion of the Special District Leadership Academy and 10 hours of continuing education.

The Special District Leadership Academy is comprised of four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources and Board's Role in Finance and Fiscal Accountability. The four courses are unique from any other courses on special district governance in that they are curriculum that has been created by special districts and agreed upon as what governing officials of special districts should know. SDLF has endorsed the Academy as the core special district governance training in California.

# Education



Special District Leadership Academy

CSDA's Special District Leadership Academy is a groundbreaking, curriculum based continuing education program that recognizes the necessity for the board and general manager to work closely toward a common goal.

The Academy provides the knowledge base to perform essential governance responsibilities.

You have the option of participating in one-day workshops held throughout the state during the course of the year OR in the Special District Leadership Academy Conference. Attendees at this conference will complete all four modules during the course of two and one-half days.

## Application

To receive this recognition:

- Completion of the Special District Leadership Academy four courses: Governance Foundations, Setting Direction/Community Leadership, Board's Role in Human Resources and Board's Role in Finance and Fiscal Accountability.
- 10 additional hours of continuing education completed within 2 years and received from the California Special Districts Association or any other state-wide association specializing in local government.

[DOWNLOAD](#)





# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 13 – Operations Report Modifications – 5 minutes

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**Request:**

Director Kunkle requested this item for discussion and possible direction for staff.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 14 – Elk Lane Pipeline – 5 minutes

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**Request:**

Director Kunkle requested this item for discussion and possible direction for staff.



# IDYLLWILD WATER DISTRICT

## Memo

**To:** Board of Directors  
**From:** Leo Havener, General Manager  
**Date:** November 17, 2021  
**Subject:** Item 15 – Solar Project for Administration Buildings – 15 minutes

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### **Recommendation:**

Board of Directors will consider approving an agreement with Renova Energy for \$66,066.00 for the purchase and installation of solar panels on the administration buildings.

### **Background:**

In an effort to reduce District long-term energy expenses staff researched solar opportunities. Staff requested several solar companies to provide bids for this project. Renova Energy responded and provided a proposal to assist the District in reducing its long-term energy costs.

### **Fiscal Impact:**

The solar project is a non-budgeted item. CIP funds would be used for the solar project.

The solar project has an initial cost of \$66,066.00 with an estimated payback period of 11.9 years, based on known facts and estimated future energy rates. The District will realize an estimated reduction in energy costs of \$220,029.00 over 30 years.

### **Conclusion:**

Staff has evaluated and recommends the Board approve the agreement with Renova Energy for \$66,066.00 for the purchase and installation of solar panel on the administration buildings.



**Attachments:**

- Renova Energy Proposal
- Solar Panels Layout



Corporate Headquarters  
75-181 Mediterranean Ave. | Palm Desert, CA 92211

## Idyllwild Water District – Solar Savings Overview

Renova Energy is a Nationally Accredited Employee Owned solar and battery storage company. We are pleased to offer you a rooftop solar system.

- **DC system size**
  - 17.16 kW - (52) E20-SunPower 330-Watt solar panels
  
- **Estimated Annual Production from Solar**
  - 24,776 kWh / Year One (100% of Annual Consumption)
  - 22,893 kWh / Year 25 (92% of First Year Production)
  
- **Estimated total bill reduction and savings estimates on meter**
  - 87% bill reduction – offsetting SCE energy and demand charges
    - Pre-solar bill: \$ 457.00 per month average
    - Post solar bill: \$ 56.00 per month average
  - Estimated Savings Year One: \$4,826
  - Estimated Savings Through Year Five: \$ 25,491
    - Payback Period: 11.9 Yrs Cash Terms
    - Assuming only 3% annual utility rate increases
  - 10-Year Electric Savings estimate: \$ 54,670
  - 20-Year Electric Savings estimate: \$ 126,285
  - 30-Year Electric Savings estimate: \$ 220,029
  
- **Project Cost:** \$66,066 includes all permits, labor, etc. (\$3.85 price per watt)
  
- **Why Now**
  - Current desirable NEM 2 agreements with SCE will be shifting away in near future
  - 14% Southern California Edison (SCE) Utility Rate Increase 2020-2021
  - Tax Credits are available and stepping down each year
  - 26% Federal Tax Credit (2021), + Fed Bonus Depreciation, State Depreciation



## 17.16 kW - 10/1/21 SCE Rates

Prepared For  
Idyllwild Water District  
951-410-0021  
joe@idyllwildwater.com

Prepared By  
Quentin Kaplan  
760.563.2554  
qkaplan@renovaenergy.com

11/10/2021

*Renova Energy is committed to delivering practical, sustainable solar energy production and battery storage.*

*Our brand will be national, our commitment local, and our standards the highest - to the long-term benefit of our employees, customers and community.*



# 1 Project Summary

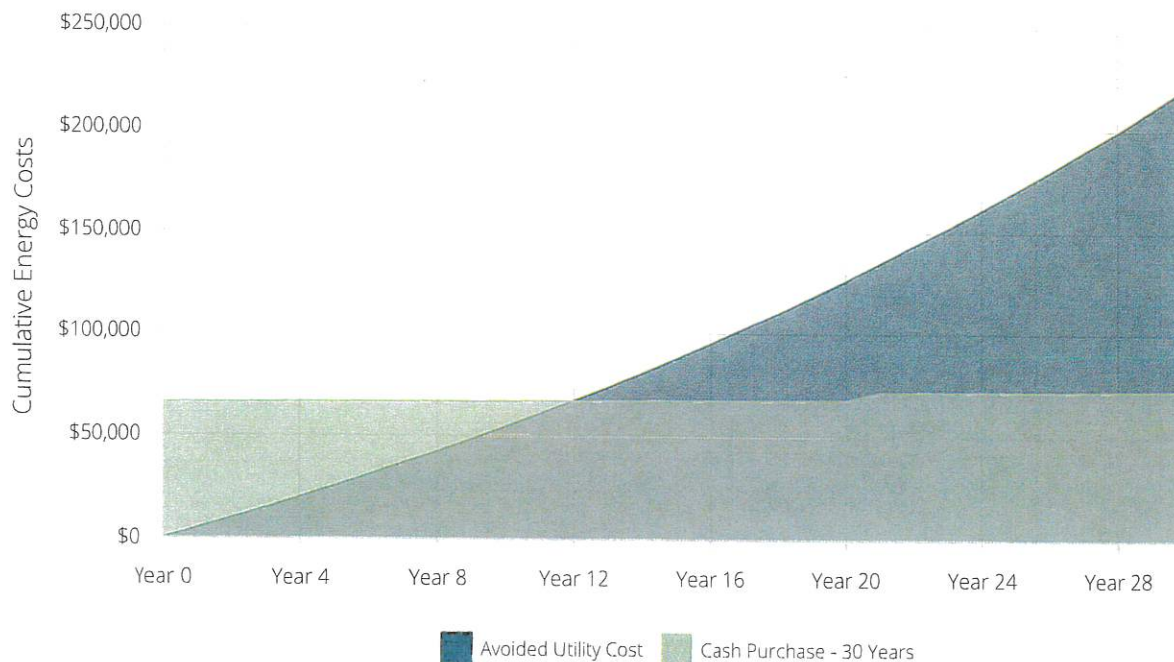
Payment Options	Cash Purchase - 30 Years
IRR - Term	8.5%
LCOE PV Generation	\$0.092 /kWh
Net Present Value	\$33,442
Payback Period	11.9 Years
ROI	222.9%
Total Payments	\$66,066
Total Incentives	\$0
Net Payments	\$66,066
Electric Bill Savings - Year 1	\$4,826
Electric Bill Savings - Term	\$220,029

## Combined Solar PV Rating

Power Rating: 17,160 W-DC

Power Rating: 15,718 W-AC-CEC

**Cumulative Energy Costs By Payment Option**



# 1.1.1 PV System Details

## General Information

Facility: Meter #1  
 Address: 25945 CA-243 Idyllwild-Pine Cove CA 92549

## Solar PV System Rating

Power Rating: 17,160 W-DC  
 Power Rating: 15,718 W-AC-CEC

## Solar PV Equipment Description

Solar Panels: (52) SunPower SPR-E20-330-COM  
 Inverters: (1) SolarEdge Technologies SE5000H-US, (1) SolarEdge Technologies SE10000H-US

## Energy Consumption Mix

Annual Energy Use: 24,733 kWh

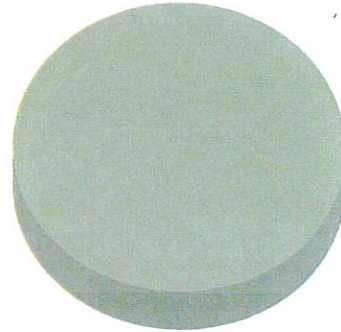
## Solar PV Equipment Typical Lifespan

Solar Panels: Greater than 30 Years  
 Inverters: 20 Years

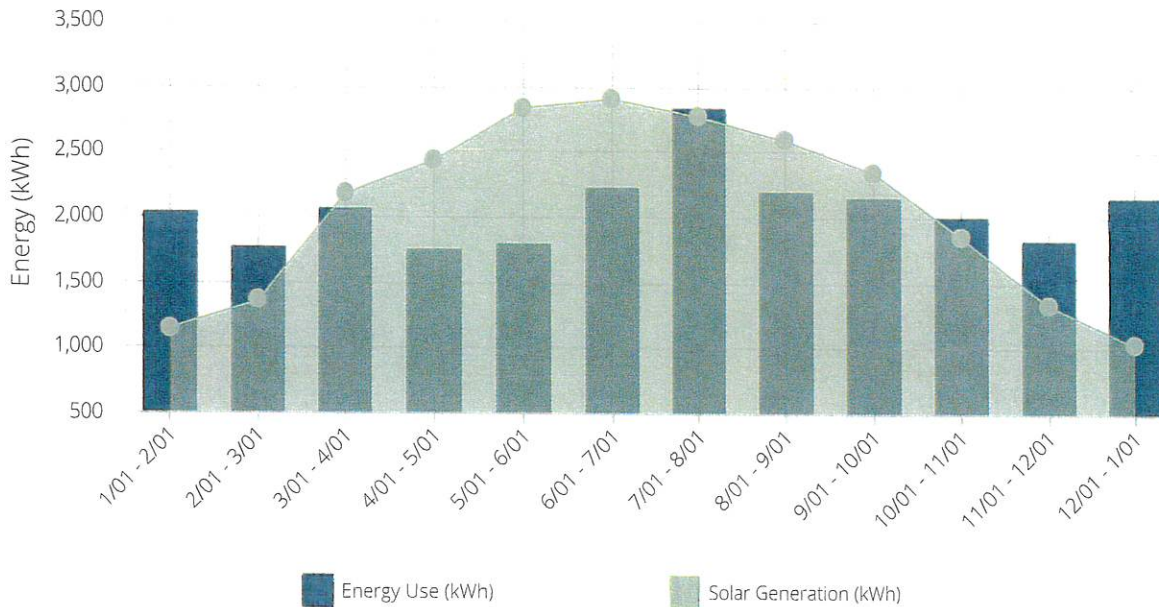
## Solar PV System Cost and Incentives

Solar PV System Cost \$66,066

**Net Solar PV System Cost \$66,066**



Monthly Energy Use vs Solar Generation



## 1.1.2 Rebates and Incentives

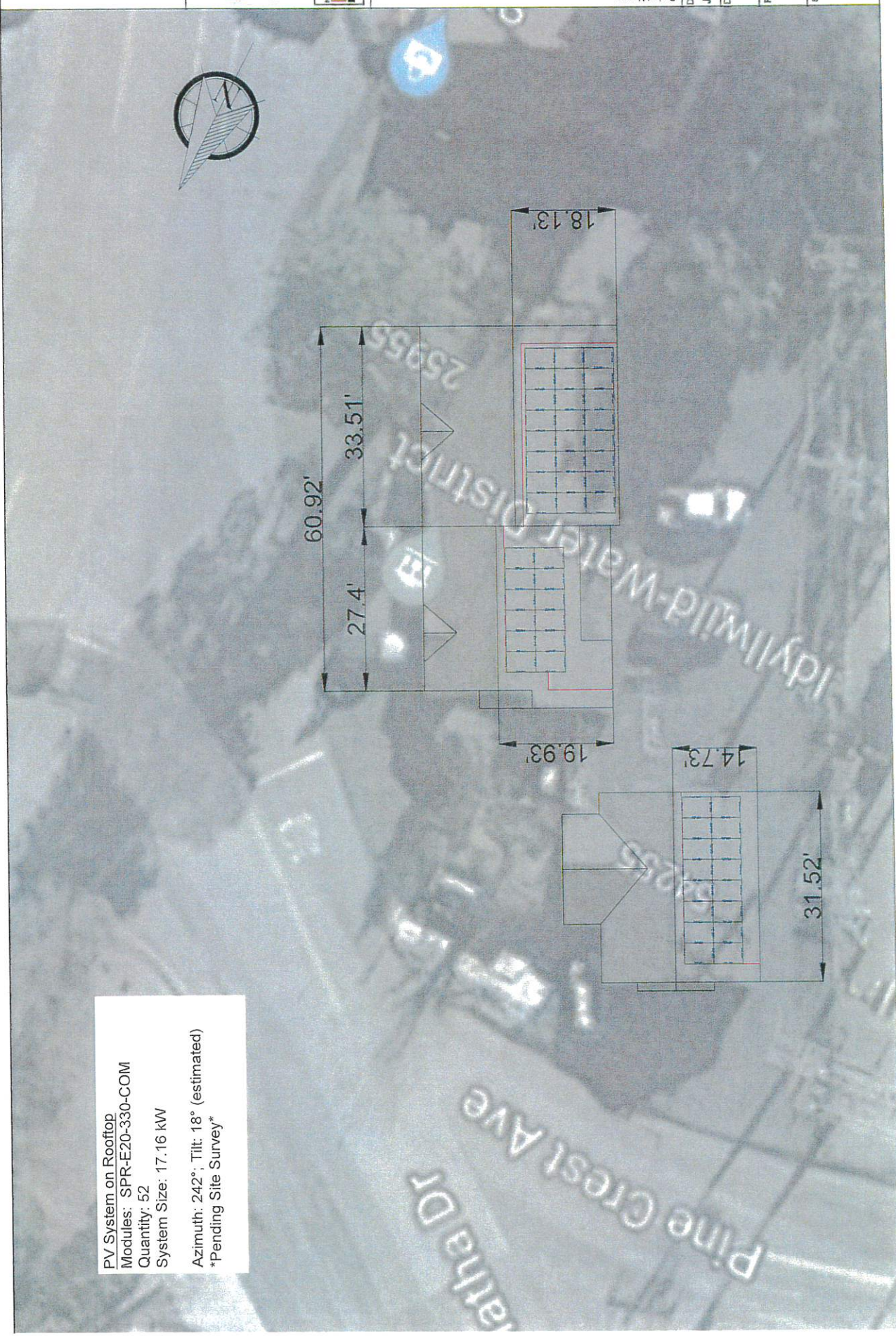
This section summarizes all incentives available for this project. The actual rebate and incentive amounts for this project are shown in each example.

## 2.1 Cash Purchase - 30 Years

### Assumptions and Key Financial Metrics

IRR - 10 Year	(3.4%)	IRR - 20 Year	6.3%	IRR - Term	8.5%
Net Present Value	\$33,442	Payback Period	11.9 Years	ROI	222.9%
PV Degradation Rate	0.25%	Discount Rate	5.0%	Energy Cost Escalation Rate	3.0%
Federal Income Tax Rate	21.0%	State Income Tax Rate	8.8%		

Years	Project Costs	O&M / Equipment Replacement	Electric Bill Savings	Total Cash Flow	Cumulative Cash Flow
Upfront	-\$66,066	-	-	-\$66,066	-\$66,066
1	-	-\$86	\$4,826	\$4,740	-\$61,326
2	-	-\$87	\$4,959	\$4,872	-\$56,454
3	-	-\$88	\$5,094	\$5,007	-\$51,447
4	-	-\$88	\$5,234	\$5,146	-\$46,301
5	-	-\$89	\$5,378	\$5,288	-\$41,013
6	-	-\$90	\$5,525	\$5,435	-\$35,578
7	-	-\$91	\$5,676	\$5,585	-\$29,993
8	-	-\$92	\$5,832	\$5,740	-\$24,253
9	-	-\$93	\$5,991	\$5,898	-\$18,355
10	-	-\$94	\$6,155	\$6,062	-\$12,293
11	-	-\$95	\$6,324	\$6,229	-\$6,064
12	-	-\$96	\$6,497	\$6,401	\$337
13	-	-\$97	\$6,675	\$6,578	\$6,915
14	-	-\$98	\$6,857	\$6,759	\$13,674
15	-	-\$99	\$7,045	\$6,946	\$20,620
16	-	-\$100	\$7,237	\$7,137	\$27,757
17	-	-\$101	\$7,435	\$7,334	\$35,092
18	-	-\$102	\$7,638	\$7,536	\$42,628
19	-	-\$103	\$7,846	\$7,744	\$50,372
20	-	-\$104	\$8,061	\$7,957	\$58,329
21	-	-\$3,855	\$8,281	\$4,426	\$62,755
22	-	-\$106	\$8,507	\$8,401	\$71,156
23	-	-\$107	\$8,739	\$8,632	\$79,788
24	-	-\$108	\$8,977	\$8,869	\$88,657
25	-	-\$109	\$9,222	\$9,113	\$97,770
26	-	-\$110	\$9,473	\$9,363	\$107,133
27	-	-\$111	\$9,732	\$9,620	\$116,754
28	-	-\$112	\$9,997	\$9,884	\$126,638
29	-	-\$113	\$10,269	\$10,156	\$136,794
30	-	-\$115	\$10,549	\$10,434	\$147,228
Totals:	-\$66,066	-\$6,735	\$220,029	\$147,228	-



PV System on Rooftop  
 Modules: SPR-E20-330-COM  
 Quantity: 52  
 System Size: 17.16 kW  
 Azimuth: 242°; Tilt: 18° (estimated)  
 \*Pending Site Survey\*